



**American Short Line and
Regional Railroad Association**

The Voice of America's Independent Railroad

October 12, 2005

Honorable Vernon Williams
Secretary
Surface Transportation Board
1925 K Street N.W., Room 715
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 Reilly McCarren, Co-Chairman of the Railroad Industry Working Group, 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 testimony was previously filed on October 7, 2005. Mr. McCarren will testify that the Railroad Industry Working Group, composed of representatives of Class I, Class II and Class III railroads, was created to facilitate the private sector resolution of issues which arise between large and small railroads involving a broad spectrum of activities which require smooth coordination and cooperation between railroads in order to assure a smoothly operating national rail transportation system. It has functioned both to interpret the scope and application of contractual interchange agreements commonly known as paper barriers and to mediate both informally and formally issues arising from them since the original Railroad Industry Agreement ("the Agreement") was signed in 1998. Its role was expressly incorporated into the Amendment to the Railroad Industry Agreement which was signed at the Surface Transportation Board in September of 2004.

Mr. Reilly will also testify that the Railroad Industry Working Group addresses other pressing industry issues as well. Currently it is addressing ways and means to improve car availability for short lines. With its broad charter under the Railway Industry Agreement and its record of success in crafting workable resolutions to key rail industry issues built on careful analysis and industry-wide consensus, the Railway Industry Working Group expects to identify issues and fashion solutions to them in the future which may be unforeseen today. He will also testify that the work of the Railway Industry Working Group, which would not have been possible before the Staggers Act was passed, is an excellent illustration of the efficacy of private sector cooperation and conflict resolution among railroads which both creates new business opportunities for all railroads and ultimately benefits the entire nation's shipping public.

Respectfully,

Keith T. Borman

Keith T. Borman
Vice President & General Counsel

cc: Reilly McCarren

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