

RESERVE MANAGEMENT GROUP

February 11, 2022

Hon. Martin Oberman
Chairman
Surface Transportation Board

Hon. Robert Primus
Vice Chairman
Surface Transportation Board

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Hon. Patrick Fuchs
Member
Surface Transportation Board

Hon. Michelle Schultz
Member
Surface Transportation Board

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Hon. Karen Hedlund
Member
Surface Transportation Board

Re: Proposed Rule on Reciprocal Switching (Docket No. E P 711-Sub No.1)

My name is Mark A. Weintraub and I am the General Counsel for Reserve Management Group. Reserve Management Group provides safe, responsible and sustainable recycling solutions for our customers and the environment. Reserve Management Group strongly supports the adoption of the Board's proposed reciprocal switching rules that will help facilitate greater rail competition. My company has approximately 18 facilities in 10 states and no less than five (5) facilities that are served by a single class I rail carrier. These facilities are subject to substantially higher rail rates and less reliable service than our facilities that have rail competition.

Rail service is a critical component of our business, and of the recycling industry at large. Our efforts as a metals recycler provide responsible environmentally sustainable solutions that reduce carbon emissions. Many of our customers require delivery via rail, some of which requiring just in time delivery. Although rail provides us the opportunity to travel further distances, many customers closer to our locations require rail delivery due to the sheer volume of product we supply to them. For example one rail car of material takes 5 truckloads off the road. That is a significant reduction in diesel fuel emissions. Quality rail service has the potential to greatly reduce the nation's carbon footprint.

For some time now, service from a certain class I rail carrier has been indescribably terrible. Historically, we are responsible for 5,000 moves on this particular class I rail carrier. We have reported the lack of service to the STB and, in turn the STB has been very responsive. However, we have seen no improvement in service, not even a minor improvement. Those 5,000 rail car moves take 25,000 truckloads off the road.

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We applaud the Surface Transportation Board's ("STB") decision to proceed with this rulemaking and agree that new switching rules are needed. The Staggers Act of 1980 specifically empowers the STB to grant reciprocal switching when it is in the public interest or necessary to provide competitive rail service. The Board's existing rules impose such high regulatory hurdles that no shipper has ever been able to successfully request switching.

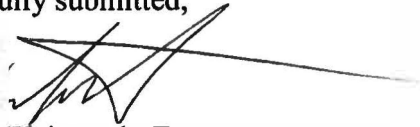
The rail industry today is vastly different than the industry of the 1980s and there are far fewer competitive options. The Board's recent Annual Rail Rate Index Study shows that since 2004, real rail rates (adjusted for inflation) have increased by 30%. Many shippers remain captive to their railroad, even when reciprocal switching could help relieve railroad service disruptions and congestion.

Based on the extensive evidence already submitted in this proceeding, we believe reciprocal switching can be implemented without compromising railroads' ability to invest in the rail network or harming service for other rail customers. The proposed case-by-case approach allows the Board to appropriately consider the interests of all stakeholders based upon the facts of each individual switching request.

We encourage the Board to finalize reciprocal switching rules that will provide shippers with greater access to competitive rail options. This would help create a more responsive and competitive freight rail system.

We appreciate the Board's consideration of this letter.

Respectfully submitted,



Weintraub, Esq.