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REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
MILITARY SURFACE DEPLOYMENT & DISTRIBUTION COMMAND
Operations Center
661 Sheppard Place
Fort Eustis, VA 23604-1644

July 1, 2004

Office of the Staff Judge Advocate

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

ENTERED
Office of Proceedings

JUL 01 2004

Part of
Public Record

Re: Finance Docket No. 27590 (Sub-No. 3), Application of TTX Company for Approval of
Pooling of Car Service with Respect to Flatcars

Dear Secretary Williams:

On June 29th the United States Army Military Surface Deployment and Distribution Command (SDDC) requested that the Surface Transport Board allow Mr. George Gounley to testify during the oral hearing scheduled for July 7th concerning TTX's application for extending its current pooling authority. In accordance with the guidance given in your notice dated June 22, 2004, I have enclosed a written summary of Mr. Gounley's statement. Mr. Gounley does not anticipate taking more than twenty minutes of the Board's time on this matter if allowed to read a written statement into the record in accordance with 49 CFR §1113.9.

The original and 10 copies of this letter and the summary are sent by Federal Express for the Board's file. A copy of this letter is being sent to each of other interested parties.

Should any questions arise regarding this request, please feel free to contact me at (757) 878-7504 or kaminskij@sddc.army.mil. Thank you for your consideration in this matter.

Sincerely,

Janet D Kaminski
Attorney Advisor

**SUMMARY OF SPECIFIC POINTS
MADE IN THE COMMENT AND ORAL TESTIMONY**

1. DOD requests that the Board give special consideration to its comments in fulfillment of the national defense objective of the National Transportation Policy.
2. DOD supports TTX's application for extension of its pooling authority.
 - a. DOD relies on using TTX's cars to mobilize the Armed Forces.
 - b. DOD and the railroad industry benefit from the efficiencies that TTX's ownership and management of its fleet permit.
 - c. Restrictions on TTX's pooling authority as proposed by some commenters would negatively affect DOD's ability to deploy.
 - d. Achievement of DOD's other objectives in commenting on the TTX application are secondary to preservation of TTX's pooling authority.
3. DOD asks that the agreement between TTX and its owner railroads with respect to chain tiedown flat cars be modified to increase their free-running capabilities, at least during periods of high military demand.
 - a. Increasing the free-running capabilities of the chain tiedown flat cars will advance the economic objectives underlying the approval of car pooling.
 - b. Recent and ongoing inefficiencies in empty car distribution during Operation Iraqi Freedom amply support the need for different arrangements for these cars.
 - c. Circumstances surrounding a future deployment may result in significant and widespread car shortages, disrupting the deployment schedule and possibly endangering deployed military forces.
 - d. Correction of the problem involving chain tiedown flat cars during periods of peak military demand does not require changes in the arrangements governing other TTX cars.
4. DOD asks that the Board determine that DOD entities and TTX Company may contract or make other agreements to promote the national defense without endangering TTX's pooling authority.
 - a. No such contracts or other agreements are currently being negotiated.
 - b. There are several areas where contracts or other arrangements appear to offer benefits to DOD.
 - c. DOD perceives that TTX Company evaluates all unusual requests with respect to whether its consent would endanger its pooling authority.
 - d. A prior ruling that such arrangements would not endanger TTX Company's pooling authority would facilitate possible future negotiations.