

March 14, 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,

Thank you for your careful consideration of the proposed rule on reciprocal switching (EP 711-1). We wanted to share a local perspective from Minnesota and outline our opposition to mandated switching on our rail network.

Nineteen railroads—four Class I carriers and 15 short lines—connect Minnesota companies, farms, mines and manufacturers to the global economy. A 2016 study found that freight railroads are responsible for \$40 billion of Minnesota's state GDP and support 7% of Minnesota employment—a quarter of a million jobs. We have more than 4,000 track-miles, the eighth-largest rail network in the nation. Unlike many states, where rail serves only a portion of the state, all but four counties in Minnesota has an operational railroad.

Policies that disrupt the reliability of our freight rail corridors would disadvantage Minnesota's rail shippers, driving consumer costs and inflation higher. Mandated switching is akin to mandated inefficiency. It would aggravate existing supply chain tumult and push shippers toward less efficient options (over-the-road freight) for goods movement.

Over the long term, this rule would make it harder for railroads to earn enough revenue to invest adequately in their infrastructure. The public benefits provided to Minnesota by rail—local economic growth, less congestion and wear on public roadways, and fewer emissions—stem directly from rail companies' private spending.

Railroads have been a stalwart of the supply chain amid recent challenges, responding well to rapid shifts in demand throughout the pandemic according to the Northwestern University Transportation Center. They are also the most carbon-friendly way to move freight over land, preventing the emission of over 9 million tons of greenhouse gases in Minnesota annually. From this perspective, it makes little sense to impose a rule that could threaten such a reliable and efficient arm of the supply chain.

Freight rail adds more than \$5,000 to the average Minnesota household's income annually, according to a 2016 study. We are concerned that this positive impact would be eroded by a policy that constricts future investment into our rail lines. Especially as innovation is increasing competition in the transportation sector, mandated inefficiency will just push freight to other modes.

Communities across Minnesota that benefit from robust freight railroads would be negatively affected if the reciprocal switching rule is passed.

We appreciate your attention to our concerns.

Sincerely,

William H. Droste  
Mayor  
City of Rosemount

Jason Franzen  
Councilmember  
City of Delano

John Heinrich  
Representative, District 35A  
Minnesota House of Representatives

Loram Maintenance of Way, Inc.

Randy Maluchnik  
President  
Southwest Corridor Transportation Coalition

Richard C. Sanders, PE  
County Engineer  
Polk County

Christopher Shoff  
Commissioner  
Freeborn County

Scott Schulte  
Chairman, Board of Commissioners  
Anoka County

CC: Minnesota Congressional Delegation