

Hub Group, Inc.



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April 6, 2011

Chairman Daniel R. Elliott III
Surface Transportation Board
395 E Street, S. W.
Suite 1220
Washington, DC 20423-0001

RE: Ex Parte No. 705

Dear Chairman Elliott:

I write today concerning the STB proceeding in Ex Parte No. 705, the purpose of which is to consider the competitive marketplace in the railroad industry. The company that I represent, Hub Group, Inc., arranges for the transportation of trailers and containers on the various Class I railroads in North America. Hub Group is a Fortune 500 company with over \$1.8 billion in revenue in 2010. Nationwide we employ approximately 1600 white collar employees and just under 1800 truck drivers. In 2010, Hub Group shipped over 1,000,000 truckloads with over 700,000 of those truckloads being transported via rail intermodal. As a result of using rail intermodal versus conventional over-the-road service for the 700,000 truckloads, 3.1 billion pounds less carbon was emitted into the atmosphere and over 68 million gallons of fuel was saved. Obviously, it is in this country's best interest to continue to promote the use of our nation's rail system.

Since the passage of the Staggers Act in 1980, the nation's railroads have evolved from being an industry in serious decline to an industry that is competing in the freight transportation world. While I think there are many different reasons for this success story, I don't think anyone should underestimate the foresight shown by Congress, the Interstate Commerce Commission before 1996, and the STB after that time in providing the appropriate regulatory structure that promotes, enhances and grows the railroad industry. I applaud our government for nurturing the national treasure that is our railroad industry.

I know that some customers believe that changing the regulatory structure will benefit their own pecuniary interest. However, such a shift actually could harm many more shippers in the long run. Taking actions that could reduce railroad revenue will harm the interest of intermodal customers, as well as the public at large, who benefit from strong railroads that are able to invest in infrastructure expansion, terminals, and rolling stock. In addition, we are concerned that changes in the rules could result in service disruptions that would adversely affect all shippers.

I appreciate your consideration of my views, and I hope the Board will work to ensure a healthy freight rail network that continues to provide a true public benefit to our nation.

Sincerely,

A handwritten signature in black ink, appearing to read 'David P. Yeager', with a long, sweeping underline that extends to the right.

David P. Yeager
Chairman & CEO