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GREGORY L. EVANS
ASSISTANT DIRECTOR
DIVISION OF
RESERVE BANK OPERATIONS
AND PAYMENT SYSTEMS

February 6, 2007

William Huneke
Chief Economist and Associate Director
Office of Economics, Environmental Analysis & Administration
Surface Transportation Board
Attn: STB Ex Parte No. 664
1925 K Street, N.W.
Washington, DC 20423-0001

Dear Bill:

This letter confirms my intent to participate in your public hearing on the methodology to be employed in determine the railroad industry's cost of capital. As we discussed, I plan to limit my written and oral testimony to the Federal Reserve's method for estimating a private sector comparable return when setting fees for services as required by law. A written copy of the testimony will be forthcoming in advance of the hearing. Please contact me at 202-452-3945 for further information.

I look forward to meeting you next week.

A handwritten signature in cursive script, reading "Gregory L. Evans".