

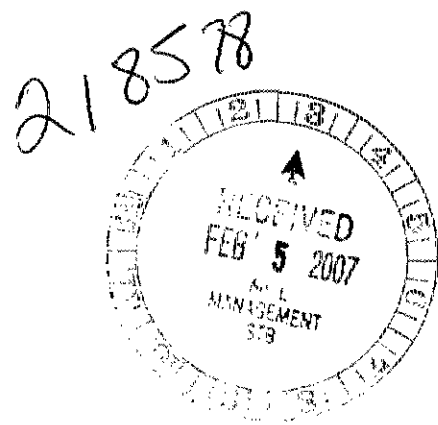
**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Ex Parte No. 664

**METHODOLOGY TO BE EMPLOYED IN DETERMINING
THE RAILROAD INDUSTRY'S COST OF CAPITAL**

**NOTICE OF INTENT TO PARTICIPATE
OF THE ASSOCIATION OF AMERICAN RAILROADS**

Pursuant to the Decision served in the above-captioned proceeding on January 12, 2007, the Association of American Railroads ("AAR") provides notice of its intent to participate in the public hearing to be held by the Board on February 15, 2007. Mr. G. Paul Moates and Dr. Bruce E. Stangle will appear on behalf of AAR. During their presentation, Mr. Moates and Dr. Stangle will address the following issues: (1) whether there have been any changes in underlying railroad industry economic conditions that would warrant a change in the manner in which the Board determines the cost of capital; (2) whether the record in this proceeding supports reconsideration of the manner in which the Board determines the cost of capital; and (3) whether the DCF methodology continues to be the most appropriate methodology for



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calculating the cost of capital. AAR requests 30 minutes for the combined presentations of Mr. Moates and Dr. Stangle.

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Michael E. Roper
BNSF Railway Company

Theodore K. Kalick
Canadian National Railway Company

Paul A. Guthrie
Canadian Pacific Railway Limited

Peter J. Shudtz
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CSX Transportation, Inc.

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David C. Reeves
The Kansas City Southern Railway Company

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Respectfully submitted,



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Counsel for the Association of American Railroads

Dated: February 5, 2007

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of February 2007, I caused a copy of the foregoing Notice of Intent to Participate of the Association of American Railroads to be served by first class mail, postage prepaid, or more expeditious method of delivery, on the following:

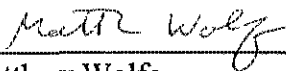
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