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February 14, 2022

Surface Transportation Board
395 E Street SW
Washington, DC 20423

ENTERED
Office of Proceedings
February 22, 2022
Part of
Public Record

Docket No. EP 711 (Sub-No. 1)
RECIPROCAL SWITCHING

Dear Honorable Board Members:

Congress recently passed the Infrastructure Investment and Jobs Act, or the IIJA, bipartisan legislation that will help modernize America's infrastructure. Now being implemented, the law and its $1.2 trillion in investments will fortify the nation's transportation systems that we rely on to move goods and people, making them safer, less congested, and more reliable in the process.

"America is moving again, and your life is going to change for the better," said President Biden when signing the bill.

Significant dollars will be spent to strengthen multimodal freight facilities, including seaports and inland terminals. Certainly, the past two years have validated how important the free flow of goods is to the U.S. economy and consumers, and federal investments – alongside continued private spending – will hopefully make supply chains and their supporting infrastructure more resilient.

The sector you primarily regulate, freight railroads, will play a large role in America's infrastructure in the future. While generally privately financed, railroads will benefit from the grade crossing funds made available in the IIJA. So too will states and localities, as well as residents, who will hopefully have less at-grade interactions with railroads.

Importantly, U.S. railroads are an outlier in their high-quality infrastructure, earning the top rating across some 18 categories graded by the American Society of Civil Engineers (ASCE). While freight and passenger rail systems face unique challenges, freight railroads provide the infrastructure for most passenger rail operations outside of the Northeast.

"An efficient, well invested, national rail network allows people and businesses to cost effectively provide for better national mobility," says ASCE. "It allows U.S. business to be competitive in the global marketplace, provide better individual transportation options, and ultimately allow the nation's economy to prosper and grow."

With this in mind, we write regarding potential new "switching" regulations under consideration at the STB. While ensuring competition is vital, so too is fostering continued private railroad investments that lessen burdens on public infrastructure. Observers and past commentors on this issue note that a major change in policy could shift freight to highways, create inefficiencies, and dampen investment. This likely explains why constituencies ranging from Amtrak to UPS publicly opposed the STB's 2016 proposal.

Slowdowns in the freight rail sector would hinder passenger rail operations. They would also compel more truck movements that negatively impact roads and bridges. This scenario would not only undermine investments from the IIJA but would place an undue burden on states and localities responsible for maintaining and funding infrastructure systems.

As you move forward with your deliberations, we ask that you consider the potential for new regulation to divert freight and hurt passenger railroads.

Sincerely,

Jessica Jennings

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