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Minority Caucus Chairman



Senate of Pennsylvania



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EP 711 (Sub-No. 1)
303975

ENTERED
Office of Proceedings
February 22, 2022
Part of
Public Record

February 7, 2022

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

Dear Chairman Oberman and Members of the Surface Transportation Board,

As local leaders from Pennsylvania, which is home to more railroads than any other state, we wanted to convey our opposition to the proposed rule on reciprocal switching (EP 711). The Commonwealth is home to 61 individual freight railroads that connect our manufacturers, farmers, and natural resources to domestic and foreign customers. Combined, these railroads moved over 200 million tons of freight across Pennsylvania in 2019 – the equivalent of 11 million trucks.

In addition to the nearly 6,000 direct railroad employees across Pennsylvania, a robust network of rail supply companies employ fellow Pennsylvanians at local companies that provide everything from crossties, steel and concrete to the locomotives and safety automation technologies needed to run a railroad.

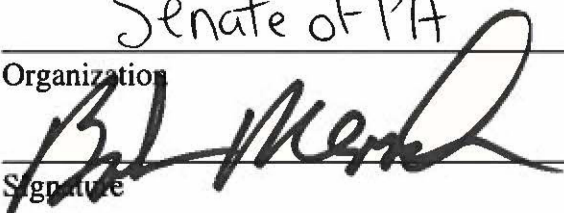
We describe Pennsylvania's close relationship with railroading to help explain our opposition to mandated switching, a policy that in practice would make our rail network less efficient and less reliable. The supply chain, as you know, is working overtime to meet record demand and recover from ongoing disruptions. What has received less attention is the steady performance of railroads—the middle miles between port and truck—amid these problems. Rail carriers quickly adapted to unpredictable spikes in demand at the end of 2020 and early 2021, moving more intermodal in the first half of 2021 than any similar time frame.

This resiliency is an important point because, as researchers from the Northwestern University Transportation Center recently said in a report, railroads can help lead logistics in the face of a volatile future. Railroads have built vast networks capable of adaptive change through their unparalleled private investments (spending roughly six times more than the average U.S. manufacturer). It's hard to understate for Pennsylvania the impact of this spending, from the rail suppliers like Wabtec Corporation working on ground-breaking battery locomotive technology to

the thousands of businesses that utilize rail to stay competitive. But mandated switching could erode rail's resiliency and ability to invest over time.

A policy that requires one railroad to cede traffic and revenues to its competitor, despite the vast amounts of capital it has spent to maintain and improve its property, will clearly have a chilling effect on continued spending. Without continued investment, infrastructure quality will suffer, and the effects will be felt across the entire rail network and supply chain. Freight railroads are not the only voices objecting to increased switching. Major shippers like UPS and Hub Group have expressed concern about the service implications for rail customers. Amtrak has similarly stated that it is particularly concerned that reciprocal switching would adversely impact its northeast corridor service from Washington to Boston as well as Amtrak-owned lines to Harrisburg.

As the largest railroading state in the nation, Pennsylvania and its communities stand to bear a larger share of the negative economic consequences of mandated switching were this rule to be passed. We appreciate your attention and ask that you reject the proposed rule. Sincerely, CC: Members of the Pennsylvania Congressional Delegation Please add the name / organization below to this group letter, which will be delivered to the Surface Transportation Board while copying members of the state congressional delegation.

Name	<u>Bob Mensch</u>	Title	<u>State Senator 24th</u>
Organization	<u>Senate of PA</u>		
Signature		Date	<u>2/3/2022</u>

Sincerely,



Bob Mensch
State Senator, 24th District
Majority Caucus Chair

BM/ld