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March 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 may be aware, Kansas is one of the leading freight rail states in the country. In many ways Kansas was built on the railroads. Cities like Kansas City, Wichita, Topeka, and Hutchinson have been important rail hubs for over a century. Across the state, 16 railroads operate on the sixth largest state rail network in the U.S., hauling 327 million tons of freight annually. This network supports Kansas businesses and economic development, facilitating the movement of consumer goods, chemicals, agricultural products, and many other cargoes across our state and the North American rail network.

With freight demand expected to grow 30% nationally by 2040, all modes of transportation will be asked to move more. While other modes will seek federal funding to meet growing demand, freight railroads operate almost exclusively on infrastructure they own, build, maintain, and pay for themselves – investing an average of \$25 billion annually back into the national rail network.

We write today to urge the Board to oppose the proposed rule on forced reciprocal switching (EP 711) as it would undermine the Kansas rail network and harm the businesses and communities that benefit from moving freight by rail.

Today, rail removes more than 18.2 million truckloads annually from Kansas roadways, reducing greenhouse gas emissions as well as the burden on taxpayers who fund roadway maintenance. Indeed, increased rail service will help bring the nation closer to an environmentally sustainable logistics system, as transportation is the single largest source of greenhouse gas emissions in the U.S., accounting for 27% of total emissions according to the EPA. But rail contributes just a fraction of these emissions, less than 2%, while moving 40% of U.S. long-distance freight volume (measured by ton-miles).

Freight railroads are also an American success story and provide a valuable lesson in the transformational impact of smart regulation. Since railroads were able to enter the private marketplace in 1980, they've reinvested \$740 billion in private capital back into their infrastructure while holding rates shippers pay for rail service at an average 43% lower than they were in 1981 (when adjusted for inflation).

Mandated switching could upend this trend of success. Railroads purposely concentrate and move traffic along certain routes to maximize operational efficiencies and network fluidity. Their routing practices, honed over decades, consider the health and operation of the entire network, which benefits all customers.

Removing network and switching control from the railroads will compromise efficiency, increase delivery times, and negatively impact a logistical network that is currently struggling to meet demand.

With truck driver shortages and congestion at ports nationwide struggling to process freight, why risk disrupting the one component of the logistics system that is currently working?

Businesses across Kansas rely on swift, predictable shipping options to meet their customers' requirements. By forcing railroads to comply with reciprocal switching regulations, the STB is likely to jumpstart a chain reaction that constricts rail service and business activity at a time when the nation is struggling to recovery from the pandemic.

We urge the Board to oppose the proposed rule on forced reciprocal switching (EP 711). In short, policies that are good for freight rail are good for our communities, our environment, and the economic growth of Kansas.

Sincerely,

Greater Kansas City Chamber of Commerce

Clark Balderson
Owner & CEO
Dymax, Inc.

Ashley L. Bettis
President
PTMW, Inc.

Hon. Pam Curtis
State Representative, District 32
Kansas House of Representatives

Hon. Steven Howe
State Representative, District 71
Kansas House of Representatives

Hon. Les Mason
State Representative, District 73
Kansas House of Representatives

Pam Stevens
Executive Director
Newton Area Chamber of Commerce

Kansas Legislative Policy Group

Blake Benson
President
Pittsburg Area Chamber of Commerce

Bruce Chladny
Executive Director
Kansas Association of Counties

Daron Hall
City Manager
City of Pittsburg

Hon. Martin Long
State Representative, District 124
Kansas House of Representatives

Tracey Osborne Oltjen
President & CEO
Overland Park Chamber

Jack Wilson
Vice President of Sales
RailWorks Corporation

CC: Members of the Kansas Congressional Delegation