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EP 711 (Sub No. 1)

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

March 14, 2022

Dear Chairman Oberman and Members of the Surface Transportation Board,

West Virginia's businesses and industries rely on freight rail to ship raw goods and finished products to markets throughout the U.S. and beyond. Eleven freight railroads operate across 2,100 track-miles and employ nearly 2,000 with an average benefits package of \$119,960. The net impact is profound, with railroads triggering a powerful economic ripple across a myriad of industries.

Railroads are an integral—and self-funded—piece of a connected transportation system that moves upwards of 60 tons of goods per American every year. This system will be asked to move more as demand increases and, unlike other modes, railroads will not seek taxpayer dollars to make the necessary investments needed to grow capacity and hone efficiency.

For this and several other reasons, we write today in support of healthy freight railroads—and urge you to reject the proposed rule on mandated switching (EP711-1).

A policy that complicates rail operations will compound existing supply chain problems. A single car switch can take 6 days and 68 separate rail operations. When you consider the 1.5 million railcars moving across the U.S. rail network at any given time—or even just the 166 million tons of goods shipped to, from and through West Virginia via rail annually—it's plain that more switching will compromise rail service.

West Virginia—the home of Congressman Harley Staggers—understands how smart, balanced policy can drive across-the-board success in the rail sector. Prior to 1980 the railroads operated under regulations similar to the proposed rule, which placed route and rate control in government hands. The result was railroad companies unable to invest in their operations and the near complete collapse of freight railroading.

Congressman Staggers spearheaded the solution, a bipartisan law known as the Staggers Rail Act of 1980 that economically deregulated freight railroads while still providing protections to shippers. The legacy of Harley's legislation is the safest, most productive, and most affordable freight rail system in the world. Since 1981, railroads have invested over \$740 billion of their own money back into the rail network while holding average inflation-adjusted rates to 44% of 1981 levels. That means today's customer can move almost two cars for the price of one 40 years ago.

It's worth noting that 2022 is not 1980—freight railroading has changed, as has the logistics landscape it operates in. Railroads face increasing competition from other modes, as well as pressure to adjust their operations to meet changes in demand. Railroads are stepping up, investing in the new technologies required to meet the needs of the customers and communities they serve. The importance of balanced rail regulation is more relevant than ever.

We urge you to oppose the proposed rule on forced reciprocal switching (EP 711-1) and preserve the balanced principles established by Congressman Harley Staggers.

Sincerely,

Hon. C. Brian Ellis
Commissioner
Putnam County

Hon. Ron R. Foster
Commissioner
Putnam County

Hon. Rick Handley
Commissioner
Mason County

Hon. Robert Plymale
Senator
West Virginia Legislature

Hon. R. Andrew Skidmore
President
Putnam County

Hon. Chandler Swope
Senator
West Virginia Legislature

CC: West Virginia Congressional Delegation