

Honorable Roger Nober
Opening Statement

Hearing on
Class Exemption for Expedited Abandonment Procedure For Class
II and Class III Railroads

STB Hearing Room August 31, 2004

Thank you for being here this morning.

Originally, the Board had scheduled to hold a voting conference at the beginning of this hearing to vote on the reopening in the PPL rate case and on TTX's application.

However, Commissioner Buttrey was called away for the birth of his first grandchild. The Board therefore completed its voting in advance of this hearing so that Commissioner Buttrey could attend the birth, and we wish his family well on their new addition.

First, the Board voted unanimously to approve a decision in PPL that dismissed the complaint and discontinued the proceeding.

Second, the Board voted to approve an extension of TTX's pooling authority for 10 years, with a review to occur after year 5. Commissioner Buttrey and I voted in favor of the decision. Vice Chairman Mulvey concurred in part and dissented in part.

Finally, I'll note that the Board has also voted to restart the proceeding in which Kansas City Southern seeks to acquire Mex-Rail and Tex-Mex. In restarting the proceeding, the Board is providing for a 30-day period in which interested parties may comment on the altered terms of the acquisition. Kansas City

Southern will then have 15 days to respond to those comments before the Board considers the record and makes a decision.

All three of these decisions will be available on our web-site soon.

We will now turn to today's hearing.

This hearing focuses on a proposal submitted by a group of 65 Class II and Class III carriers to create a new class exemption for abandonments. In addition, the Association of American Railroads has asked us to look at some issues related to the historic review process that is part of an abandonment.

Let me say at the outset, that I share the underlying concern addressed by the group of short lines and the AAR. The process for abandoning a line takes too long, for reasons not entirely in the Board's control. For example, the environmental review and historic preservation processes can be slow because of the other organizations that participate in them.

At the same time, we have some statutes that place parameters around the actions the Board can take, which I believe is a point that our witnesses from two labor organizations will address.

I look forward to the discussion. Perhaps together we can find some ways to streamline the abandonment process for Class II and Class III carriers.

Let me address a few procedural issues. We'll have one panel today with all four witnesses. We'll hear from each member of the panel -- starting with the person seated to my left (the audience's right). After we have heard from each member of the panel, I will recognize Vice Chairman Mulvey for any questions he may have for the panel. And I may work in some questions as well –

probably toward the end. So we'll be holding our questions until we have heard from all the panelists.

Let me remind everyone to please turn off your cell phones.