

March 15, 2022

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

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Dear Chair Oberman, Vice Chair Schultz, and Members Fuchs, Hedlund, and Primus:

Operating across a 3,000-mile network, Virginia's 10 freight railroads support nearly 4,000 direct rail jobs and link commonwealth farmers, manufacturers, port operations and consumers to markets near and far. Nearly seven miles of on-dock rail connect the Port of Virginia to 16 Midwest and Southeast inland ports, and rail is critical to expansion plans at the port, which is itself linked to nearly 10% of Virginia's workforce.

Freight railroads also benefit everyday Virginians by taking over 7 million truckloads off our roads annually, preventing the emission of 3.33 million tons of greenhouse gases, and churning billions of private dollars each year into their infrastructure. It is for this reason that state leaders have embarked on major projects to increase rail usage and efficiency.

It is our concern that the reciprocal switching rule under consideration (EP 711-1) would in fact diminish capacity on Virginia's rail network, working against the state's overall vision for both passenger and freight rail expansion. In addition to the railroad companies, a number of other voices, from labor groups to major intermodal shippers to Amtrak, have raised concerns about the complications and slowdowns that would arise from increased switching across the rail network.

Most rail customers would be negatively impacted by this rule, in the immediate term by less efficient service that pushes them toward highway options. By compelling railroads to make their operations less efficient, the policy erodes their ability to compete and to continue earning enough to adequately invest in infrastructure. The outcome is a deterioration of rail lines and fewer transportation options for shippers over the long term.

Virginia was ranked as the top state for business by CNBC in both 2021 and 2019 and we see this trend continuing, supported by major transportation investments. The Port of Virginia will have spent \$1.5 billion between 2015 and 2025 to create new terminals and once again solidify its status as the deepest port on the East Coast. But more switching is at odds with these

efficiency and growth goals, and it could in fact lead to a decline in U.S. intermodal service, according to The Intermodal Association of North America in a recent filing to the Board.

Additionally, the \$1.9 billion Long Bridge project is the centerpiece of a much larger rail initiative in Virginia where the state is working with a broad group of public and private stakeholders including CSX and Norfolk Southern to enhance the safety and efficiency of passenger and freight rail service. Passenger rail groups have expressed concern that mandated reciprocal switching could cause network disruptions that make expansion plans—like those being undertaken right now in Virginia—more difficult.

In consideration of these points, we urge the Board to reject the proposed rule on reciprocal switching (EP 711).

Sincerely,

Terri Banez
CEO
Greater Williamsburg Chamber of Commerce

Julie Coons
President & CEO
Northern Virginia Chamber of Commerce

Barry DuVal
President & CEO
Virginia Chamber of Commerce

Phil North
Supervisor
Roanoke County

Jennifer Rose
Executive Director
Central Fairfax Chamber of Commerce

Ross Snare
Chief Operating Officer
Prince William Chamber of Commerce

Meghan Snyder
Director
Greater Springfield Chamber of Commerce

Chris Stone
President & CEO
Hampton Roads Chamber of Commerce

CC: Members of the Virginia Congressional Delegation