

November 6, 2001

STB Ex Parte No. 586

Vernon A. Williams
Secretary, Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, D.C. 20423-0001



Dear Mr. Williams,

I submit the attached credentials for your consideration for placement on the roster of arbitrators available to arbitrate disputes pursuant to 49 CFR 1108. My broad background in transportation and arbitration proceedings I believe well qualifies me for that appointment.

Sincerely yours,

T. Stephen O'Connor

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Education and Training

B.S., Business Administration, University of Maryland, 1972

M.A., Economics, University of Baltimore, 1974

Advanced graduate work in Transportation, American University, 1975-76

Practitioner before the STB/Interstate Commerce Commission

Qualifications

Mr. O'Connor, an economist with 27 years of experience in rail transportation, has managed numerous transportation projects in North and South America, Europe and the Far East that resulted in the development and implementation of trackage rights and asset sharing agreements. He recently completed a trackage rights and terminal sharing agreement between the two major railroads in Mexico for the Ministry of Transportation. Mr. O'Connor was the lead consultant who set up and transferred all of the commuter railroads in the northeastern United States to state and local commuter agencies, which required trackage and terminal sharing agreements with Amtrak and several freight railroads. Mr. O'Connor was a practitioner before the Interstate Commerce Commission (ICC) appearing as the costing, operations and best practices expert in arbitration and trackage rights cases.

Mr. O'Connor has also recently completed a substantial engagement for the Metropolitan Transportation Authority of New York, an effort that should serve well as an example of our expertise for the type of work being considered here. This effort examined the economics and operations of the Metro North commuter passenger railroad and determined its self-sustainability and subsidy requirements. The purpose of this work was to determine the economics and operational basis of sharing revenues, costs, and deficits between the State of New York and State of Connecticut.

(Determined separate deficits for its three major corridors or regions of operations as well as the deficit for its branch lines and Grand Central Terminal.) Determined in this effort what passengers, trains, and services were attributable to each state and to what extent each state should share in the railroad deficits. This determination was made using economic and operational modeling and validated through a review of Activity Based Costing techniques. Alternative operations also were analyzed and operating plans developed and presented for both jointly run and stand-alone operations. A benchmark of the passenger railroad industry in North America also was undertaken to assess and target cost and service quality levels for the railroad.

Mr. O'Connor has also worked with shipper and shipper groups in gaining access and fair rates for transportation services.

Relevant Experience

Final Offer Arbitration – Vancouver Commuter (Lawson Lundell). Evaluated operating plan impacts and developed the economic methodology that was used in the successful defense of the railroads commercial contract with the commuter agency. . These analyses were performed in response to a Final Offer Arbitration proceeding.

Trackage Rights and Terminal Sharing Agreement, Monterrey, Mexico (Ministry of Transportation and Communications (SCT)). Developed operating and cost analysis for operations of Mexico's two largest railways (Ferromex and TFM) into the terminal of Monterrey, Mexico. This was performed using a fully allocated cost sharing approach and applying best practices from Class 1 railroads in North America. Represented the Ministry in negotiations over these agreements.

U.S. DOT Truck Size and Weight Study (U.S. DOT/COTR). Advising U.S. DOT on likely financial impacts on the rail industry of projected diversions to truck under varying scenarios, and consequently the effect on transport costs and net benefits.

Trackage Rights Agreement Development and Negotiations for Class 1 railways (CSX, Southern Pacific, Conrail, BNSF). Represented various U.S. Class 1's in trackage right agreement analysis, negotiations and filings.

Shared Assets Access Defense – Trackage Rights (ATSF). Successfully defended ATSF against Amtrak attempts to add train service on their main line from Los Angeles to San Diego.

Establishment of Cooperative Train Services (Levino Consortium). For a consortium of mid-size steamship companies (OOCL, Levino, etc.), assisted in examining the economics and negotiations with major U.S. rail carriers for contract operation of intermodal stack trains.

Shipper logistic plans and Transportation Services (Western Company of North America). For one of the largest companies in the oil and gas services business developed logistics plans and negotiated service and rate structure with the two largest Western rail Class 1 carriers as well as several regional trucking firms.

Shipper Association planning and rate negotiations (Small Coal Miners Association of Eastern US).

