



C3 SOLUTIONS



THIRD WAY

Surface Transportation Board
395 E Street SW
Washington, DC 20423

February 14, 2022
303853

RE: Proposed Rule on Reciprocal Switching (Docket No. EP 711_1)

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Office of Proceedings
February 14, 2022
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Dear Chair Oberman, Vice Chair Schultz, and Members Fuchs, Hedlund, and Primus:

While long evident to subject matter experts like your agency, the COVID-19 pandemic has made clear to all Americans that the transportation sector—especially the freight component—is critical to the nation’s economy. Our country’s integrated transportation system, involving trucks, railroads, barges, planes, and pipelines, has been put to the test and, despite supply chain challenges, has weathered unprecedented demand. Both the public and private sectors should be commended for their resilience.

The uptick in domestic cargo movements, intensified by a shift in spending from services to goods, also illuminates the reality that transportation is the largest source of U.S. carbon emissions, more than the industrial and electricity sectors. Prior to the pandemic, freight emitted 570 million metric tons of CO₂, contributing to 30% of total transportation emissions.

Even as manufacturers expand production of electric passenger and freight vehicles, near-term growth in freight movements assuredly means increased environmental impacts. Projections show that, between 2020 and 2050, U.S. freight activity will grow by 50% in tonnage. The International Energy Agency also estimates that oil demand from trucking alone will grow by 25% by 2040.

The industry you regulate—railroads—currently offers the most environmentally friendly way to move goods over land. In a 2021 memo analyzing data from the Bureau of Transportation Statistics, one of the signatories of this letter, the think tank Third Way, wrote, “As of 2018—the most recent year for which data is available—rail emitted 0.048 pounds of GHG per ton-mile of freight moved, the lowest emissions per ton-mile of any mode typically used to move freight.”

The Environmental Protection Agency reports that railroads, which carry more than one-third of U.S. freight (as measured by tonnage), contribute less than 1% of total U.S. greenhouse gas emissions and just 1.9% of transportation-related emissions. While the industry must continue to make progress to decarbonize and lessen its impact on communities, it’s important to recognize the benefits the industry currently provides to U.S. businesses, the environment, and society, as well as its continued infrastructure investments.

Thus, we urge caution as you consider new regulations that will impact how railroads operate, including the issues to be addressed at the March 15th and 16th hearing on “reciprocal switching.” As numerous members of Congress wrote to your agency in 2021, “the STB should thoughtfully

and thoroughly consider the impacts of its regulatory actions to ensure that freight railroads can continue to meet their customers' evolving needs in a dynamic transportation market and that freight traffic is not ultimately diverted onto less efficient and environmentally friendly modes of transportation.”

Given the two most-cited repercussions of market intervention in rail are disinvestment and inefficiencies, we share many of the same concerns as these lawmakers. Should any new regulation cause new bottlenecks, which the Biden administration and the rail industry are already working together to alleviate, freight could shift to more carbon-intensive modes of transportation.

As you move forward with your deliberations, we hope you take these concerns into consideration and think long term about the need for environmentally efficient transportation.

Sincerely,

ConservAmerica

Conservative Coalition for Climate
Solutions (C3)

National Wildlife Federation

Third Way