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Michael W. Hancock, P.E.
Secretary

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The Honorable Dan Elliot
Chairman
Surface Transportation Board
395 E Street, SW, Suite 1220
Washington, DC 20423-0001

Dear Chairman Elliot:

It has come to my attention that the federal Surface Transportation Board plans to conduct a hearing on competition in the U.S. rail industry in Washington on June 22, 2011.

Since the charter of the Louisville and Nashville Railroad in 1850, freight railroads have played an important role in the vitality of Kentucky's economy. The jobs of countless Kentuckians depend on the safe, efficient and environmentally sound transportation that railroads provide to link business, industry and agriculture with markets throughout the Commonwealth, our nation, and the world.

Kentucky's freight-rail companies, which include four Class I railroads and eight short-line operators, employ about 5,000 Kentuckians and contribute more than \$500 million to the state's economy each year in wages and retirements benefits. Additionally railroads provide shippers with cost-effective transportation and can be a critical factor in retaining and attracting industries that are central to our economy.

As freight transportation demand is expected to rise, Kentucky and the nation will look even more to railroads to meet this demand. Therefore, it is important that continued reinvestment be encouraged and imperative that the balanced regulatory framework created with the Staggers Act of 1980 be preserved.

I note and commend your efforts to make the Surface Transportation Board more accessible to rail shippers and also to seek the highest balance for reasonable regulation. I respectfully ask that you consider my concerns and preserve the policies that have been so beneficial to Kentucky and our nation.

Sincerely,

Michael W. Hancock, P.E.
Secretary



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