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February 14, 2022

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

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Dear Chairman Oberman and Members of the Surface Transportation Board,

We write today to share our serious concerns about harms Texas will experience if the Surface Transportation Board approves a proposed rule on forced reciprocal switching (EP 711-1). We want to make sure you are aware of our views on this matter prior to the Board's March public hearing.

Contrary to the assertions of interest groups promoting this unnecessary new federal regulatory scheme, while the proposal may provide some immediate benefit to a few favored shippers, it would be extremely damaging to rail-served communities and businesses in Texas and all across the nation over the long term.

Forcing railroads to open their tracks to competitors at potentially below-market rates and without any showing of competitive abuse would have broad negative impacts on train operations. Because our freight rail system is comprised of a complex, integrated network, these disruptions will reverberate throughout the system. The resulting harms to rail efficiency and productivity would also undermine the ability of railroads to earn enough capital to continue historically high levels of reinvestment in the rail network, thus further imperiling rail service for most shippers and communities.

The railroad industry has played a vital role in our state's history, economy and regional industrial advancement. Texas is by far the largest freight railroading state with 54 railroads operating over 10,500 miles of track moving over 320 million tons of cargo annually. Railroads connect ports across the Texas Gulf Coast allowing American goods access to international markets. Houston and Dallas-Fort Worth are two of the largest railroad nexuses in the country with dozens of railyards, intermodal facilities, and rail-transportation investments. Hubs like San Antonio, Amarillo, Austin, Temple, El Paso, and Abilene play a key role in the state's rail network while giving manufacturers, oil and gas, and agricultural operations many transportation options.

Of Texas' 254 counties, 208 feature rail access giving local communities, rural economic operations, and industrial parks access that few other states enjoy. Of the eight international connections between the U.S. and Mexico, six are located in Texas including the five busiest (El Paso, Del Rio, Eagle Pass, Laredo, and Brownsville) making Texas the center of rail-based trade between our two countries. Finally these routes support passenger rail service across the state making this system an integral part of a multimodal network that moves both people and freight. This system also helps reduce congestion and pollution by removing vehicles off of our already overcrowded highways.

Throughout the COVID-19 pandemic and in the face of continuing supply chain upheaval, railroads have proven to be uniquely nimble, resilient partners in America's interconnected transportation

network. What has set railroads apart is their consistently high level of investment in infrastructure, technology and operations coupled with continuous innovation to meet the evolving needs of their customers.

Forced switching would undermine railroad efficiency and investment, exacerbate current supply chain challenges and threaten the long-term health and sustainability of the rail network. We urge you to reject this proposed new rule.

Sincerely,

The Borderplex Alliance

Dallas Regional Chamber

Lubbock Chamber of Commerce

Hon. Trent Ashby
State Representative
Texas House District 57

Hon. Manuel Baeza
Mayor
City of Marfa

Steve Bearden
Port Director & General Manager
Port Isabel-San Benito Navigation District

Hon. David Blackburn
County Judge
Bell County

Sergio Contreras
President & CEO
Rio Grande Valley Partnership

George Davis
Interim CEO
Port Arthur Economic Development Corp.

Hon. Andy Eads
County Judge
Denton County

Hon. Charles Ellison
County Judge
Robertson County

Brandom Gengelbach
President & CEO
Fort Worth Chamber of Commerce

Hon. Allison Harbison
County Judge
Shelby County

Hon. Sam Harless
State Representative
Texas House District 126

Hon. Roger Harmon
County Judge
Johnson County

Tonya Keesee
Executive Director
Plainview Chamber of Commerce

Peter LeCody
President
Texas Rail Advocates

Gene Lindgren
President & CEO
Laredo Economic Development Corp.

Hon. Oscar Longoria
State Representative
Texas House District 35

Larry Martinez
Executive Director
Alice-Jim Wells County Econ. Dev. Corp.

Paul Mayer
CEO
Garland Chamber of Commerce

Hon. Sara Post Meyer
Mayor
City of Cuero

Hon. Tan Parker
State Representative
Texas House District 63

Douglas Peters
President & CEO
Abilene Chamber of Commerce

Hon. Hugh Shine
State Representative
Texas House District 55

Hon. Chris Turner
State Representative
Texas House District 101

Tiffany Melvin
President
NASCO Network

Hon. Robert Newsom
County Judge
Hopkins County

Richard Perez
President & CEO
San Antonio Chamber of Commerce

Hon. Patrick Rios
Mayor
City of Rockport

Hon. Oscar Trevino
Mayor
City of North Richland Hills

Chris Wallace
President & CEO
North Texas Commission