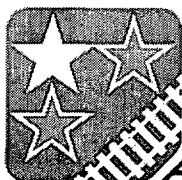


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**American Short Line and
Regional Railroad Association**

The Voice of America's Independent Railroads

July 13, 2006

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

Re: STB Ex Parte No. 575: Review of Rail Access and Competition Issues – Renewed
petition of the Western Coal Traffic League

SUMMARY OF REILLY McCARREN TESTIMONY

Dear Secretary Williams:

Below is a summary of the testimony Reilly McCarren intends to give at the above
referenced hearing on July 27, 2006 as required by the Board's June 1, 2006 Decision:

Mr. McCarren is the Chairman of the Arkansas & Missouri Railroad and the Co-Chair of
the Railroad Industry Working Group ("RIWG"), which is composed of representatives of Class I,
Class II and Class III railroads. He will testify that since its inception in 1998 the RIWG has
functioned to interpret the scope and application of contractual interchange agreements commonly
known as paper barriers. During this period it has also monitored the flow and resolution of
reported applications for waivers of paper barriers. The number of requests has remained relatively
small, and most have been granted. In particular reference to the issue of paper barriers, the RIWG
exemplifies the efficacy of private sector cooperation and conflict resolution among railroads which
stimulates new traffic for all railroads and ultimately benefits the nation's shipping public. As a
short line railroad operator himself, Mr. McCarren will also comment upon the economic effects of
paper barriers on both the current short line industry and its future development.

Respectfully,

Keith T. Borman

Keith T. Borman
Vice President & General Counsel

cc: Reilly McCarren

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