

Dear Mr. Chairman and Ranking Member Hutchison:

We are writing you in support of S.158, the Surface Transportation Board Reauthorization Act of 2011, which we understand may be considered by the Committee on June 8th. We appreciate your leadership in developing this legislation in the last Congress and moving it forward again in this Congress.

As you know, S.158 is identical in all relevant respects to S.2889, the Surface Transportation Board Reauthorization Act of 2009. That legislation was developed by the Democratic and Republican leadership of your Committee through a process involving the rail customer community and the nation's freight railroads. S.2889 was ordered reported by the Committee by a voice vote, without objection, on December 17, 2009. While the freight rail community did not oppose the legislation during Committee consideration of the legislation, we understand that railroad opposition to S.2889 surfaced shortly after December 17, 2009.

S.158 expands the membership of the Surface Transportation Board from three to five; authorizes expanded financial resources for the Board; clarifies that the Board has the authority to act on its own motion when the Board finds unreasonable rail practices that need to be addressed; and removes some of the current regulatory barriers to rail-to-rail competition in the national freight rail system. We support S.158 as introduced and oppose any weakening amendments that may be offered either during Committee consideration or in negotiations after the bill is reported by the Committee.

S.158 does not re-regulate the major freight railroads; S.158 does not require prior approval by the Board of any action that does not require prior approval today; and S.158 does not expand the universe of rail rates that are subject to regulatory challenge. Rather, S.158 is deregulatory and pro-competitive. S.158 ensures that our national freight rail system will include rail-to-rail competition, where possible.

Sincerely,

Alliance for Rail Competition American Chemistry Council American Coalition for Ethanol American Forest & Paper Association American Public Power Association **Basin Electric Power Cooperative** Central Iowa Power Cooperative CoBank **Consumer Federation of America** Consumers United for Rail Equity East River Electric Power Cooperative Edison Electric Institute Electric Cooperatives of Arkansas Grand Canyon State Electric **Cooperative Association** Heartland Consumers Power District Institute of Scrap Recycling Industries Iowa Association of Electric Cooperatives Manufacture Alabama

Missouri River Energy Service Minnesota Grain and Feed Association Minnesota Rural Electric Association National Association of Regulatory **Utility Commissioners** National Association of State Utility Advocates National Association of Wheat Growers National Farmers Union National Grain and Feed Association National Industrial Transportation League National Rural Electric Cooperative Association North Carolina Electric Membership Corporation Nucor Corporation Portland Cement Association Texas Municipal Power Agency Washington State Potato Commission

Members, Senate Commerce, Science and Transportation Committee