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BEFORE THE SURFACE TRANSPORTATION BOARD

Docket Number: EP 711 Sub-No. 1

Title: Reciprocal Switching

Comments of the Private Railcar Food and Beverage Association, Inc.

Date: October 19, 2016

Surface Transportation board
395 E Street SW
Washington, DC 20423

Dear STB Commissioners,

Boardman Foods, Inc. is writing to you to express the food shipper industry's 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 intra-modal 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 intra-modal competition.

Boardman Foods, Inc. is located in Boardman, OR and ships a few hundred railcar loads of Fresh Pack and IQF Onions per year.

Boardman Foods generally supports Board efforts to liberalize the rules by which shippers could obtain alternate access. Boardman 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, Boardman 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, Boardman Foods foresees that the uncertainty created by the Board policy would diminish the utility and practicality of the new rules to shippers.

Boardman Foods ships onions 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), much of which is private equipment owned or leased by our company. Also, our shipments generally move in carload quantities between hundreds of origins and destinations. Thus, Boardman Foods is heavily committed to rail transportation and a consistent, efficient carload/merchandise network.

Boardman Foods, and its employees, are 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. Boardman 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,

A handwritten signature in black ink that reads "Candi Kleingartner". The signature is written in a cursive style.

Candi Kleingartner, Sales Manager for Boardman Foods

A handwritten signature in black ink that reads "Thomas J. Flaherty". The signature is written in a cursive style.

Thomas Flaherty, Vice President of Sales for Boardman Foods