

**Surface Transportation Board Ex
Parte 711 (Sub-No. 1) Meetings
June 28, 2017**

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Public Record

Commissioner Deb Miller

Participants

TFI: Chris Jahn, President
Justin Louchheim, Director, Government Affairs

STB: Commissioner Deb Miller
Brian O'Boyle, Legal Advisor

Meeting Summary

TFI expressed support for the opportunity to engage STB in ex parte meetings, including Ex Parte 711.

TFI expressed support for the STB's reciprocal switching proposal, noting that it would allow competition to have a greater role in the rail marketplace, reduce the need for STB rate regulation, and would provide more efficient service, competitive prices, and access to new markets. TFI also shared the view that reciprocal switching, if approved in a way that works efficiently, is likely to be used sparingly, but would be a positive factor in many negotiations to enhance service and make costs more competitive.

TFI shared that many of its member companies also ship in Canada, where reciprocal switching, known in Canada as inter-switching, has existed for about 100 years. Many TFI members operating in Canada have used inter-switching and indicate that it works efficiently and seamlessly in Canada. TFI was asked if it had reaction to claims that, in terms of the effect on operations, the Canadian experience could not be compared to the U.S., given the differences between the Canadian and U.S. rail systems. TFI stated that despite the differences, it does not believe there will be significant operational impacts because shippers generally will not seek reciprocal remedy in places where it clearly doesn't make sense from a railroad operating perspective.

TFI expressed concern that the STB's case-by-case approach could result in lengthy delays and substantial litigation costs. TFI asked that the current proposal be modified to insure that cases are handled efficiently, potentially including a hard time limit on proceedings and procedures for expeditiously submitting evidence.

TFI also suggested a potential change in the proposal that allows a more clearly defined and efficient structure, similar to Canada's, whereby reciprocal switching is generally permitted within a defined radius of approximately 30 miles while simultaneously allowing a case-by-case approach for situations beyond 30 miles. Recognizing that the interchanges, for example, in and around Chicago can be highly congested, TFI recognized that STB could consider excluding specific areas or interchanges from reciprocal switching and/or designate such interchanges as always being case-by-case. TFI also raised the possibility of doing a pilot project to see the impact such a proposal would have.