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Chairman Daniel R. Elliott III
Vice Chairman Deb Miller
Member Anne Begeman
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423

Re: Docket No. EP 711-Forced Access Proposal

Dear Commissioners:

I am the Chairman and Chief Executive Officer of Hub Group, Inc., a $3.5 billion publicly-traded transportation company. Intermodal is Hub Group's largest line of business, representing approximately $2.2 billion in revenue in 2015. Hub Group is a significant customer of the major U.S. rail carriers, with over 820,000 intermodal container moves per year. Additionally, Hub Group has a proprietary fleet of approximately 32,000 containers that move on the Norfolk Southern, Union Pacific, Canadian Pacific, Canadian National, Kansas City Southern and Florida East Coast railroads. Hub Group has over 1,600 active customers and our customer list represents most of the Fortune 500 companies.

I write this letter to strongly oppose the forced access proposal. Hub Group's customers depend on consistent intermodal service in order to best manage their inventory and operations. Less rail switching results in better railroad operations, better transit times and expanded market reach for railroads. In addition, railroads have invested in their intermodal facilities, streamlined operations and limited car handlings. As a consequence, rail service has greatly improved and, in doing so, presented customers with a competitive service alternative to over-the-road service. Hub Group's ability to convert freight to intermodal (and take trucks off the road in the process) depends on this consistent, quality rail service.

Intermodal service works more efficiently with fewer intermediary railroads. By implementing forced access, the additional handling of railcars will inevitably cause rail operations and service to worsen. Further, as forced access spreads, it will eventually affect customers across the network as slower rail operations result in slower turn times for rail cars, resulting in increased equipment shortages, fuel use, congestion and network delays. While the Board intends to control forced access, it is impossible for the Board to know the cumulative effects of forced access and exactly which grant of access will create this spiraling negative effect on rail service. While a very limited number of customers—primarily from segments other than intermodal—might benefit from forced access, most intermodal customers will suffer as the additional locomotives and additional crews needed by the rails will increase rail costs, which will be passed on to shippers and make intermodal less competitive versus truck service.

The possibility that a railroad might have to share its investment with others will affect where it chooses to make infrastructure investments in favor of those corridors where it stands to benefit more, rather than those corridors which would best improve service for the overall network. Intermodal customers need railroads investing for the benefit of the network, without the government adding risk into the investment decision.

The existing policy, which requires a finding of anticompetitive conduct before ordering access, is a more appropriate standard that protects rail service and rail investment and is in the best interest of Hub Group's customers. We strongly urge the STB to reject the forced access proposal.

Sincerely,

David P. Yeager
Chairman and Chief Executive Officer