MS. MORGAN: Chairman Nober, Vice Chairman Mulvey, I certainly appreciate the warm welcome and I’m happy to be here. I also appreciate the opportunity to present the views of the Association of
American Railroads in this important proceeding. You have AAR’s written submission. I will not use all of the time allotted to me but rather will briefly summarize the key points made in that submission.

First of all, the AAR fully endorses the proposal of the smaller railroad community. We believe that this initiative is another important step in streamlining railroad regulation and we applaud the Board’s interest in examining the proposal. We also believe that this proposal promotes two important goals. One, freeing up railroad resources so that they may be applied more effectively where capacity is needed and two, facilitating the offer of financial assistance process to insure continued rail service where needed. In this regard, the AAR has made some suggestions for further clarification. In making these suggestions, however, it is not our intention to slow down the process for approval of the smaller railroad proposal.

Regarding specific suggestions, the AAR suggests that a Class I carrier connected in any way to the Class II or Class III line subject to the
The proposed exemption process should be able to avail itself of the same procedures. Also, the AAR wants to insure that any trackage rights over a Class I railroad acquired through an OFA process would not extend any further on the Class I line than the abandoning smaller carrier rights would have provided.

In addition, picking up on one part of the smaller railroad proposal, the AAR suggests that with respect to all abandonments, the applicant should have the option of seeking an environmental review either before an OFA is considered or after it is rejected. Finally, the AAR suggests some changes as you’ve referenced, Mr. Chairman, to the historic preservation review process for all abandonments to further congressional intent to bring abandonment proceedings to closure as expeditiously as possible.

In particular, we suggest an expansive use of categorical exclusions from the process and also more focus on strengthening time deadlines. We would be happy to work with the Board on this issue outside of this proceeding if that is deemed appropriate.

In closing, again, we appreciate the
opportunity to comment on this important initiative
and I will certainly be happy to answer any questions
that you might have.