

United States Senate
WASHINGTON, DC 20510

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April 4, 2011

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

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Dear Chairman Elliott:

I am writing to offer my views on rail regulatory framework in light of the Surface Transportation Board's upcoming hearing on rail competition. Having a safe freight rail system that is able to operate without government subsidies is essential to helping grow our nation's economy without adding to our nation's current budget deficit.

Freight rail is a vital industry in South Carolina and across the nation. Altogether, South Carolina hosts 14 different freight railroads, operating on 2,289 miles of track. These companies employ nearly 2,000 South Carolinians with average wages and benefits of \$93,400.

Since deregulation in 1980, freight railroads have invested nearly \$480 billion in private capital into their operating network. During that same time period, the train accident rate has been reduced by 77 percent, the rail employee injury rate by 82 percent, and the grade crossing collision rate by 81 percent — setting new record lows in each category, according to the most recent FRA data. While we commend the railroads on their marked improvement in safety, more can still be done.

In January, President Obama issued an Executive Order requiring federal agencies to ensure that regulations protect our safety, health and environment while promoting economic growth. He also ordered a review of existing rules to remove outdated or ineffective regulations that stifle job creation and make our economy less competitive. Increasing regulations on railroads would be doing the exact opposite of this call to action by the President at a time when we desperately need to grow the economy.

I value the role of freight rail in aiding in the revitalization of our economy and would oppose any changes to the current regulatory environment that inhibits freight railroads ability to continue spending billions of private dollars to enhance and modernize the nation's rail system. This investment keeps our communities safe, enhances our infrastructure and connectivity, maintains our ability to compete, and creates jobs in South Carolina. I urge you to keep these key concerns in mind as you hold hearings to review the economic regulations under which freight railroads currently operate.

Sincerely,



Lindsey O. Graham
United States Senator



Jim DeMint
United States Senator