



2016 NOV -2 AM 10: 51

OFFICE OF CHAIRMAN

October 25, 2016

The Honorable Daniel R. Elliott III  
Chairman  
United States Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001

The Honorable Debra Miller  
Vice Chairman  
United States Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001

The Honorable Ann D. Begeman  
United States Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001

Docket No. EP 711 (Sub No. 1)

242021

ENTERED  
Office of Proceedings  
November 2, 2016  
Part of  
Public Record

Dear Chairman Elliott and Surface Transportation Board Members:

Indiana has long been recognized as the “Crossroads of America”. This holds true not only for our vibrant system of highways but also the multitude of freight rail lines that crisscross the State. Since our founding in 1922, the Indiana Chamber has recognized the important role that freight rail plays in the success of the State’s economy. As a result, our organization attentively monitors activity, at both the state and federal levels, which could potentially impact service or access to freight rail services. Several of the current proceedings before the STB exhibit that potential.

As you are well aware, railroading is a capital intensive industry. Prior to the Staggers Act of 1980, excessive regulatory involvement in railroad operations prevented railroads from being able to adequately invest in their networks. Since 1980, railroads have relied on a regulatory system to complete mergers and enhance service for the benefit of the entire rail system. As a result of this success, Congress has considered but repeatedly rejected legislation advancing many of the same regulatory concepts that are currently before the STB. Any significant policy change in favor of greater regulation, like that which impeded the rail system prior to 1980, would not only impact freight rail but other businesses in the Hoosier State as well. This would include any proposal to require one railroad to open up its line to a competitor through switching in certain instances.

It is critical that these proposals, should they progress through the regulatory process, be grounded in sound, well-established economic principles and supported by data-driven empirical analysis of their impact. All stakeholders in the rail network have relied on the current structure in making investment decisions, and all shippers will feel the impacts of any changes. At a time when freight traffic is only expected to grow in this country – by nearly 60 percent by 2040 – doing anything that would weaken the nation’s railroads’ abilities to meet the transportation needs of the country could have dire consequences for our economy.

Thank you for your careful consideration of this important matter.

Respectfully yours,



Caryl A. Auslander  
VP, Education, Workforce Development and Federal Affairs  
Indiana Chamber