Written by **Veronique de Rugy** on March 24, 2022

Joe Biden Says He Loves Trains — Not So Much

It's well known that Joe Biden — who regularly rode the Amtrak train between Wilmington and Washington as a senator and to his 2021 presidential inauguration — loves trains, always touting their environmental efficiency and value to the U.S. economy. Yet the Biden White House has been noticeably hostile to the variety of trains that play a far larger role in American life than the ones that carry passengers: trains that carry freight.

Worse, this animus may lead to a more dangerous industry and is aided by crony special interests poisoning policymaking and sowing uncertainty among investors.

Specifically, the president's team at the supposedly independent U.S. Surface Transportation Board (STB) just finished a marathon, two-day hearing on a controversial regulatory proposal. The idea would force private railroads to subsidize their own competitors and disregard their property rights through a burdensome regulatory change to what is known as forced "reciprocal switching" — the practice of allowing one carrier access to another's infrastructure and customers.

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Reciprocal switching already occurs voluntarily through private agreements between railroads. Now, the administration wants to give more power to Washington bureaucrats to force open these privately owned networks for use by competitors, and to offer below-market rates to shippers.

While the rule sounds like a backdoor price control, the government asserts that turning more control over to Washington will promote competition. Their argument is that the railroad industry acts like a monopoly. However, data from the Bureau of Labor Statistics shows that over the past few decades, freight rail rates have not significantly increased, a fact difficult to square with the claim that freight rail is abusing its position to charge its customers excessive prices.

More worrisome, my colleague Patrick McLaughlin makes a convincing case that mandated reciprocal switching would likely cause more railroad-worker accidents and casualties. In a public comment, he writes:

> Reciprocal switching would presumably lead to more switching. Data from the Federal Railroad Administration clearly show that switching work is far more hazardous than normal

> operation of an over-the-road freight train. For Class I railroads, the casualty incident rate in 2019 was 2.79 per 200,000 hours of normal train operation, whereas the casualty incident rate was 7.55 per 200,000 hours of switching operations.

Based on 2019 and 2020 accident incident rates, McLaughlin calculates that "a 1 percent increase in switching hours would lead to 107,185 additional switching hours, which would, in turn, lead to 4.18 additional casualties and 11.59 additional accidents." These assumptions are conservative.

To understand why something that sounds simple could be so dangerous, it's useful to know that a typical switch of one car between two railroads can be complicated — either on its own or in the context of broader network operations. Basically, the only time when it is worth taking on this heightened risk is when it makes economic sense, not when the government says it must be done.

The rule change is opposed by a large and varied number of interested parties. These include key allies of the administration such as labor unions, passenger train companies and environmentalists, as well as both libertarian and major Democrat-aligned think tanks. Call me a cynic, but under these circumstances, I wonder who the administration, via the intermediary of the Surface Transportation Board, is trying to please. Especially considering it would be doing it at the expense of its continually stated goals to reduce emissions and improve the supply chain.

The answer, as always, seems to be powerful special interests. In this case, it's shippers. The Rail Customer Coalition's letter to the STB makes it clear that they are trying to get the government to artificially deflate their costs. The hearing also demonstrated an uncomfortable chumminess between the regulators — particularly the agency's chair — and the ring of regulatory proponents led by multinational chemical companies. Indeed, as it has been from the beginning, the biggest cheerleader for the change is the powerful American Chemistry Council, which includes Delaware-based DuPont — a longtime political ally and campaign contributor of the president.

So here you have it: Once again, Washington is giving us every reason to believe it's selling favors to cronies even if it means worker safety, railroad efficiency, supply chains and the environment lose in the process.

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