

February 14, 2022

The Honorable Martin J. 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,

As you consider the issue of rail reciprocal switching, we wanted to offer perspective from the local level in Nevada. We led the nation in 2021 for GDP growth and this trend is poised to continue. But our economic future relies on partners across the economy, including the freight railroads that have helped us attract new warehousing, distribution, and manufacturing operations.

It is our concern that forced switching as proposed in EP 711-1 would imperil the efficient rail service that Nevada shippers (and beyond) rely on, and lead to disinvestment across the rail network.

As the supply chain has strained in recent months, railroads have remained a steady conduit for freight. This characterization is echoed in research from the Northwestern University Transportation Center, which found that railroads have been nimble in responding to demand shifts throughout the pandemic.

The rail network's resiliency—its ability to serve customers and compete with other modes—hinges on railroads' ability to pay for the upkeep of their infrastructure. That's because freight railroads in the U.S. are self-funded, reinvesting nearly 40 cents of every revenue dollar back into tracks and operations. When BNSF or UP spend millions to upgrade the track between Winnemucca and Golconda or replace 100,000 ties between North Las Vegas and Utah, it positions Nevada industry for success.

But policies that disrupt freight rail service and jeopardize the long-term health of rail lines could stymie Nevada's explosive economic growth. Mandated switching—requiring one railroad to open its private infrastructure up to a competitor railroad—is such a policy. Rail labor groups, passenger railroads, several major shippers, and many other local and state leaders from Nevada are also on record expressing their concern about introducing more instances of reciprocal switching across the rail network.

A single car switch, for example, might take as many as 68 separate operations and six days to complete. It's clear how widespread switching could lead to massive inefficiencies across the rail network that then aggravate existing supply chain challenges.

An additional factor to consider is the potential harm to Nevada's passenger rail expansion efforts, which were outlined last year when the state adopted a new rail plan. Amtrak opposed mandated switching when it was last considered in 2016 because of the potentially disruptive impact on its routes hosted by freight carriers, like the California Zephyr in Nevada.

Due to our geography and political will to boost economic development, Nevada is primed to become the next logistics powerhouse. That's why state leaders are looking increasingly to self-funded freight rail to help meet industrial development goals. And rail is not only sustainable in its funding, it's the greenest way to move freight over land. Trains in our state already reduce annual greenhouse emissions by 514,000 tons, and as freight capacity increases, it's important for our residents that emissions continue to decrease.

Communities across Nevada benefit from robust rail infrastructure that efficiently serves customers and helps provide a support to the economy we're building in the Silver State. We ask that you reject a switching mandate that could worsen rail service, undercut private spending, and slow our economic growth.

Sincerely,

Stavros Anthony
Mayor Pro Tem
City of Las Vegas

Amy Miller
Director of Business Development
Northern Nevada Development Authority

Wayne Cameron
Executive Director
White Pine Chamber of Commerce

Paul Miller
Executive Director
Southwest Central Regional
Economic Development Authority

Economic Development Authority of
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Sheldon Mudd
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Michelle Fiore
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Brian Knudsen
Councilman
City of Las Vegas

Timothy Sutton
County Manager
Nye County

The Las Vegas Chamber of Commerce

CC: Members of the Nevada Congressional Delegation