



**American Short Line and
Regional Railroad Association**

The Voice of America's Independent Railroads

2-14 957

October 12, 2005

Honorable Vernon Williams
Secretary
Surface Transportation Board
Room 715
1925 K Street N.W.
Washington, D.C. 20423

Re: STB Ex Parte No. 658: The 25th Anniversary of the Staggers Rail Act of 1980: A
Review and Look Ahead

Dear Secretary Williams:

I have been asked by Roger Bell, President, Columbus & Greenville Railroad, to submit his written statement in conjunction with his planned oral testimony at the public hearing scheduled for October 19, 2005 in the above-referenced matter, notice of which was previously filed on October 7, 2005. Mr. Bell incorporates and adopts the points made in the written statement of the American Short Line and Regional Railroad Association. In addition, in his oral testimony, he will note the clearly beneficial effects the passage of the Staggers Act has brought to rail transportation with particular reference to Class III railroads. The long history of the Columbus & Greenville Railroad is illustrative. Operating since the 1870's, the railroad was a profitable and busy operation at the turn of the twentieth century, but 60 years later, the Columbus & Greenville had become stagnant under the weight of oppressive regulation. Revenues remained flat at best for 35 years. Infrastructure deteriorated. The passage of the Staggers act changed all that. Revenues began to grow. Through programs such as the Railroad Rehabilitation and Improvement Financing loans, the railroad's tracks and bridges and signal systems have been upgraded. The railroad was freed to enter innovative marketing programs with its Class I connections which attracted new business.

From his perspective as the current Chairman of the Board of the American Short Line and Regional Railroad Association Mr. Bell understands that the post-Staggers era has its own challenges. For the Columbus and Greenville Railroad, as with many other Class III railroads, the need to finance infrastructure improvements continues to be a high priority. The development of the RRIF loan program and more recently the passage of short line infrastructure tax credit legislation will have a profound effect on the industry's ability to make the required improvements.

Mr. Bell will testify that the remarkable growth of short lines which arose as a direct result of the relaxation of stranglehold operating, marketing, and development regulation which existed prior to the enactment of the Staggers Act has been so significant that capacity constraints on Class I connections has become a new challenge. Good coordination among both short lines and their class I partners is ever more crucial. Fortunately, coordination and cooperation among railroads has improved greatly. Thanks to the Staggers Act the rail industry has never been in a better position to meet the new needs of today's growing economy.

Mr. Bell will also testify that the advent of the Surface Transportation Board has been a positive force as the rail industry has adapted to the more open and fast-changing environment spawned by the Staggers Act. The Board's support for streamlined decision making and limited regulation has meant that the rail industry can count on timely implementation of strategies developed for current realities and can quickly seize on opportunities which in an era of more turgid regulation would have expired long before the glacial regulatory process would have concluded, even for the most insignificant and minor activity. Just as important, the Surface Transportation Board has been a steady, watchful hand at the helm of the interstate rail system in America in this new century. In his oral testimony Mr. Bell will urge the Board to maintain its vigilant and responsive oversight of the rail transportation industry to assure that the new challenges which the success of the Staggers Act has created – Class I capacity constraints, equipment availability, and increasing price pressure, just to name a few – do not overwhelm the Class III railroads whose renaissance has so greatly benefited the shipping public in the two and one-half decades since the Staggers Act became law.

Respectfully,

Keith T. Borman

Keith T. Borman
Vice President & General Counsel

cc: Roger Bell