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BEFORE THE SURFACE TRANSPORTATION BOARD

Docket Number: EP 711 Sub-No. 1

Title: Reciprocal Switching

Comments of Twin City Foods Stanwood, WA

Date: October 20, 2016

Surface Transportation board  
395 E Street SW  
Washington, DC 20423

Dear STB Commissioners,

Twin City Foods is writing you to express support of the recent actions by the Surface Transportation Board ("STB") with regard to "Alternative Access by the Class 1 Railroads" along with other initiatives that would enhance intramodal competition within the US Railroad network.

Ex Parte (EP) 711 Sub-No. 1, RECIPROCAL SWITCHING, outlines the significant changes that have taken place in the railroad industry since the Interstate Commerce Commission adopted rules for reciprocal switching in 1985. The EP also indicates that the agency has the power to change those rules. Most importantly, the EP sets forth a detailed proposal for a new regime of competitive switching, under which competitive switching would be made available to shippers who are served by on a single, Class I rail carrier and who lack effective inter- or intramodal competition.

Twin City Foods, which is headquartered in Stanwood, Washington supplies Approximately 200,000,000 lbs per year of frozen vegetables to Retail and Foodservice customers across the United States and abroad.

Twin City Foods generally supports Board efforts to liberalize the rules by which shippers could obtain alternate access. Twin City Foods would prefer the establishment of a systematic and mandatory program under fair and equitable terms. However, inasmuch as the intention of the Board is to decide alternate access on a case by case basis, Twin City Foods encourages the Board to elaborate to the fullest extent possible, the conditions under which the Board would be prepared to grant alternate access. Absent such guidance, Twin City Foods foresees that the uncertainty created by the Board policy would diminish the utility and practicality of the new rules to shippers.

Twin City Foods ships Frozen Vegetables across the United States and North America. A healthy, well-functioning railroad network is critical to our success. Our shipments generally require specialized equipment (i.e., refrigerated or insulated box cars), much of which is private equipment owned or leased by our members. Also, our shipments generally move in carload quantities between hundreds of origins and destinations. Thus, Twin City Foods is heavily committed to rail transportation and a consistent, efficient carload/merchandise network.

Twin City Foods, is in full support of initiatives that further competition amongst the railroads. Industry consolidation greatly increased the market power of the railroads in the past thirty-six years, since the passing of the Staggers Rail Act in 1980. At the same time, the weight of our commodities and long distances of our shipments naturally limit the intermodal (i.e., direct motor carrier or TOFC/COFC) options available to our

members. We strongly believe that by allowing alternative access by the competing railroads, it will allow shipper's more options, better service and ultimately a lower cost to the consumer.

We are in support of the STB initiative under EP 711 Sub-No. 1 (RECIPROCAL SWITCHING). We strongly urge the Board to move forward with implementation of the reciprocal switching initiative. Twin City Foods believes that the EP 711 Sub-No. 1 represents a fair and balanced effort to improve the state of competition in the rail transportation industry, and would provide increased competition for captive shippers without adversely impacting carriers. The control that large railroads have over the shippers and consumers today is unfair and due to the lack of options available to shippers, is driving the cost up to the end consumers.

Widespread alternative access switching would create a more competitive posture for the rail industry which we believe is good for the economy and will drive out unnecessary costs and burdens being levied against the shippers today.

We respectfully request and hope that you will support "alternative access switching" for both the US shipping community and the American consumers.

Sincerely,



Rob Watson  
Manager of Traffic and Distribution

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