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Senate of Pennsylvania

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March 31, 2011

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

Dear Chairman Elliot:

As Chairmen of the Pennsylvania Senate Transportation Committee, we are writing in support of our freight rail industry in the Commonwealth and throughout the country. As you know, freight traffic throughout our transportation infrastructure is expected to increase significantly over the next fifteen years. Freight railroads will be critical in helping alleviate the pressures on our roads and highways. As such, it is imperative for the freight rail industry to continue improving and expanding their infrastructure and operations, and we believe the existing regulatory structure provides the appropriate oversight that will allow for continued investment.

Since 1980, freight railroads have invested billions of dollars to upgrade their rail lines, equipment, facilities and labor force. According to independent statistics, they have done so at rates that are 55% lower than they were in 1981, when adjusted for inflation. As a result, the average rail customer is able to move twice the freight today for nearly the same amount it cost thirty years ago.

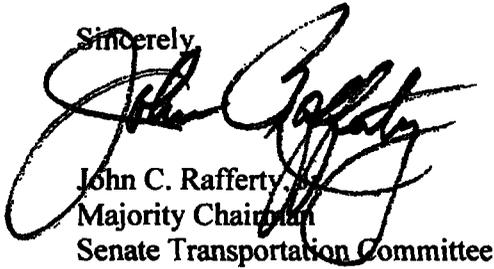
Today, Pennsylvania boasts more operating freight railroads than any other state in the nation, and their investments in our rail infrastructure have kept alive vital rail corridors that not too long ago were almost lost. Our freight railroads have become an integral piece of our transportation system here in PA. They also provide over 7,000 jobs for our citizens with average wages and benefits over \$90,000 per employee. Most importantly, they provide our Commonwealth with a safe, efficient and environmentally sound transportation mode for our commerce.

We are concerned about discussions in Washington regarding changes to the regulatory structure that might limit the freight railroads' ability to continue investing their private capital to improve the rail network. With our transportation systems under significant strain, in part due to the significant growth of freight traffic, we believe that government should be encouraging, not discouraging, private investment in our nation's transportation infrastructure.

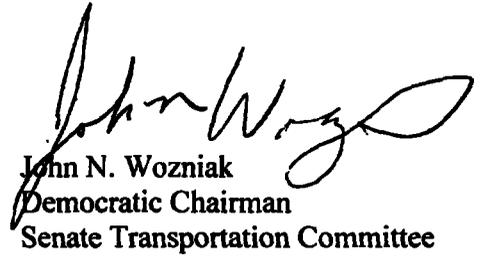
As you deliberate actions that might affect our rail freight companies, we urge you to maintain a regulatory structure that allows for the continued investment and growth of our freight rail industry.

We thank you for your consideration in this matter.

Sincerely



John C. Rafferty
Majority Chairman
Senate Transportation Committee



John N. Wozniak
Democratic Chairman
Senate Transportation Committee