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February 28, 2022

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

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Office of Proceedings
March 21, 2022
Part of
Public Record



Dear Chairman Oberman and Members of the Surface Transportation Board,

With the supply chain at the focal point of many policy discussions in Washington, we wish to discuss concerns about the proposed rule on reciprocal switching (EP 711-1), a policy that would negatively impact Arizona's railroads and undermine the logistical network that is currently struggling to meet demand.

Eleven railroads move nearly 132 million tons of freight across Arizona annually. Rail hubs like Tucson, Flagstaff, and the Greater Phoenix Area handle everything from intermodal cars moving consumer goods to bulk goods like minerals and chemicals, connecting our communities to the rest of the North American rail network. A robust series of short-line railroads facilitate industries like livestock and mining. Rural cities like Kingman, Winslow, and Nogales feature rail-served industrial parks, major yards, and international connections—all helping to connect Arizona and keep our economy moving. Our passenger routes also depend on reliable and fluid freight rail access to help us move people around the region via Amtrak.

We talk about rail's impact in Arizona to explain our opposition to a policy that would cause network inefficiencies and lead to less spending on our state's rail infrastructure. Reciprocal switching is a complex process that would slow rail operations. Several major intermodal shippers, like UPS, oppose mandated switching for this reason and have suggested it could cause them to move containers to highways.

In the long term, this could lead to less money invested in Arizona railways if it undermines rail carriers' earnings and ability to build and maintain efficient networks. Freight rail stands out as the only self-funded piece of our logistics network, taking nearly no taxpayer funds while investing billions annually.

Businesses across Arizona rely on timely, predictable shipping options to meet their customers' requirements. But taking network and switching control from the railroads would increase delivery times and do it at a time when the freight landscape is changing and more competitive than ever. With demand expected to grow roughly a third by 2040, we need more freight—not less—to move by affordable, environmentally friendly, and privately-funded freight rail.



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We hope the STB will acknowledge the changing reality of the goods movement landscape and oppose policies that diminish rail efficiency and push freight to other modes—an outcome that would negatively impact Arizona businesses and communities. We ask the Board to oppose the proposed rule on forced reciprocal switching.

Sincerely,

Skip Hall
Mayor

CC: Members of the Arizona Congressional Delegation