

19 MS. MORGAN: Chairman Nober, Vice Chairman  
20 Mulvey, I certainly appreciate the warm welcome and  
21 I'm happy to be here. I also appreciate the  
22 opportunity to present the views of the Association of

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1 American Railroads in this important proceeding. You  
2 have AAR's written submission. I will not use all of  
3 the time allotted to me but rather will briefly  
4 summarize the key points made in that submission.

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

20 Regarding specific suggestions, the AAR  
21 suggests that a Class I carrier connected in any way  
22 to the Class II or Class III line subject to the

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1 proposed exemption process should be able to avail  
2 itself of the same procedures. Also, the AAR wants to  
3 insure that any trackage rights over a Class I  
4 railroad acquired through an OFA process would not  
5 extend any further on the Class I line than the  
6 abandoning smaller carrier rights would have provided.

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

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

22 In closing, again, we appreciate the

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1 opportunity to comment on this important initiative  
2 and I will certainly be happy to answer any questions  
3 that you might have.

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