

CHAIRMAN NOBER: Well, thank you very much. We'll start with Vice Chairman Mulvey.

VICE CHAIRMAN MULVEY: Thank you very much. You state in your comments that there is a small peacetime market for chain tie-down cars, and that deploying for war would be impossible without pooling. And I was wondering what other alternatives DOD has looked at.

For example, with regard to the airlift capacity, there is a civil reserve air fleet whereby commercial airplanes are boarded to military use in times of crisis. Would something like a CRAF fleet for chain tie-down cars be a practical alternative to pooling?

MR. GOUNLEY: No, it wouldn't. I believe that fleet is primarily concerned with passenger transport, not freight transport.

VICE CHAIRMAN MULVEY: It is. Although some freight does move on it as well, but it also does -- it does both freight and passenger.

MR. GOUNLEY: And the cost of planes, the limited number that can be purchased, in fact results in the opposite occurring within DOD -- doing the best we can to take traffic off of planes and putting it on surface transport. And so we are looking to accelerate surface movement to the ports. We're looking to accelerate the speed of the ships in going to overseas ports. So it would not be practical.

VICE CHAIRMAN MULVEY: I just thought that these cars would be identified as cars that would be used in times of military necessity and that DOD, therefore, could contribute something to their maintenance as is done with the CRAF.

MR. GOUNLEY: Oh, I see.

VICE CHAIRMAN MULVEY: And so there would be this reserve fleet of cars which in times of crisis you could identify, and then those cars would go into service, and the railroads, of course, would be directed to move those cars to where they are needed.

MR. GOUNLEY: I'm sorry. I misunderstood your question. We have looked at the possibility of a CRAF-type arrangement for railroad cars. And, in fact, we have gone one step further, and since Desert Shield the Army has bought 900 chain tie-down flatcars to add to the 565 it already had. So we have over 1,350 chain tie-down cars already.

We found that it is much better if the cars are in use because of the lack of -- the repair problems that we have with cars sitting idle for such a long period. Many of the cars that we used in OIF we needed one-time waivers from the Federal Railroad Administration, because, as luck would have it, they just ran out of the time limit on their single-car air brake test just at the start of the deployment.

So it's much better for us to have these cars circulating ideally with -- ideally for the country with commercial traffic, not military traffic.

VICE CHAIRMAN MULVEY: Well, that's true with the CRAF fleet. The CRAF fleet is generally in use, and you get the same kinds of benefits. These cars would still be owned by the individual railroads, for that matter leasing companies, but they would only be put into military use in times of a crisis. So they would still get all of that use.

MR. GOUNLEY: Yes. If you look at the CRAF arrangement, if you look at the visa arrangement for a sealift, the military has something to offer the airlines and the steamship lines in return for setting aside those aircraft and vessels. We have looked long and hard in our short access program, what could we offer the railroads? And we have not been able to come up with equivalent amounts of additional business in peacetime.

VICE CHAIRMAN MULVEY: One more question, and that is, in your testimony you outlined restrictions proposed by certain commenters would negatively affect

DOD's ability to deploy. Which restrictions the commenters mentioned do you think would have the biggest negative effect?

MR. GOUNLEY: If the TTX fleet were restricted to intermodal or to intermodal and automotive. We're very concerned that -- we see how we benefit very much from the current arrangements. We don't want to see large-scale tinkering with that arrangement. We just want to tinker where we would benefit from it.

VICE CHAIRMAN MULVEY: Well, it's not broke. If it ain't broke, don't break it.

MR. GOUNLEY: Exactly.

CHAIRMAN NOBER: All right, thanks.

Commissioner Buttrey?

COMMISSIONER BUTTREY: No questions.

CHAIRMAN NOBER: I have no questions either, other than when you were having trouble with car utilization during the deployment, I mean, we have -- our agency also has authority to direct service, and particularly in times of emergencies and in times of war deployment to order priority. And, you know, no one came to us or raised an issue with us about the carriers releasing their cars.

Is there a reason why you didn't do that? I guess in theory no one wanted to admit that there was a deployment.

MR. GOUNLEY: Maybe that we were so conscious with getting through that day and getting ready for the next day that we didn't look beyond that.

CHAIRMAN NOBER: Because certainly administratively we could have helped. I mean, if it was simply working with the railroads to release them quicker, you know, that's something that administratively we could have done with, you know, a phone call or a meeting I think. Carriers are usually very cooperative about stuff like that.

MR. GOUNLEY: We'll certainly consider that the next time.