



THE MARYLAND AND DELAWARE RAILROAD COMPANY

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September 9, 2014

The Honorable Daniel R. Elliott III
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Railroad Service Outlook Fall 2014



Dear Chairman Elliott,

As railroads across the country approach our industry's traditional "fall peak" season, we find ourselves under increasing scrutiny from shippers, municipalities and politicians concerning the fluidity of rail service. Short line railroads often provide the first or last mile of rail service for a product's movement, making our ability to provide service as critical as that of the Class I railroads. In fact, given the scope of the demands placed on the short line rail network during fall peak, the operating changes incurred are often so far outside of normal patterns that they become more atypical than those made by our Class I partners.

The Maryland and Delaware Railroad Company (MDDE) recognizes the adverse impacts that rail service issues can have on our country's economic engine. MDDE provides rail service to many of the largest grain, propane and chemical manufacturers in our region, and has already started offering customers twice and thrice-daily rail service (i.e. double and triple switches). MDDE will continue to do so throughout the fall peak, as normal patterns of once-a-day service are inadequate for this period of the year. MDDE is also staging locomotives on site at customer facilities as needed in order to facilitate immediate service on demand as opposed to the requirement for a train crew to deadhead to a customer from a locomotive staging area or service facility, as would normally be the case. Should a locomotive be rendered out of service due to mechanical problems, MDDE has assembled a portfolio of adequate low-horsepower locomotive lease options that can be called upon to fill the short-term need during fall peak.

Providing manpower for increased train starts is a critical focus during fall peak, and a difficult one for short lines that operate with very limited labor resources. While many short lines like MDDE only provide one crew start per day on a given line, MDDE is prepared to offer staggered crew call times that double that service capacity during fall peak. Additionally, rather than limiting shippers to rail service on particular days of the week, MDDE will have personnel available seven (7) days per week, in large part due to the hours of service Waiver Docket FRA-2009-0078.

Railcar storage is another area in which short line railroads can be of assistance to our shippers during fall peak. MDDE has kept miles of railroad available for use by shippers who benefit from the staging of empty railcars that are waiting to be loaded. Additionally, shippers can store outbound loaded railcars to throttle destination terminal capacity and aid rail network fluidity.

Finally, MDDE is working closely with our Class I partner Norfolk Southern Corp. (NS) to monitor interchange performance metrics and honor service commitments, even down to the individual railcar as needed by our shippers. MDDE and NS are both absorbing the costs of extra train crews to keep interchange traffic moving, including headlight meets and handoffs as required during times the rails are normally silent at our interchange points.

MDDE is ready to do our part in providing safe, efficient and reliable first and last mile rail service to many of our region's largest manufacturers throughout fall peak. We stand in support of our Class I partner Norfolk Southern and our industry as a whole as we collectively work to keep America's railroads fluid during fall peak.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott E. Harris", written in a cursive style.

Scott E. Harris
Assistant General Manager

cc:

Mr. Richard F. Timmons, President, ASLRRRA
Mr. Eric H. Callaway, President, MDDE
Mr. James T. Smith, Jr., Secretary, MDOT
Ms. Beth Nachreiner, Assistant Secretary for Transportation Policy and Freight, MDOT
Mr. Bradley Smith, Acting Director, MDOT
Mr. Harry Romano, Rail Program and Policy Manager, MDOT