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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

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

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

The Chemical Industry Council of Illinois is writing to express our support for revised competitive switching rules.

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 Illinois 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.

The chemical industry in Illinois is the 3rd largest manufacturing sector in the state. Illinois is also the 4th largest chemical producing state in the nation. The industry directly employs over 46,000 Illinoisans at an average wage of \$112,382 a year. In addition, 184,900 Illinois jobs are supported by the business of chemistry. In all, the business of chemistry in Illinois generated \$42 billion worth of products, and exported \$7.6 billion, making the industry the largest exporter

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in the state. Further, in July, 2012 *Chemical Week* reported that the Chicago-Joliet-Naperville area was listed as the top metro area in the U.S. for chemical manufacturing employment.

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,

A handwritten signature in black ink, reading "Mark A. Biel". The signature is fluid and cursive, with the first name "Mark" being the most prominent part.

Mark Biel
Chief Executive Officer