



229612

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

May 17, 2011

ENTERED
Office of Proceedings
MAY 25 2011
Part of
Public Record

The Honorable Dan R. Elliot
Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Chairman Elliot:

Ex Parte 705

With the incorporation of America's first railroad, the Baltimore and Ohio, the interests of the Commonwealth of Pennsylvania and the railroad industry have been intertwined. Today served by over 6,500 miles of rail operated by three Class I carriers and numerous regional and short line partners the Commonwealth's economic vitality is heightened by the efficient, effective transportation services the rail industry provides.

The railroad industry's ability to provide these valuable services to Pennsylvania and the rest of the nation result in large measure from the balanced regulatory framework adopted with enactment of the Staggers Act of 1980. Since 1980, average railroad rates have fallen by 55 percent, the amount of traffic moved by freight rail has nearly doubled and service has improved tremendously. In part this has occurred because the rail industry has been able to attract and invest \$480 billion in private capital back into their operating networks making it the safest, most affordable and most efficient in the world.

Now is not the time for regulators to promote policies that restrict rail earnings and threaten private investment that is so earnestly needed to pull this country out of the worst recession in more than 80 years. America's railroads will continue to do their share to make that investment and provide the improved services to Ohio and the rest of the nation required to connect our agricultural and industrial economies with the world markets they serve.

I urge you and the members of the Surface Transportation Board to thoughtfully consider this matter and sustain the existing regulatory framework that has allowed America's railroads to fairly and efficiently serve the interests of its customers, the general public and our nation.

Sincerely,

TOM CORBETT
Governor