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OFFICE OF CHAIRMAN



Mr. Daniel Elliot
Chairman
U.S. Surface Transportation Board
395 E Street SW
Washington, DC 20423

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Mrs. Deb Miller
Vice Chairman
U.S. Surface Transportation Board
395 E Street SW
Washington, DC 20423

Mrs. Ann D. Begeman
Board Member
U.S. Surface Transportation Board
395 E Street SW
Washington, DC 20423

Dear Chairman Elliot, Vice-Chairman Miller and Member Begeman:

I am writing to express my concern with the U.S. Surface Transportation Board's proposed new regulations on freight railroads.

Cincinnati forms an integral link for two Class I railroads throughout the Midwest and eastern U.S. The region is also home to major railroad facilities including three intermodal terminals, three train classification yards and numerous industrial sidings. On average, the region's rail network handles over 100 trains per day. Annually, rail freight traveling in the OKI region accounts for over 20 million tons of cargo valued at approximately \$19 million dollars. Our railroads employ thousands and support economic vitality by serving local industries such as those located in the Mill Creek Valley, which are notably chemical businesses and related companies. Others such as Middletown Steel depend on rail to receive taconite shipments from the Port of Toledo and ships semi-finished steel products, such as steel coils, by rail. In addition, many of the Ohio River barge terminals in the OKI area rely on railroad partnerships for the intermodal transfer of bulk commodities, such as coal, stone, and farm products. The region, shippers and local industries have a well-established, long working relationship with our railroads.

Kevin J. Lynch
President

Mark R. Polcinski
CEO/Executive Director

As you are well aware, the public benefits of freight rail cannot be ignored:

- Railroads are very fuel efficient
- Rail shipment can reduce highway congestion—one intermodal train removes 300 or more trucks from the highway system
- Rail shipment reduces logistics cost, thus the cost of delivered goods
- Rail transportation emits less greenhouse gas and other air pollutants, a critical issue to the OKI region, a non-attainment area
- Rail transportation has a superior safety record

Due to these critical benefits, the existing and future capacity of the freight rail system is of acute concern to me. This is fast becoming an even greater concern in light of the impact technology is having on transportation, and the new challenge innovation is posing to public policy makers and private industry leaders.

It is for these reasons I am deeply concerned by the STB's proposal. If railroads are unable to continue contributing their vital role in the delivery of freight and to handle the forecasted growth in freight demand because of onerous new policies, any or all of the following detrimental impacts could occur:

- Railroads may not have the capital needed to invest back into their networks – something they have been able to do consistently across the U.S. since the passage of the Staggers Rail Act of 1980.
- Without consistent investments in maintaining the rail network, efficient freight traffic flow will be impeded
- Shipment delays will occur
- Delay, inefficiencies and unreliability will divert shipments to trucks, thereby increasing highway congestion, cost of delivered goods, air pollution and crash rates
- In the long term, new businesses could be discouraged from locating in communities with poor rail or intermodal service and existing business expansions could be greatly hindered

The fact that the industry has evolved and the railroads' financial viability has drastically improved since passage of the Staggers Rail Act of 1980 shows that STB policies are working for the public good. I applaud the STB for examining its policies and considering the pros and cons of potential revisions. However, the suggested changes would benefit only a small number of shippers at the cost of jeopardizing the operation of the rail network and freight transportation overall.

For all of these reasons, I urge the STB to substantially modify or abandon your proposed new regulations. Thank you for the opportunity to share my input and for your consideration of this request.

Respectfully,



Mark R. Policinski
CEO & Executive Director
Ohio-Kentucky-Indiana Regional Council of Governments