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From: Kathy Zander <kathy@sdaba.org>
Sent: Friday, February 11, 2022 2:31 PM
To: Oberman, Martin <[REDACTED]>
Subject: Proposed Rule on Reciprocal Switching (Docket No. EP 711)

Dear Chairman Oberman,

On behalf of the 600 members of the South Dakota Agri-Business Association,

I strongly support the adoption of the Board's proposed reciprocal switching rules that will help facilitate greater rail competition. My company has facilities that are served by a single class I rail carrier. These facilities are subject to substantially higher rail rates and less reliable service. The nation's agricultural industry heavily depends on the railroads to deliver reliable and affordable services.

I 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, I believe reciprocal switching can be implemented without compromising the 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.

I 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.

Thank you for the Board's review and consideration of these comments.

Sincerely,

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