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March 6, 2006

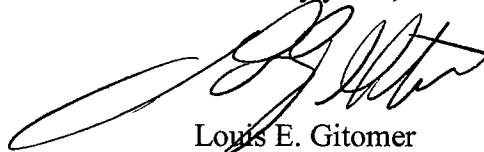
Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

RE: Ex Parte No. 647, *Class Exemption for Expedited Abandonment Procedure for Class II and Class III Railroads*

Dear Secretary Williams:

RailAmerica, Inc. is efilng the attached comments and this letter. Thank you for your assistance. If you have any questions, please call or email me.

Sincerely yours,



Louis E. Gitomer
Attorney for RailAmerica, Inc.

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Ex Parte No. 647

CLASS EXEMPTION FOR EXPEDITED ABANDONMENT PROCEDURE FOR CLASS II
AND CLASS III RAILROADS

COMMENTS
OF
RAILAMERICA, INC.

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RAILAMERICA, INC.

RailAmerica, Inc. ("RailAmerica") appreciates the opportunity to present its views to the Surface Transportation Board (the "Board") pursuant to the Board's Advance Notice of Proposed Rulemaking served on January 19, 2006.

RailAmerica, on behalf of its 43 subsidiary shortline railroads, encourages the Board to review all modifications to the regulatory process that will simplify, expedite and reduce the cost of abandoning a line of railroad. Throughout its history, RailAmerica has engaged in dozens of transactions acquiring rail lines ranging in length from a few miles to several hundred miles, handling all types of commodities and varying densities of traffic. RailAmerica acquires railroad lines to operate them and provide service to its customers. RailAmerica expects to earn a reasonable return on its investments. RailAmerica views abandonment as a very serious matter, and the last step it will take after exploring all other options.

RailAmerica has studied the proposal set forth by the Board and has concluded that it would rarely, if ever, follow the outlined process because of the cost and time involved. However, RailAmerica does not oppose other Class III railroads taking advantage of the proposed process.

In addition, RailAmerica believes that there are a number of other modifications to the Board's rules governing abandonments that could make the abandonment process simpler, faster, and less costly. These proposals could apply to all railroads, regardless of size.

RailAmerica strongly supports the suggestion of the Board that the two-year out of service exemption be changed to a one-year period without use of a rail line by shippers. An alternative would be to require the abandoning railroad to include verified letters, in a form provided by the Board pursuant to regulation, from those shippers that have shipped over the line in the 12 months before the notice is filed stating that each shipper does not oppose the abandonment.

As the Board is aware, short line railroads do not maintain their accounting records in the form necessary to easily provide the revenue and cost information required by the Board's rules in 49 C.F.R. Part 1152 Subpart D. In order to reduce the burden on short line railroads when filing applications for abandonment, RailAmerica suggests for railroads that are not Class I railroads, the Board's rules be amended to permit the submission of revenue and cost data in the format available to those railroads with all underlying work papers and explanations.

RailAmerica believes that the Board could modify its rules concerning petitions for exemption for abandonments at 49 C.F.R. Part 1152 Subpart G to ease the burden on short lines seeking to abandon a line. As the Board itself suggested, petitions for an abandonment exemption should be approved within 30 days of filing if there is no protest filed. A notice served 15 days prior to filing of the petition on the State and local governments and shippers who had used the line during the past 12 months, in a form provided by the Board pursuant to regulation, would provide time for protest (perhaps 20 days after filing) and a Board decision (perhaps 30 days after filing) either granting the petition (if unopposed) or instituting a

proceeding to permit opponents to submit their comments or protests and granting the railroad a right to reply. Another change that the Board could explore would be to permit railroads filing a petition for exemption to abandon a line the right to respond to any opposition. Both of these procedures could be adapted to fit within the current time limits the Board has established for deciding petitions for exemption.

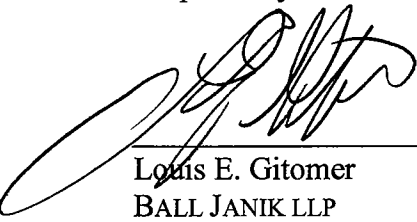
RailAmerica has noticed a proliferation of offers of financial assistance being made that do not demonstrate the financial ability of the offeror or offer the net liquidation value of the line, or present a reasonable explanation of the difference. RailAmerica believes that abandonments could be resolved more expeditiously if the Board required more of a showing of financial responsibility and required offers to match the net liquidation value or provide a strong rationale for the difference between the offer and the net liquidation value proposed by the railroad.

Finally, RailAmerica commends the Board for looking into the delays caused by the responses received to the environmental reports (the “ER”) and historic reports (the “HR”) that are served on interested parties at least 20 days before an abandonment is filed (see 49 C.F.R. § 1105.7(b) and .8(c)). In conducting this review, RailAmerica suggests that the Board consider imposing deadlines for comments on the ER and HR, and that if no comments are filed, then the Board could conclude that there are no environmental or historic impacts. RailAmerica has also received very vague comments on the ER and HR which might be resolved faster if the comments were more specific.

RailAmerica commends the Board for taking the time to review concepts for improving the abandonment process to make it simpler, faster, and less costly.

Respectfully submitted.

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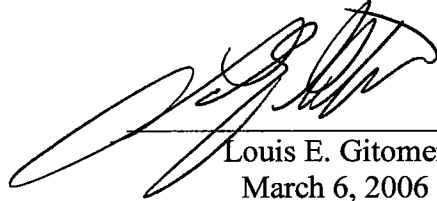
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March 6, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have caused these Comments to be served by first class mail,
postage pre-paid on the parties of record to this proceeding.

A handwritten signature in black ink, appearing to read 'L. Gitomer', is written over a horizontal line.

Louis E. Gitomer
March 6, 2006