

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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DOCKET NO. EP 704 (Sub-No. 1)

REVIEW OF COMMODITY, BOXCAR AND TOFC/COFC EXEMPTIONS

**COMMENT OF THE
AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION
SUPPORTING A REQUEST FOR TECHNICAL CONFERENCE**

ASLRRA is a non-profit trade association representing the interests of approximately 600 short line and regional railroad members and railroad supply company members in legislative and regulatory matters. Short lines operate 50,000 miles of track in 49 states, or approximately 30% of the national freight network, connecting manufacturers, businesses and farmers in communities and small towns to larger markets, urban centers, and ports. Our railroad members operate in 49 states and in some cases account for the state's entire rail network. Class II and III railroads play a vital role in maintaining rail service over hundreds of miles of light density lines throughout the country that in many cases were candidates for abandonment by their former Class I owners. These small railroads have short lengths of haul, high fixed costs, and large capital needs for infrastructure investment, including the task of upgrading bridges and track to handle heavier freight cars. They also face pervasive competition from trucks, barges, and transloading operations for freight traffic.

On September 30, 2020, the Surface Transportation Board (STB or Board) issued a decision requesting comments on an approach developed by Board staff "for possible use in considering class exemption and revocation issues," including in considering whether to revoke existing class exemptions for: "(1) crushed or broken stone or rip rap; (2) hydraulic cement; (3) coke produced from coal; (4) primary iron or steel products; and (5) iron or steel scrap, wastes, or tailings." Decision, *Review of Commodity, Boxcar, and TOFC/COFC Exemptions*, EP 704 (Sub No. 1), at 1 (STB served Sept. 30, 2020). The new approach's stated aim would be to attempt to evaluate market conditions for the transportation of particular commodities, "taking into account

a variety of metrics related to or indicative of rail transportation competition” and “a variety of new quantitative and qualitative data and analyses.” *Id.* at 6.

On November 3, 2020, the Association of American Railroads (AAR), pursuant to 49 C.F.R. § 1117.1, filed a request that the STB schedule a staff supervised technical conference concerning the Board’s request for public comment on this complex new approach for evaluating market conditions in the railroad industry. AAR stated that “a technical conference would provide an important opportunity for Board staff to clarify and discuss the approach and its methodology with stakeholders in advance of formal comments.” ASLRRA supports AAR’s proposal for a technical conference in this proceeding. The conference would provide an opportunity for STB staff to further explain the proposed methodology, respond to questions from stakeholders, and identify potentially beneficial analyses and evidence. Specifically, a technical conference would provide ASLRRA and its member railroads with the opportunity to learn directly from STB staff how it is envisioned that this approach would have the potential to impact the short line railroad community.

We support the AAR proposal and respectfully request that the Board schedule a technical conference with sufficient notice to all stakeholders for meaningful participation.¹

Respectively submitted,



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¹ ASLRRA will separately file a petition requesting that the Board extend the deadlines for opening and reply comments in response to the Board’s proposed approach by 60 days.