

The Honorable Daniel Elliott III
Chairman
United States Surface Transportation Board
Washington, DC 20423

The Honorable Deb Miller
Vice Chairman
United States Surface Transportation Board
Washington, DC 20423

The Honorable Ann Begeman
Commissioner
United States Surface Transportation Board
Washington, DC 20423

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RE: STB Ex Parte No. 711 (Sub-No. 1), Reciprocal Switching

Dear Chairman Elliott, Vice Chairman Miller, and Commissioner Begeman:

The Louisiana Chemical Association (LCA) is writing to express our support for revised competitive switching rules. LCA represents more than 60 chemical manufacturing companies with more than 100 locations in Louisiana. The proposed rule would permit rail-dependent captive shippers without access to other transportation options to request that their freight be moved to a competing rail line if another Class I railroad is reasonably accessible. Competitive switching has the strong support of LCA because many of our members are large users of freight rail service; many are "stranded" (i.e., have only a single rail carrier) and thus are often at a competitive disadvantage regarding market-based rates and other rail costs; and because our companies need more efficient and dependable rail service to send and receive products, raw materials, feedstocks and other commodities needed and desired here at home and abroad.

We strongly support the principles of the Board's proposed rule that would allow rail customers with no competitive transportation options to request to have their freight moved to another Class I railroad at a reasonably accessible interchange. While the STB's authority to allow competitive switching is clear, no shipper has ever obtained switching under the STB's current rules. The STB's proposal to reduce these regulatory barriers is not only consistent with the Board's statutory mandate, it is good for manufacturers, farmers and energy providers in Louisiana and across the U.S.

Competition is the cornerstone of a strong and efficient economy, and policymakers and industry typically embrace it as a better alternative to regulatory oversight. Unfortunately, opening comments filed by the Association of American Railroads and individual Class I railroads not only oppose this particular proposal, but seemingly any change in STB policy that would facilitate greater rail-to-rail competition. Their assertion that an improved competitive environment will damage the fundamental economics of the U.S. freight rail system is simply unfounded and runs counter to basic free market principles.

If switching cases are too complex, timely and costly then the new rules will be ineffective and will not be used. The Board should adopt a final rule that will result in streamlined proceedings before the Board. Specifically, we support recommendations made by the Shipper Coalition for Railroad Competition in their opening comments.

We appreciate the Board's consideration of this letter and urge the agency to adopt workable new rules that will help make our member companies more competitive in the global marketplace.



Gregory M. Bowser
President, Louisiana Chemical Association