Assisted small to medium coal mine owning groups in devising alternative service and rate plans with local trucking companies and Conrail, Norfolk Southern and CSX. This effort was funded by the Federal Railroad Administration.

Process Improvement Reviews (Metro North Commuter Railroad). Advisor for benchmarking practices, process reviews, and improvements to meet the corporate service, fare operating ratio, and subsidy reduction objectives. Now assisting in carrying out directives of New York State's new government to privatize (contract out) many functions of the railroad. This work also includes representing Metro North on obtaining fully allocated based trackage rights agreements from CSX and Amtrak for use of their trackage and terminals.

Strategic Repositioning (Canadian National Railway). Advisor on an assignment to address strategic marketplace, competitive and organizational issues, as well as assisting them with the development of its primary financial systems (Accounting, Budgeting and Control System), benchmarking best industry practices and functional process review and improvement. In a separate assignment, assisted in evaluating the sale of a major section of the railroad to a third-party regional operator.

Acquisition of International Services (GEC/Alstom Manufacturing Facility, Canada). Project Leader and economic expert for GEC/AMF, Canada. Led a multi-disciplinary team in developing a bid for privatized regional contract shop operation of Ferrocarriles Nacionales de Mexico. This effort included development of the operator relationship with the remaining railroad, expected performance levels, staffing, and labor reorganization, and bid contract stipulation and pricing.

Assessing Shared Assets and Services (Canadian Pacific Railway Company). Performed three analyses: (1) Railway usage and cost methodology implications; (2) market-based opportunity cost pricing for shared assets; and (3) comparable commuter service payment and performance bases. Used in negotiations with other service

providers.

Railroad Privatization (The World Bank). Completed assignments for the World Bank on several projects in South America involving the privatization of state transportation enterprises. Included in these efforts are economic and operating assessments, going-concern valuations, exit strategies, programs for cross-border integration, capitalization, and packaging for sale to the private sector.

Instituting Best Practices (Kowloon Canton Railway Corporation). Assisted Kowloon Canton Railway Corporation management in improving financial processes and systems as well as benchmarking practices in transportation performance and measurement

Corporate Reorganizations (CSX and Amtrak). In separate assignments, assisted CSX and Amtrak in implementing the reorganization of their companies. This work included establishment of required information and communication flows as well as phased implementation plans.

Passenger and Freight Railway Restructuring (State Railway Authority (New South Wales)). Assignment was performed for State Railway Authority of New South Wales, the largest commuter and freight railway in Australia. Provided strategic planning and financial systems development including a workload driven budgetary process. Included cross charging for provided and shared services.

Passenger Rail Operations Transfer (Northeast Commuter Services Corporation). Aided in the transfer of commuter rail operations from the Consolidated Rail Corporation (Conrail) to commuter passenger agencies, participated in negotiation of trackage rights (including costing and pricing alternatives), preparation of the transfer of assets and resolution of financial cut-off issues.

Market Strategy Development (Compahia Vale do Rio Doce). Project manager on long-term engagement in Brazil. The primary mission of this assignment was the transformation of the primary railroad from Belo Horizonte, Mina Gerais, to the port of Victoria from an industrial railroad to a full-services railroad in the general cargo business. The work included reorganization of most railroad functions, efficiency and productivity improvements and marketing organization and practices required to enter new markets. Provided advice on technological change required to support this business.

Railroad Restructuring (Southern Pacific Railroad, CNR, CSX and Conrail) For major railroad carriers, developed financial and operations models used to assess strategic options, test yield management concepts and develop operating plans. Provided strategic and analytical support for several merger cases.

Employment History

- Brackenridge Group, Managing Director (1987-Present)
- Kenny, Krull & O'Connor, Partner (1983-1987)
- Booz, Allen & Hamilton, Inc., Lead Associate (1977-1983)
- United States Railway Association, Manager of Performance Analysis (1974-1977)

Professional Recognition and Affiliations

- Practitioner before the Surface Transportation Board/Interstate Commerce Commission (Formerly ICC) in the United States, appearing as the economic and financial expert in trackage rights and merger cases.
- Member of the Transportation Research Forum
- New York City Traffic Club

Publications and Presentations

Author/co-author over 30 journal articles, chapters, book reviews, technical reports and papers. Presenting author/panelist in many technical symposia, conferences and seminars in North and South America, Europe, Asia and Australia.