



October 26, 2016

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

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

Dear Ms. Brown:

My name is Patricia Lucas. I am the Executive Director of the Lapeer Development Corporation, the economic development organization serving Lapeer County, Michigan. Our organization strongly supports the adoption of new reciprocal switching rules that will help facilitate greater rail competition.

Lapeer Development Corporation is one of seven county economic development organizations in the Michigan Thumb Region that recently funded a very successful economic development project based on integrated logistics. In response to the United States Department of Transportation (DOT) forecast for increased freight volumes by the year, 2035, and DOT's forecast that 90% of the increase will move via rail, we initiated the project to link industries in our region that do not have rail sidings to rail through multi-modal freight transfer terminals. Two terminals are being developed: (1) a transload that will serve six industries (to start), and (2) a warehouse distribution terminal that will be designated as a Foreign Trade Zone. A third multi modal terminal is currently under consideration.

Industries in our region are already feeling the impact of the shortage of truck drivers. Considering 80% of freight volumes moving into and out of the Thumb Region moves by truck, this is a major paradigm shift, but we believe it is important if we are to ensure reliable transportation service for existing industries in our region, and to attract new industries for future job and economic impact. This is an initiative that will be a *Win/Win* for all parties including the trucking companies that will be transitioned to regional and local moves, giving them the ability to address quality of life issues with their drivers.

We are very enthused about the results of this project and we will be working with the carriers, including the railroads and trucking companies in the region, as the long haul business shifts from truck to rail. However, if the success of our initiative is to be sustainable, we need the railroads to continue to provide competitive rates and service if capacity becomes constrained.

241917

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

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 reconsider the proposed rule which would exclude short line railroads from the proposed rules. Two short line railroads, Great Lakes Central Railroad, and Huron & Eastern Railway/Genesee & Wyoming, are an integral part of the rail network in the Thumb Region. Short line railroads should have the opportunity to benefit from the rules by serving as interchange carriers.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Patricia Lucas". The signature is written in a cursive style with a large initial "P".

Patricia Lucas, CEcD
Executive Director