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TRANSPORTATION BRIEFING: Agency Grills Union Pacific on Delays

By Katrice Eborn / December 13, 2022 06:11AM ET / Bloomberg Government

In this year's first 10 months, Union Pacific imposed almost 900 temporary halts on shipments — more than the other major US railroads combined — to help head off or alleviate bottlenecks. Now the nation's rail regulator wants to know why.

Chief Executive Officer Lance Fritz is set to appear before the US Surface Transportation Board on Tuesday as it examines industry-wide snarls that have bedeviled shippers, even as railroads reward investors with dividends and buybacks. Union Pacific has emerged as an outlier, with its often-called service embargoes rising to 886 through October — surging from 662 for all of last year and just 27 in 2017. Congestion was cited as the reason all but a handful of times.



Union Pacific is by no means alone — all the large railroads operating in the US have struggled with on-time deliveries in an era where the pandemic triggered labor shortages and disrupted supply chains. But Union Pacific's interruptions "have a significant detrimental impact on the supply chain and the economy" because the company carries 27% of US rail freight and about 11% of all long-distance freight, the STB said. [Read more from Thomas Black.](#)

Hearing on Two-Person Train Rule: The Federal Railroad Administration will host a [public hearing](#) on Wednesday to allow for more comments on its [proposal](#) requiring at least two crew members on trains, Lillianna Byington reports. The proposal, which has gotten [pushback](#) from railroads but support from labor, has already received [more than 12,000 comments](#) in the Federal Register. The agency extended the comment period twice, and it now closes December 21.

Rail labor groups praised the agency for holding the hearing and called the proposed requirements a “fundamental safety issue,” in a [statement](#) on Friday. The labor groups said they plan to continue to pursue legislation and administrative action to target better conditions in freight rail, and that workers would rally in front of the Capitol on Tuesday.

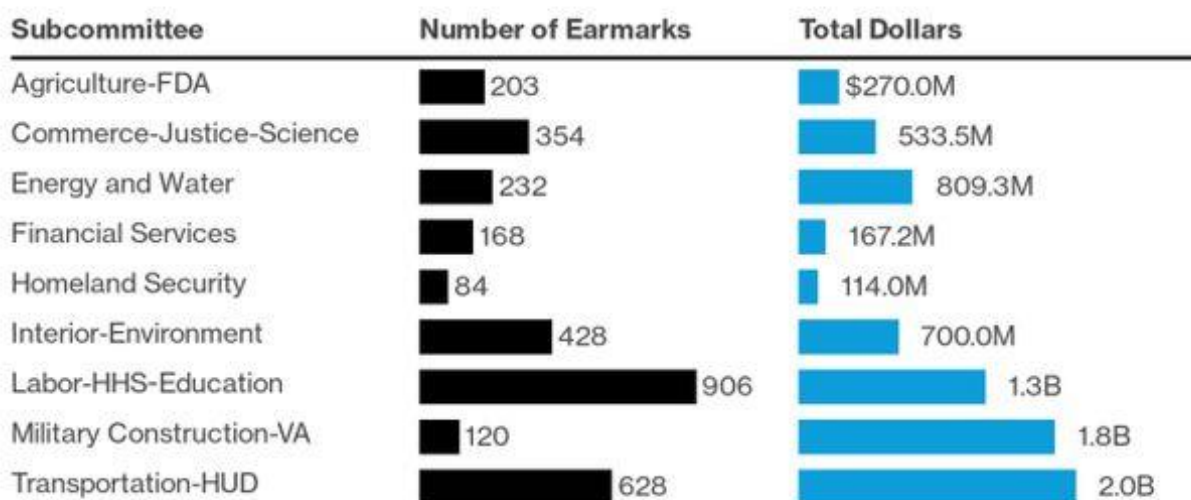
The proposed rule would only address about 1% of train accidents nationwide, specifically “those arising from human error on mainline track by freight operations that require a human solution to correct for human error,” according to a [report](#) from the Alliance for Innovation and Infrastructure. “We recommend that the agency withdraw the proposed rule, and consider a crew-size pilot program to settle the question in a controlled and robust data collection exercise,” said the alliance’s director of public policy Benjamin Dierker.

