



**WAREHOUSE CO. INC.
LOGISTICS SERVICES, INC.**

October 26, 2016

Cynthia Brown
Chief, Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

241905

ENTERED
Office of Proceedings
October 26, 2016
Part of
Public Record

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

Dear Ms. Brown:

My name is Paul Delp and I am the President and CEO for Lansdale Warehouse Company. Lansdale Warehouse Company strongly supports the adoption of new reciprocal switching rules that will help facilitate greater rail competition. My company has two facilities that are served by a local shortline railroad which has cars delivered by a single class I rail carrier. Our customers are subject to substantially higher rail rates and less reliable service despite the fact that the only route for plate F cars passes through another class I' railroad's yard but we cannot receive railcars from that yard.

We applaud the Surface Transportation Board ("STB") for opening this rulemaking proceeding and agree that new switching rules are needed. The rail industry today is vastly different than the industry of the 1980s and no shipper has ever obtained reciprocal switching under the current rules.

We encourage the Board to adopt new switching standards that will result in streamlined proceedings before the Board. If switching cases are too complex, timely and costly then the new rules will be ineffective and will not be used. We also believe that the Board should change its proposal to address the following:

- Shortlines should be able to benefit from the rule by serving as the interchange carrier. Our serving shortline could be serving 2 class I railroads thereby increasing competition and improving service for our customers.
- Interchanges that require minimal investment to be paid by the shipper or interchange carrier should qualify as a "working interchange".
- The Board should adopt reasonable and straightforward procedures to establish the access fee either when the railroads cannot agree on the fee or when the party seeking the switch believes the fee is not reasonable.

We appreciate the Board's consideration of this letter and urge the agency to promptly adopt new reciprocal rules.

Respectfully submitted,
W Paul Delp, President