



Port of Greater Cincinnati

DEVELOPMENT AUTHORITY

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OFFICE OF CHAIRMAN

November 1, 2016

Mr. Daniel Elliott
Chairman
U.S. Surface Transportation Board
395 E Street SW
Washington, DC 20423

Docket No. EP 711 (Sub No, 1)

242058

Mrs. Deb Miller
Vice Chairman
U.S. Surface Transportation Board
395 E Street SW
Washington, DC 20423

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Office of Proceedings
November 10, 2016
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Public Record

Mrs. Ann D. Begeman
Board Member
U.S. Surface Transportation Board
395 E Street SW
Washington, DC 20423

Dear Chairman Elliott, Vice Chairman Miller and Member Begeman:

The Port of Greater Cincinnati Development Authority (Port Authority) is an economic development agency with broad development-related powers and expertise that allow it to take on complex projects that catalyze private investment. A key role of the Port Authority is to define and implement policy as the chief public agency in charge of coordination and marketing of regional freight transportation assets.

I am writing to express my concern with the U.S. Surface Transportation Board's (STB) proposed new over-regulation on freight railroads. Through the STB's newly proposed regulations, which would require railroads to share their private lines with competitors without regard for efficiency, the STB is likely to create a more complicated, congested, and inefficient freight rail system.

Presently, manufacturers in the greater Cincinnati region have access to some of the greatest logistical options and efficiencies in the nation – and their ability to continue to access affordable, efficient freight rail transportation is vital. From the Cincinnati region, 43 percent of the national population and 44 percent of the nation's manufacturing are within a 600-mile radius, making it

uniquely attractive as a distribution hub, consolidation point, and global destination for imported and exported goods.

Cincinnati forms an integral link for two Class I railroads throughout the Midwest and eastern U.S. The region is also home to major railroad facilities including three intermodal terminals, three train classification yards and numerous industrial sidings. On average, the region's rail network handles over 100 trains per day. Annually, rail freight traveling in the Cincinnati region accounts for over 20 million tons of cargo valued at approximately \$19 billion. Our railroads employ thousands and support economic vitality by serving local industries such as those located in the Mill Creek Valley, which are notably chemical businesses and related companies.

While these regulations are targeted toward the railroads, they will also have a dramatic and immediate effect on America's ports, which partner closely with the freight rail industry to provide efficient, reliable, and affordable connections to international markets. Many of the Ohio River barge terminals in the Cincinnati area rely on railroad partnerships for the intermodal transfer of bulk commodities, such as coal, stone, and farm products. The region, shippers and local industries have a well-established, long working relationship with our railroads.

If railroads are unable to continue contributing their vital role in the delivery of freight and to handle the forecasted growth in freight demand because of onerous new policies, any or all of the following detrimental impacts could occur:

- Railroads may not have the capital needed to invest back into their networks
- Shipment delays will occur
- Diversion of shipments to trucks, thereby increasing highway congestion and cost of delivered goods
- New business and manufacturing investments could be discouraged from locating in communities with poor rail or intermodal service and existing business expansions could be greatly hindered

That is why we are deeply concerned by the U.S. Surface Transportation Board's aggressive and unprecedented effort to implement burdensome new rules.

For all of these reasons, I urge the STB to substantially modify or abandon your proposed new regulations. Thank you for the opportunity to share my input and for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura N. Brunner". The signature is fluid and cursive, with the first name "Laura" being more prominent than the last name "Brunner".

Laura N. Brunner
President / CEO