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Mr. Daniel Elliott III, Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0012

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Dear Chairman Elliott:

It is my understanding the Surface Transportation Board (STB) will be conducting a hearing on rail competition on June 22, 2011. As you are well aware, the freight rail industry is critically important to my home state of Nebraska and indeed our entire nation, both from its standpoint as an employer and given the role the industry plays among our nation's transportation and commerce systems.

The full impact of the freight rail industry on the economic success of my state can be clearly seen by looking at the numbers. In Nebraska, the freight rail industry employs the third most employees – more than 12,000 – of any state, averaging wages and benefits of \$103,500. In addition, Nebraska has been one of our country's biggest rail tonnage movers, a critical aspect in the flow of commerce within the United States.

From a national perspective, freight railroads have been investing billions in capital infrastructure, which has led to job creation in this recovering economy. In 2011, railroads are planning to spend a record \$12 billion on capital expenditures, after just coming off another record-setting year of \$10.7 billion in capital spending in 2010. In fact, more than 40 cents of every revenue dollar goes into building, maintaining and growing America's rail network. These investments have helped lead to the job creation our country has been seeking; at the end of 2010, railroad hiring was up 5.2 percent from the year before.

With the federal government under increasing pressure to grow our economy, while at the same time working to restrain growth in spending, any action by the STB that would ultimately discourage private investment in this country's infrastructure would certainly prove counterproductive. I hope, therefore, that a regulatory framework which supports, rather than hinders, private investment and job creation will be one of the central focuses of the STB's hearing.

Thank you for your consideration of the impact our railroads have not only in my home state of Nebraska, but all across our nation. I look forward to hearing from you on this important issue.

Sincerely,



E. Benjamin Nelson
United States Senator

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