The Adams Express Company

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LAWRENCE L. HOOPER, JR.
VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL

December 23, 2003

Mr. Jonathan G. Katz
Secretary
U. S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D. C. 20549-0609

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OFFICE OF THE SECRETARY

Re: *NYSE Proposal to Increase Continuing Annual Fees for Closed-End Funds (Release No. 34-48833; File No. SR-NYSE-2003-33)*

Dear Mr. Katz:

I welcome the opportunity to comment on the above-referenced proposal. I am the Vice President, General Counsel and Secretary for The Adams Express Company ("Adams") and Petroleum & Resources Corporation ("Petroleum"), two closed-end funds that are listed on the New York Stock Exchange ("Exchange" or "NYSE"). Our shares have been listed on the NYSE for over 75 years. Adams currently has more than 82 million shares of common stock outstanding and Petroleum has in excess of 21 million shares of common stock outstanding.

In conformity with applicable law, at the end of each year we distribute to our shareholders the capital gains realized by the fund during the first 10 months of the year and a quarterly dividend ("Year-end Distribution"). Shareholders have the option to elect to receive the Year-end Distribution in one of three ways – all cash, all stock, and a combination of cash and stock. We issue new shares to shareholders who elect to receive all or part of the Year-end Distribution in the form of stock. Those newly-issued shares are listed with the Exchange and we pay the applicable fees for listing them. We have provided these options to our shareholders since 1959 and our experience has been that shareholders holding more than 50 percent of our shares elect to receive the Year-end Distribution in stock. At the end of each of the past 15 years, Adams has issued on average more than 2 million new shares and Petroleum has issued on average over 400,000 new shares.

The NYSE is proposing to dramatically increase the continuing annual fees that Adams and other long-standing funds that are not part of a large fund complex will pay.

As NYSE-listed companies, we recognize that the Exchange needs to generate higher fees in order to cover the costs of the expanded regulatory oversight duties that it must perform in the post-Sarbanes/Oxley environment. Accordingly, we do not object to increasing the per million share fee rate from $830 to $930. We do, however, oppose the elimination of the exclusion from the calculation of fees any shares that have been listed for 15 years or more ("the fifteen year exclusion") because that will have a disparately large impact on our shareholders and does not appear to be justified.

We calculate that the combined effect of the NYSE's proposal to increase the fee rate per million shares by $100 and eliminating the 15 year exclusion will increase the continuing annual fee for Adams by 57 percent from what we paid in 2003[1]. Although that increase falls within the range discussed by the NYSE in the proposal, it is at the upper end and is substantially greater than the average increase of 15.6 percent and 8.2 percent median increase projected by the Exchange. Moreover, because we have only two funds in our "fund family," we do not qualify for any of the discounts that the NYSE has implemented in order to ameliorate the impact of the fee increase, further exacerbating the proposal's impact on Adams' shareholders.

There are good reasons for treating our stock and closed-end funds like ours differently from the stock of operating companies, which both the Commission and NYSE have recognized in many contexts. The amount of continuing annual fees presents precisely such a context and the same rationale for different treatment is present. As domestic equity closed-end funds, our financial reports and company operations are much more straight forward and less complicated than those of the typical operating companies that are listed on the NYSE. It appears to us that the $100 per million share fee increase, which will cause Adams' fees to increase by approximately $8,400 next year, should be adequate to cover those costs as they relate to closed-end funds like ours. On the other hand, we calculate that eliminating the 15 year exclusion will further increase our fees next year by approximately $22,600, which appears to us to exceed what is required to meet these increased costs. And this change will fall harder on long-tenured funds like ours that are required to distribute dividends and capital gains annually, elect to do so by issuing new shares to stockholders, and have done so for many years.

Our two funds are internally-managed and we are dedicated to keeping our expenses low. The expense ratio for Adams, calculated as of September 30,2003, is 0.48 percent; for 2002 it was 0.34 percent and for 2001 it was 0.19 percent. Any increase in

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[1] Petroleum should not be adversely affected by the fee change since the NYSE advises in its proposal that funds with less than 26 million shares outstanding will be subject to the minimum fee of $25,000.

continuing annual fees will come directly out of our shareholders' pockets. If the Commission chooses not to alter the NYSE proposal to address our concerns as stated herein, one alternative that we would urge the Commission to consider is to provide a phase-in period for eliminating the 15 year exclusion. If the elimination were to be spread over a three year period, with one third of the old shares being added to the continuing fees each year, this would cushion the effect of the proposal on smaller fund complexes like ours and would soften the impact on the expense ratio applicable to our shareholders.

We appreciate the opportunity to comment on this important proposal. If you have any questions or need any additional information concerning this letter, please do not hesitate to contact me at (410) 752-5900.

Sincerely yours,

Lawrence L. Hooper

Lawrence L. Hooper, Jr.
Vice President, General Counsel &
Secretary