



DONNA A. LUPARDO
Member of Assembly
123rd District

THE ASSEMBLY STATE OF NEW YORK ALBANY

2016 DEC -8 AM 9:33

OFFICE OF CHAIRMAN

CHAIR
Committee on
Children and Families
Legislative Women's Caucus

COMMITTEES
Economic Development, Job Creation,
Commerce and Industry
Environmental Conservation
Higher Education
Transportation

December 1, 2016

242248

Honorable Daniel R. Elliott III
Chairman
US Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings
December 8, 2016
Part of
Public Record

Honorable Debra Miller
Vice Chairwoman
US Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Honorable Ann D. Begeman
US Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

RE: Docket Ex Parte No. 711 (Sub-No. 1)

Dear Chairman Elliott and Surface Transportation Board Members:

The railroad industry is a critical part of our country's economic success, as well as that of New York State. With almost 3,500 freight rail miles in New York, including lines within my Assembly District, our state is home to 3,487 freight rail employees. As such, several of the current proceedings underway at the Board, if not handled with the utmost caution and deliberation, could result in significant unintended consequences for the health and efficiency of the nation's rail network.

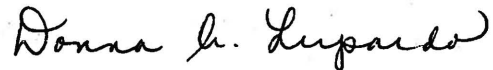
Recently, however, the Board has advanced several new regulatory proceedings that it has framed as providing additional avenues for shippers to seek regulatory oversight and relief. These efforts include a proposal to require one railroad to open up its line to a competitor through switching in certain instances.

Taken together, these proposals have the potential to dramatically change the regulatory regime that has been successful in allowing a safe and efficient freight rail system to develop. Excessive regulatory involvement in routing, rates and other railroad operations were hallmarks of the faltering rail system prior to the Staggers Railroad Act of 1980. Railroads have relied on that regulatory system to complete mergers and enhance single line service for the benefit of the entire rail system's operations. Since 1980, to preserve the existing system, Congress has repeatedly considered and rejected legislation advancing many of the same concepts that are in the Board's regulatory proposals. Any significant policy change in favor of greater regulation, like that which bankrupted many railroads in the 1970s, is the prerogative of Congress, not a regulatory agency.

It is important that these proposals, should they progress through the regulatory process, be grounded in sound, well-established economic principles and supported by data-driven empirical analysis of their impact. All stakeholders in the rail network have relied on the current structure in making investment decisions, and all shippers will feel the impacts of any changes. At a time when freight traffic is only expected to grow in this country – by nearly 60 percent by 2040 – doing anything that would weaken the nation's railroads' abilities to meet the transportation needs of the country could have dire consequences for our economy.

Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in cursive script that reads "Donna A. Lupardo".

Donna A. Lupardo
Member of Assembly