

**Railroad  
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Honorable Robert E. Primus  
Chairman  
Surface Transportation Board  
395 E St. SW  
Washington, DC 20423

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Dear Chairman Primus,

I appreciate the opportunity to have participated in the STB Hearing - Growth in the Freight Rail Industry on September 16th, which I hope results in benefits to the rail industry, its customers, and the national economy.

Upon reflection, there are a few things that came from the discussions which I believe deserve additional focus or at least additional perspective.

**Resiliency**

1. Iowa Interstate has never had a layoff, which may have something to do with the overall satisfaction that I believe our workforce enjoys and our long-term investment horizon.
2. The analogy of dry rivers in the USA is also reflected in the war in Ukraine, where the closing of the Black Sea has resulted in minimal diversion of grain to rail. There are a number of reasons for this, one of which is the break of gauge, (1520mm in Ukraine, 1435mm in Europe), but also the simple fact that for commodities the path of least resistance is specialized with developed infrastructure and everything else is not a Plan B but rather a Plan C.
3. For climate change resiliency, a reference point could be our Peruvian railway company, FCCA. In addition to investing heavily in infrastructure, our preparation for natural disasters is having people and machinery prepositioned around the system. This allows us to respond quickly and flexibly when extreme weather inevitably occurs and restore service within a matter of days.
4. In contrast to Peru, Europe's fragmentation of ownership and culture of hopelessness stands in stark contrast to North America and makes railways extremely difficult to both manage and use. The best example is a main line between France and Italy, which has been closed for over a year due to a landslide, a situation which we and our Peruvian colleagues find shocking.



## Decriminalization

1. Further to my comments regarding decriminalization ("Henry's Law"; capping liability) of passenger service, I heard the same comments echoed by the chemical industry on Day 2: namely, that liability concerns are particularly impactful on smaller companies.
2. Liability concerns have an actual impact on existing business in addition to impacting future business. Addressing this could help to protect the existing base in while promoting growth.

## Decarbonization

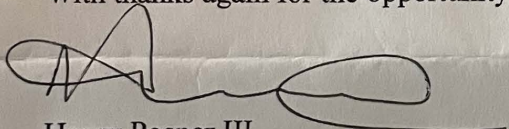
1. This was touched on briefly with regard to CARB and from some of the more ideological presenters, but I believe that the gap between aspiration and reality should be considered a national embarrassment. Rail already saves 67% on CO2 emissions vs trucks, and with LNG saves 90%. So why should excess burdens be placed on the lowest emission mode of transportation?
2. That does not suggest that we should not continue to explore alternative fuels as the technology becomes available and economically viable. At the RDC level, we invested heavily in battery train technology in the UK which was an expensive way to learn that people are not willing to pay more for a green solution.

## Conclusions that were implied but not specific

1. Trust and respect have an economic value, in that they are essentially the discount rate against which any potential savings of shifting to rail must be applied. I believe this is a partial explanation as to how difficult it is for rail to increase market share; customers want to plan for the long term but railroad strategies and personalities are Subject to Change.
2. We can do the right thing because we can afford to do the right thing. I do not believe that this is the case for the Class I's, the most obvious example being that East Palestine should have allowed NS a year to do the right thing... but Ancora came calling less than a year later.

I'd be happy to engage further on any of the above subjects, as we have earned unique perspectives on a number of fronts in our industry.

With thanks again for the opportunity to participate.



Henry Posner III

cc: Commissioner Patrick J. Fuchs  
Commissioner Karen J. Hedlund  
Commissioner Michelle A. Schultz  
Mr. Brian O'Boyle