

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:

The railroad industry plays a vital role in our state's economy and regional industrial advancement. New Jersey's key location and vast transportation assets—including seaports, airports, and highways—make railroads indispensable for the movement of goods, and a key driver of regional economic growth.

Freight rail is also a critical connector for the Port of New York & New Jersey, the East Coast's busiest port. The recently completed fourth ExpressRail at the Port Jersey-Port Authority Marine Terminal is part of the port's larger \$600 million investment into building and growing its ExpressRail system that helps multiple railroad partners move freight from the congested East Coast to Midwestern and Eastern Canadian markets.

Rail is one of New Jersey's economic advantages, and one we must continue to foster as supply chain problems persist, our economy regains ground, and we seek to lower emissions. But we are concerned that the Board's proposed rule on mandated reciprocal switching (EP 711-1) would, in fact, undermine the rail network that we seek to strengthen.

New Jersey's 20 freight railroads (more than many larger states can boast) move enough freight from, to, or through the state annually to displace 3 million heavy truckloads. Freight trains not only connect New Jersey businesses to markets across the nation and globe on networks that they pay for privately, they also decrease congestion levels and wear and tear on taxpayer-funded roadways. Further, we host a robust passenger and commuter rail network moving tens of thousands of passengers daily.

Therefore, any policy that negatively impacts the fluidity of the rail network would have an outsized impact in New Jersey, damaging communities and businesses across the state. Our concern is that the rule would have broad negative impacts on train operations and that the resulting harm to rail efficiency and productivity would also undermine investment in the rail network. The long-term outcome for New Jersey would be shippers with fewer options—driving up costs and inflation—and increases in congestion, roadway wear, and noxious emissions.

Mandated switching would also undermine our state's progress on strengthening freight and intermodal corridors. The Port of New York and New Jersey, for example, has undertaken major projects to increase its intermodal capacity. But according to the Intermodal Association of North America, forced switching

would lead to “a deterioration in domestic intermodal service” and subvert rail’s ability to compete with trucking.

Railroads have served as the steady middle miles of our transportation network amid ongoing supply chain problems. Mandated switching would erode this resiliency, exacerbating supply chain challenges in the near term, and threatening the health and sustainability of the rail network in the future. We urge you to reject this proposed new rule.

Sincerely,

Patrick J. Diegnan Jr.
Chair, Transportation Committee
New Jersey Senate

Gordon M. Johnson
Senator, District 37
New Jersey Senate

Michael A. Egerton
Executive Vice President
New Jersey State Chamber of Commerce

Matthew D. Kuiken
Vice President of Operations
Kuiken Brothers Company, Inc.

Chip Hallock
President & CEO
Newark Regional Business Partnership

Angela McKnight
Assemblywoman, District 31
New Jersey General Assembly

Jack Holland
Chairman & CEO
Holland Manufacturing Co.

Len Resto
Councilman
Chatham Borough Council

James W. Holzapfel
Senator, District 10
New Jersey Senate

CC: New Jersey Congressional Delegation