

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

ENTERED
Office of Proceedings
May 2, 2022
Part of
Public Record

Docket No. EP 711 (Sub-No. 1)

RECIPROCAL SWITCHING

**Summary of Ex Parte Meeting Between the American Short Line and Regional Railroad
Association and Surface Transportation Board Member Robert Primus**

April 21, 2022

ASLRRA Attendees: Chuck Baker, President; Sarah Yurasko, Senior Vice President Law & General Counsel; Michael Ogborn, Senior Advisor

STB Attendees: Robert Primus, Member; Elizabeth McGrath, Attorney-Advisor

ASLRRA thanked Member Primus for his time and the opportunity to meet.

ASLRRA summarized the points made in its April 4, 2022 supplemental comments, which were in response to the line of questioning from Chairman Oberman and Member Fuchs during the March 15-16 hearings regarding how much overall freight rail network traffic that would otherwise be subject to the rule would be excluded from reciprocal switching if a reciprocal switching rule were to be issued that excluded short line traffic, with the addition of the clarifying wording that ASLRRA has suggested.

ASLRRA analyzed data and determined that a little over ten percent of freight rail traffic that would otherwise be subject to the rule would be excluded if the Board determines to promulgate the proposed reciprocal switching rule with short line traffic excluded.

Member Primus commented that short line railroads are not the cause of the issue sought to be addressed in this docket, and that he has not heard a single complaint about short line service. ASLRRA acknowledged that it has also not heard complaints about short line service.

Member Primus commented that in fact he has heard from some short line railroads themselves that are frustrated with their Class I partners and that are struggling to serve their joint customers effectively because of inconsistent interchange service. ASLRRA acknowledged that many short line railroads consider themselves to be shipper representatives or operate as rail consultants or concierges for their shippers and they do sometimes share similar frustrations with their larger railroad partners as shippers do.

Member Primus noted that short line railroads know their local customers well and have a more granular, local, and shipper-friendly perspective on service issues. He predicted that, if

reciprocal switching were mandated, short line railroads and their customers would have better Class I railroad service and more willing transportation partners due to a new competitive dynamic. ASLRRA continued to express skepticism that a reciprocal switching rule would be any sort of panacea for the current service challenges in the industry and reiterated its concern with the rule overall, but nevertheless acknowledged that there would in fact be some short line railroads who may view reciprocal switching as more of an opportunity than a threat. ASLRRA acknowledged that, while there are 600 unique short line circumstances, depending on how some short line railroads are situated operationally and with their billing/accounting arrangements, some short line railroads may believe there is more gain than to lose from traffic moving on their lines being able to access reciprocal switching.

Member Primus asked if reciprocal switching could be implemented so that short line railroads are not harmed. ASLRRA suggested that if a reciprocal rule were to be issued, perhaps short line traffic should still be excluded as originally suggested, unless the short line railroad agrees to the shipping facility in question's request for a reciprocal switch.

ASLRRA thanked Member Primus and his staff for their hard work on this complex issue. Member Primus shared that competition is good for the economy and encouraged the short line railroads to play a larger role in this dialogue.