

50 F Street, NW Suite 500 Washington, DC 20001 aslrra@aslrra.org www.aslrra.org

Contact: Amy Krouse akrouse@aslrra.org (Cell) 312-371-6947 (Direct) 202-585-3438

ASLRRA TO STB: CRITICAL SHORT LINE SERVICE WOULD SUFFER IF RECIPROCAL SWITCHING IS APPLIED

Short Line Industry Representatives Testify During March 15 and 16 Hearing

WASHINGTON – March 16, 2022 Today, three experts on short line railroading and representatives of the American Short Line and Regional Railroad Association (ASLRRA) testified before the Surface Transportation Board (STB) in a hearing concerning Docket No. EP 711 (Sub-No. 1), a notice of proposed rulemaking (NPRM) on reciprocal switching first introduced in 2016. Chuck Baker, president of ASLRRA, led the testimony. He was joined by David Clarke, retired director of the Center for Transportation Research at the University of Tennessee-Knoxville, and Doc Claussen, Chairman of ASLRRA's Board of Directors and Vice President of ASLRRA member Gulf and Ohio Railways. The oral testimony followed the previous submission of <u>written comments</u> and <u>written testimony</u>.

The speakers expressed opposition to the proposed reciprocal switching rules, arguing that such regulations stand to make freight railroading less efficient, complicate routing, and decrease rail network infrastructure investments. If the Board does create such a rule, the speakers argued that the rule should continue to exclude all traffic served by short lines and offered wording suggestions to fully clarify that exclusion.

"Short lines are opposed to this rule because we are concerned that it will add unnecessary handoffs and complexity into the network and drive deteriorating service for customers. These unintended adverse effects could lead to diminished capital investments in the freight rail network, and risk progress toward an integrated, resilient, safe and ever more environmentally-friendly freight rail network ready to handle the growing demands of our country," said Chuck Baker, President, ASLRRA.

"While short lines often consider themselves 'shipper representatives' and can see where the desire for this rule came from, we see this proposed rule as counterproductive and likely to cause more harm than good. We believe that the existing suite of STB remedies is sufficient to handle problematic cases and that the current balanced regulatory structure has resulted in the world's premier freight rail network."

"If a rulemaking does proceed, short lines must continue to be fully excluded. Given the economics of a typical short line, that short line's status as a viable entity would be put at risk if a forced reciprocal switch were to significantly impact its revenue from a major customer. Short lines provide high-touch customized service to a comparatively small number of customers, while facing pervasive competition from trucks, barges, and transloading operations for their freight traffic due to their typically short lengths of haul. There is no need for a reciprocal switching rule that would affect short line traffic, and the costs of such a rule for society would far outweigh any benefits."

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About ASLRRA - The American Short Line and Regional Railroad Association (ASLRRA) is a non-profit trade association representing the interests of the nation's 600 short line and regional railroads and railroad supply company members in legislative and regulatory matters. Short lines operate 47,500 miles of track in 49 states, or approximately 29% of the national railroad network, touching in origination or termination one out of every five cars moving on the national railroad system, serving customers who otherwise would be cut off from the national railroad network. www.aslrra.org