



American Malting Barley Association, Inc.

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September 16, 2016

The Honorable Peter DeFazio
Ranking Member, Transportation and Infrastructure Committee
2251 Rayburn House Office Building
Washington, DC 20515

Dear Ranking Member DeFazio:

The American Malting Barley Association (AMBA) is writing to you to express our strong support for competitive switching. Last year, Congress passed common-sense reforms to help make the Surface Transportation Board (STB) a more viable and effective intermediary between railroads and their customers when rate and service issues exist. There is widespread recognition in Congress and among virtually all rail customers that modernization of current STB rules is badly needed. Recently, the Board has taken the first step to allow for competitive switching.

AMBA members are brewers, distillers and maltsters that rely on a rail infrastructure to move the malting barley and malt in and out of their facilities, as do most all of Oregon's 228 brewers.

Competitive switching is among the most important potential reforms to outdated and excessively restrictive regulations that prevent competition among railroads. While it is expressly allowed by statute, it has never been permitted by the STB because of overly restrictive regulations at the Board. It is not a threat or untested theory; competitive switching has been available for decades in Canada, and it works well. The notion that an improved competitive environment will damage the fundamental economics of the U.S. freight rail system is simply unfounded and runs counter to basic free market principles.

AMBA supports the proposed rule and thinks that the STB should be allowed to complete its work without political interference. We look forward to continuing the work with Congress and the STB to modernize freight rail policy and create more competitive freight rail service.

Sincerely yours,

Scott E. Heisel
Vice President and Technical Director
American Malting Barley Association, Inc.