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January 11, 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

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 Chemistry Council of New Jersey is writing in support of the revised competitive switching rules. The Chemistry Council of New Jersey is a statewide trade association representing the interests of the chemical, pharmaceutical, oil refining, and flavor and fragrance industries. The industries we represent depend on rail to both receive materials and to ship out finished product.

The Chemistry Council of New Jersey strongly supports 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 also important for the economic advancement of the county and industries in New Jersey and across the U.S.

We believe that competition is the cornerstone of a strong economy, and policymakers and industry typically embrace it as a better alternative to regulatory oversight. Unfortunately, in the opening comments filed by the Association of American Railroads and individual Class I railroads, they not only oppose this particular proposal but they are trying to stymie any changes in STB policy that would produce greater rail-to-rail competition. Their misguided assertion that

an improved competitive environment will damage the fundamental economics of the U.S. freight rail system is baseless 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, the Chemistry Council of New Jersey supports 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,

A handwritten signature in dark ink, appearing to be 'DH' followed by a long, sweeping horizontal stroke.

Dennis Hart
Executive Director
Chemistry Council of New Jersey