Happening on the Hill

Billions in Earmarks at Stake in Government Funding Talks: More than 7,500 earmarks totaling \$16 billion hang in the balance as lawmakers attempt to negotiate a government funding deal and avoid a year-long stopgap measure that wouldn’t dole out any funds to members’ favorite local projects. The Senate’s Transportation-HUD spending bill was the top destination for earmarks, including 628 projects totaling \$2 billion. [Read more from Jack Fitzpatrick and Andrew Small.](#)

- [Schumer Says Short-Term Spending Bill Needed As Talks Continue](#)

Senate Appropriations Earmarks by Subcommittee for FY2023



Source: Senate Appropriations Committee

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Notable Hearings:

- Senate Energy and Natural Resources Committee Tuesday will [examine](#) the Department of the Interior's implementation of last year's infrastructure law ([Public Law 117-58](#)).
- **BGOV Calendar:** [Click here to see this week's hearings.](#)

Bill Introduced Targeting Aviation Worker Shortage: A bipartisan pair of senators introduced a bill Monday aimed at addressing shortages with airplane pilots, mechanics and manufacturing workers, Lillianna Byington reports. The legislation, called the Aviation Workforce Development Enhancement Act, would boost annual spending for pilot and mechanic development grants and provide grant money for aviation manufacturing workforce development. It is co-sponsored by Sens. Tammy Duckworth (D-Ill.) and Jerry Moran (R-Kan.).

What Else to Know

Electrifying Entire Government Seen as Way to Slash Emissions: The federal government can significantly slash carbon pollution by 2030 through widespread electrification of buildings, vehicle fleets, and procurement—moving the country closer to the Biden administration's climate goals, a new study finds. A wholesale transition away from fossil-fuel-based appliances and cars, coupled with a national strategy that promotes rebates available through the Inflation Reduction Act ([Public Law 117-169](#)) would be powerful in curbing emissions, analysts from [Rewiring America](#) reported Tuesday. [Read more from Kellie Lunney.](#)

Treasury, IRS Issue Guidance on EV Tax Credits: The Treasury Department and the IRS provided further details for manufacturers and sellers on the electric vehicle tax credit eligibility under the Inflation Reduction Act, a maximum of \$7,500 only if the vehicle's final assembly occurred in North America. The release does not include proposed guidance for critical minerals and battery requirements, and the agencies will "explicitly identify" when they issue proposed guidance on these provisions. [Read more from Michael Rapoport and Erin Slowey.](#)

- **The guidance comes as LG Chem, one of the world's biggest chemical companies and a key producer of battery materials,** urged the Biden administration to clarify whether certain sourcing scenarios — such as processing minerals in the US from overseas mines, or from operations controlled by foreign companies — will run foul of the new law. [Read more from Heejin Kim and David Stringer.](#)
- **Also Monday, the Department of Energy announced a \$2.5 billion loan for Ultium Cells,** the joint venture between GM and LG Energy Solutions, to construct three lithium ion battery cell manufacturing facilities in Ohio, Tennessee, and Michigan. [Read more.](#)

TC Energy Hasn't Submitted Keystone Restart Plan: TC Energy has yet to submit a restart plan needed to resume operation of the Keystone pipeline, the Pipeline and Hazardous Materials Safety Administration said in a statement. The company is excavating the area of a spill that occurred last week to inspect damage to the line, according to Randy Hubbard, the county's emergency management coordinator. [Read more from Robert Tuttle](#)

- [Keystone Leaks More Oil Than Any Other Line in US Since 2010](#)

More Headlines:

- [DOT Announces Nearly \\$98 Million in Loans for Safety Improvements on VA's I-81](#)

- [GSA Awards \\$13.8M Contract to Design a New Land Port of Entry in Vermont](#)
- [NYC Subways Now Have Almost 400 Cameras Watching Train Cars](#)
- [GM Drivers' Claims Alleging Defective Airbag Software Fail](#)

With assistance from Lillianna Byington

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