



COMMONWEALTH of VIRGINIA

Office of the Lieutenant Governor

Ralph S. Northam
Lieutenant Governor

(804) 786-2078
Fax: (804) 786-7514
TTY/TDD: 1-800-828-1120
EMAIL: ltgov@ltgov.virginia.gov

December 13, 2016

242318

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

ENTERED
Office of Proceedings
December 21, 2016
Part of
Public Record

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

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

I am writing to you in my capacity as Lieutenant Governor of the Commonwealth of Virginia to convey my concern about the Surface Transportation Board's proposed access regulations as set forth in the above rulemaking. The actions under consideration would undermine the resilience of the American economy by diminishing the strength of the rail industry and would be in direct opposition to investments the Commonwealth of Virginia has made in rail infrastructure.

The proposed regulations, which would require railroads to provide their competitors with access to their rail lines, would compromise the efficiency of the national rail system and slow the overall movement of goods across the nation.

The Commonwealth of Virginia has invested tens of millions of dollars in rail infrastructure to expand passenger rail service and foster economic development. The Department of Rail and Public Transportation, through grants and with the aid of railroad matching funds, has worked tirelessly with the Class I freight railroads in the Commonwealth to bring rail passenger service to Norfolk. Roanoke passenger service is scheduled to start in 2017. Each of these initiatives has required infrastructure enhancement based on careful forecasting of freight and passenger train volumes. The Commonwealth sits on the Board of, and provides annual capital and operating support for, Virginia Railway Express, an important regional passenger rail service provider operating over both Norfolk Southern and CSX.



COMMONWEALTH of VIRGINIA

Office of the Lieutenant Governor

Ralph S. Northam
Lieutenant Governor

(804) 786-2078
Fax: (804) 786-7514
TTY/TDD: 1-800-828-1120
EMAIL: ltgov@ltgov.virginia.gov

Any attempt by the STB to force one railroad to provide access over its tracks to another railroad upsets the balance that has been achieved through these public private partnership initiatives. Whether through delays of Amtrak trains or a reduction in freight hauling capacity and efficiency, STB intervention to alter rail traffic patterns and inject uncertainty into the rail network will be detrimental to the industry and is contrary to the investments that the Commonwealth continues to make in transportation infrastructure.

Furthermore, businesses, especially small businesses, rely on efficient, predictable shipping options to meet their customers' requirements. By proposing to impose a mandatory switching regime on railroads, the STB is likely to jumpstart a chain reaction that constricts business activity. This is not just discriminatory toward the railroads, it is also unfair to the businesses, small and large, that form the backbone of the American economy. When those businesses suffer, so do the local communities that surround them.

I urge the Board to carefully consider the potentially disruptive effects of these proposed regulations and the effect they could have in undermining state investments in passenger rail and economic development. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ralph S. Northam", written in a cursive style.

Ralph S. Northam