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The Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, N. W.
Washington, D. C. 20423-0001

Ex Parte No. 658

Dear Chairman Nober:

Railroads are extremely important to the Hub Group, particularly intermodal which handles 71% of our freight. We are the largest intermodal marketing company in America having over \$1 billion in sales. In addition, we move over the highway approximately 200,000 trailers per year with almost 15% of our business in additional logistics and logistics management.

Intermodal is now the largest segment of the present rail systems and since the 1980 Staggers Act has grown from less than two million loads to 13½ million loads in 2004. During this period, the overall structure of the rates has been consistently downward due to the rails ability to reduce their costs dramatically due to innovations such as the stack car (one container on top of the other).

The railroads have been tremendously enthused with their success in this field; however, they have been limited in their potential growth due to insufficient funds to improve many of their facilities. It is extremely important that the railroads be given the opportunity to earn a fair return on their assets.

We have the finest freight railroad system in the world and must keep this tremendous global advantage. We need the Staggers Act and other government policies to continue these successes.

Very truly yours,

Phillip C. Yeager
Chairman

PCY/mmv