

March 2, 2018

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Ms. Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

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Office of Proceedings
March 5, 2018
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Public Record

Re: STB Finance Docket No. 35743: *Application of the National Railroad Passenger Corporation Under 49 U.S.C. § 24308(A)—Canadian National Railway Company*

Dear Ms. Brown:

The National Industrial Transportation League (“NITL” or the “League”) hereby submits this letter in the above referenced docket, pursuant to 49 C.F.R. § 1117.1, based on the significant interests of its members who ship substantial volumes of commodities using freight rail service and who may be directly impacted by the outcome of this proceeding.¹ Founded in 1907, the League is one of the oldest organizations representing shippers and receivers of goods on issues concerning freight rail transportation and other transportation modes. The League regularly participates in Board proceedings representing the voice of the shipper community. The vast majority of the League’s rail members are the customers of U.S. and Canadian freight railroads who ship, receive and distribute raw materials and finished goods in a diverse group of industry sectors, including chemicals, petroleum, agricultural, forest products and paper, and intermodal, among others. The League’s rail shippers operate in extremely competitive

¹ Alternatively, the League’s letter may be submitted and accepted by the Board under 49 C.F.R. § 1112.4 based on the League’s strong interest in efficient freight rail service and the fact that consideration of this letter by the Board will not disrupt the schedule in this proceeding or broaden the issues under consideration.

commercial environments and they depend on efficient, reliable, and competitive rail service to meet their own “just in time” supply chain requirements.

NITL does not take a position on the specific proposals at issue in this proceeding. However, in weighing the proposals of the parties, NITL urges the Board to take into account the interests of the freight rail shipping community. Freight rail capacity and efficient rail service are vital to NITL’s members, their customers, and to the U.S. economy as a whole. A balanced approach to resolving the issues in this proceeding is necessary to serve both freight rail customers and rail passenger interests. The 1970 Rail Passenger Service Act, which created Amtrak and is the basis of this proceeding, provided that Amtrak be part of a “balanced transportation system.”² Similarly, a 1994 ICC Study states that Amtrak-host operating agreement proceedings require a “public interest balancing” in which the ICC, and now the Board, protects “the broader public interest in maintaining both the rail freight and passenger services,” given the “inherent tension in providing passenger service and freight transportation over shared track.”³ Adoption of proposals in this proceeding and any similar future proceeding that would dramatically alter the use of existing track capacity for the benefit of passenger service could significantly impair freight rail service. NITL members, thus, are concerned about the potential risks of constrained capacity and service delays that would adversely impact their supply chains and competitiveness.

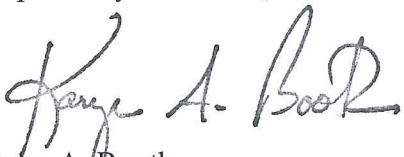
Based on the current projected growth of the U.S. domestic economy, it is reasonable to expect that this could lead to an increased demand for rail freight services at least with respect to

² P.L. 91, 518, § 101.

³ ICC, *Study of Interstate Commerce Commission Regulatory Responsibilities Pursuant to Section 210(a) of the Trucking Industry Regulatory Reform Act of 1994*, 1994 WL 639996, *41 (Oct. 25, 1994).

certain commodities in the foreseeable near-term.⁴ Therefore, NITL asks the Board to carefully weigh the impacts of any proposed service changes that may occur as a result of this proceeding on freight rail service which would adversely impact the vital interests of NITL members and their customers who require efficient and reliable freight service.

Respectfully submitted,



Karyn A. Booth

Counsel for the National Industrial Transportation League

cc: Kevin Sheys, counsel for Amtrak
David Hirsh, counsel for Illinois Central R.R. Co. and Grand Trunk Western R.R.

⁴ See <https://www.kiplinger.com/article/business/T019-C000-S010-gdp-growth-rate-and-forecast.html> (predicting solid GDP growth in 2018 at 3.0%) and <https://www.frbatlanta.org/cqer/research/gdpnow.aspx> (Atlanta Federal Reserve Bank forecast of 3.5% GDP growth for 1st quarter of 2018).
