



Steven C. LaTourette
Congress of the United States
14th District, Ohio

230109

March 22, 2011

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

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Dear Chairman Elliott,

As a University of Michigan alumnus, a lawyer, and an Ohioan, I was very pleased to see your confirmation to the Surface Transportation Board. Your 16 years of experience litigating in the transportation field stands you in good stead as you deal with the variety of complex issues that come before the Board. In light of your upcoming hearing, I wish to address just one of those issues with you today: rail competition.

As you know from your days in Cleveland, Ohio is a rail-intensive state. It has 36 freight railroads, 5,318 railroad miles and 7,825 railroad employees. We export coal, iron and steel, metallic ores and farm products and we connect the goods and markets from the East and the West.

However, the Ohio economy has been especially hard hit by the global recession: our unemployment rate is 9.2%, and consumers are hesitant to spend with such a bleak employment outlook. While many Ohio businesses cannot or will not invest in this economic climate, the freight railroads *are investing* in new facilities and terminals, hiring new employees, and paying their existing employees top wages.

I hope you agree that the railroads' continued investment demonstrates that the existing regulatory environment is working. Since the Staggers Act passed, the results speak for themselves: freight railroads are more efficient, safer, provide better service, charge lower rates (discounted for inflation) and are able to drive back almost 20% of their revenues back into their networks, while introducing improved technology and management practices. The freight railroads have managed to do this in a very competitive atmosphere, where trucking, water and pipeline represents 80% of the freight shipments and railroads represent 10% of the freight shipments.

With freight demand projected to increase 68% by 2040 – coupled with public benefits in terms of less air pollution, increased options for shippers, and less congestion – the regulatory framework should encourage railroad investment, not discourage it.

Thank you for taking the time to consider my comments. As always, I appreciate the work you do and your service for our country.

Sincerely,

Steven C. LaTourette
Member of Congress

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WASHINGTON, DC 20515-3814

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