

March 17, 2022

The Honorable Martin J. Oberman, Chairman
Surface Transportation Board
395 E Street SW
Washington, DC 20423

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March 17, 2022
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Dear Chairman Oberman and Members of the Surface Transportation Board,

We write to you with reference to the board's consideration of the proposed rule on forced reciprocal switching (EP 711-1).

From Long Island to Western New York, North Country – and everywhere in between – New York's 41 freight railroads support our state businesses and drive economic opportunity for New Yorkers. They transport a wide variety of goods from automobiles, chemicals, minerals, and energy products to agricultural grains, food fertilizers and feeds, lumber, paper forest products as well as stone, steel and other aggregates.

New York, with a vibrant industrial base and more railroads than all but five states, stands to endure a large share of the burden if the STB institutes a rule that would make the rail network less efficient. A range of voices have echoed concerns about the potential for forced reciprocal switching to disrupt rail operations, from major intermodal shippers like UPS to Amtrak to rail employees.

The issue is that all shippers, New York businesses and producers included, want to move their goods in the most cost-effective and efficient way. But the proposed rule essentially requires railroads to introduce inefficiencies across their networks, slowing service for most customers. The result will be shippers turning away from rail and toward highway options.

Furthermore, over the long-term, we are deeply concerned that the rule could greatly cut into capital spending by the railroads—capital spending that has a clear and significant impact in New York's communities. Healthy freight railroads are an affordable option for our shippers (rail rates today are about 43% less than they were in 1980 on average) and provide a number of public benefits, from decreased congestion and less wear and tear on taxpayer funded roadways to greatly reduced emissions over trucking.

Cutting emissions is certainly a goal of New York's state leaders, not to mention the Biden Administration. We also know that transportation, as the single largest source of greenhouse gas emissions in the U.S., is a critical area for improvement. Railroads, which move 40% of U.S. long-distance freight volume while contributing just 1.9% of transportation-related emissions, should be a partner on this front. The rule would certainly move us in the wrong direction.

Freight transportation is changing as ecommerce reshapes supply chains. Railroads face steep competition, not only from each other, but also from other modes. Likewise, U.S. freight demand is expected to grow 30% by 2040. The forced switching rule may provide some immediate benefit to a few favored shippers, but it would disrupt the most reliable piece of the supply chain right now and jeopardize the long-term viability of railroads across New York and the nation.

We urge the Board to oppose the proposed rule on forced reciprocal switching (EP 711-1).

Sincerely,

Joseph DeStefano
Assemblyman, District 3
New York State Assembly

David G. McDonough
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Joe Forgione
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CC: New York Congressional Delegation