

January 10, 2017

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

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January 11, 2017
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The Honorable Ann Begeman
Commissioner
United States Surface Transportation Board
Washington, DC 20423

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

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

The Georgia Chemistry Council is writing to express our support for revised competitive switching rules. GCC represents around 15 chemical manufacturing companies, providing 20,313 jobs and another 29,210 related jobs to hard-working Georgians. The proposed rule would allow market forces to have a greater influence over rates by increasing rail-to-rail competition through competitive switching. GCC strongly supports competitive switching because many of our members are large users of freight rail service and are often held captive to a single railroad carrier; this decreased access to competitive freight rail service has led to soaring rates. The STB should permit shippers to have their freight moved to a competing rail line if another Class I railroad is reasonably accessible because our companies need more efficient and dependable rail service to send and receive raw materials, commodities, etc. in the state of Georgia 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 Georgia 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.

Sincerely,



Michael Power
Executive Director
Georgia Chemistry Council