

**CHAIRMAN NOTTINGHAM'S OPENING STATEMENT**  
**EP 671 Capacity and Infrastructure Hearing**  
**April 11, 2007**

Good morning. Welcome to the Surface Transportation Board's hearing on rail capacity and infrastructure and welcome also to the STB's new headquarters here at 395 E Street, SW. We hope you had no problem finding the place and getting through security this morning.

The STB is honored today to have approximately 31 witnesses scheduled to present statements and respond to questions on one of our Nation's most important economic and quality of life challenges – how can we meet the growing demand for efficient and reasonably priced rail transportation of freight and passengers? One of my priorities as Chairman of the STB is to ensure that this agency has the information, expertise, and wisdom to play a meaningful role in ensuring that our Nation meets these challenges.

I will keep my opening remarks brief so we can begin to listen, learn from, and question our witnesses who bring expertise from the “front lines” in the battle against transportation system congestion and

gridlock. It is my hope that this hearing will shed light on the full nature and scope of the growing rail transportation capacity challenge that we are confronted with. As we will hear from experts today, freight and passenger rail traffic is forecast to grow faster than planned infrastructure and capacity expansion investment.

Transportation alternatives via modes such as highways or aviation will also be saddled with congestion. Transportation planners are counting on the rail sector to at least maintain its percentage share of transportation demand – a goal that will require enormous leadership, creativity and investment.

It is also my hope that this hearing will serve as a reminder that the various and diverse stakeholders in the rail sector –

- large and small shippers from different industries;
- large and small freight and passenger railroads;
- local, state and federal governmental entities;
- seaport managers;
- highway users who benefit from the congestion relief that railroads can provide to highways;

- rank and file consumers who benefit from unprecedented choice, value, and availability of goods delivered by rail;
- and other stakeholders –

have much more in common when confronted by the rail capacity challenge than they might be accustomed to believing. Stakeholders who may bring many decades of contentious disagreement on various rail related issues may well decide that it is in everyone's interest to work to address the rail capacity challenge before it reaches crisis proportions.

I look forward to hearing from the witnesses today on a number of key issues that relate to rail capacity, including:

- 1) how do we attract and incentivize significant increased levels of private investment in rail capacity?
- 2) how do we guarantee continued rail service in an effective manner and at reasonable rates in the face of severe capacity constraints – how can the common carrier obligation be safeguarded?
- 3) what is the federal government's role in addressing these challenges?

And 4) what policy, statutory, and regulatory changes are needed to address these challenges?

And more.....

Before turning to my Board colleagues for their opening statements, I have a few administrative and “housekeeping” matters to mention

As you can see from the witness list, we have quite a long hearing in store for you today. In an effort to keep the testimony moving along, we will have no break today longer than 15 minutes, and I intend to keep even those breaks to a minimum. That means, of course, that there will not be a formal lunch break.

Regarding the testimony itself, as usual, we will hear from all the speakers on a Panel prior to questions from the Commissioners.

Speakers, please note that the timing lights are in front of me on the dais. You will see a yellow light when you have one minute remaining, and a red light when your time has expired. Please do your best to keep to the time you have been allotted. After hearing from the entire panel, we will rotate with questions from each Board

Member until we have exhausted the questions. Additionally, just a reminder to please turn off your cell phones.

And finally, I would like to briefly acknowledge and thank the STB staff who worked on preparing this hearing. I would also like to thank the building security team for their assistance today and, most importantly, I would like to thank the STB staff who worked tirelessly (along with our colleagues at the General Services Administration) to ensure that our STB headquarters relocation went smoothly. And now it is my honor to turn to Vice Chairman Buttrey for his opening remarks.