

October 13, 2021



Happy Birthday Staggers Act!

After More Than Four Decades, Staggers Act Continues to Have a Lasting Impact

Today's short line and regional railroads are a vital part of driving economic value in America. Not everyone may realize the impact

small railroads have, but they perform an indispensable task – providing first- and last-mile service that connects small businesses and rural communities to larger transportation networks and the national and global marketplace.

But the short line industry was not always so robust. By the late 1970s, the survival of the entire railroad industry was in doubt. Intense federal regulation, increased competition from trucks and airlines and worn-out infrastructure had taken their toll on U.S. freight railroads. The passage of the Staggers Rail Act on Oct. 14, 1980, helped bring the industry back to life and aided the formation of modern-day short line railroads.

The Staggers Act gave railroads the ability to set their own rates based on market conditions and reduced regulatory intervention except when competition was absent. A <u>transcript</u> from a 2015 U.S. House of Representatives hearing on the anniversary of the Staggers Act describes the law's effects as having "led to more efficient service and lowered costs," and improved railroads' overall financial health. This in turn allowed increased investment in infrastructure and technology that has made rail service safer and more reliable.

Passage of the Staggers Act also enabled larger railroads to shed inefficient lines or services, which resulted in the explosive growth of the short line industry. Short line operators took over unproductive branches, saving small railroads from closing and, in turn, protecting the businesses that depended on them.

The 41st anniversary of the passage of the Staggers Act serves as a reminder of the impact such legislation had not only on the rail industry, which had been subject to a regulatory structure in existence since 1887, but the national economy.

As the ASLRRA <u>website</u> notes, today's short line industry operates over 50,000 miles of track, and its 603 railroads employ 20,000 people and haul more than 14 million carloads per year. Short lines move one in five cars on the freight rail system, and small railroads account for 29 percent of total route miles nationwide.

As U.S. shipping needs change, railroads are further adjusting to meet market demands and expand their businesses. Short line railroads are charging forward as eagerly as Class I giants, in an industry that was all but dead only a few decades earlier.

Tomorrow's ASLRRA Webinar Discusses Huawei Ban and its Impact on Railroad Operations

Section 889 of the 2019 National Defense Authorization Act (NDAA) is meant to protect national security by limiting the federal government's access to certain equipment or services made or provided by companies with known ties to the People's Republic of China.

This regulation, also known as the Huawei ban, significantly changes federal procurement procedures and affects many contractors doing business with the government. Section 889 prohibits the federal government from obtaining or entering a contract to obtain equipment, systems or services using covered telecommunications equipment or services. It also prohibits the government from funding grants for entities that use covered equipment or services.

<u>Tomorrow's live webinar</u> will explain how this rule can affect short line and regional railroads. All railroads use telecommunications or video surveillance equipment in their operations to some extent, so understanding Section 889 is important.

Susan Warshaw Ebner of Stinson LLP and Mark Sidman of Anacostia Rail Holdings will explain these new requirements and discuss the challenges railroads face in implementing Section 889 requirements.

Registration for the webinar is **open until midnight EDT tonight**. The webinar is free for ASLRRA members, and \$25 for non-members. Continuing legal education (CLE) credits are also available for an additional fee.

SLSI's New Video Tutorials Perfect for Training Sessions, Safety Briefings

The Short Line Safety Institute (SLSI) has developed new resources to help short lines enhance training sessions or safety briefings. <u>HazMat Minute Videos</u> and <u>Safety Minute Videos</u> offer brief overviews of important rail safety topics and are available at no cost to railroads,

The HazMat videos explore topics like tank car inspections, shipping papers, position-in-train documents, placard essentials and more. The safety videos discuss protecting shoving movements, leaving equipment in the clear, avoiding slips, trips and falls, and more.

These videos join the array of online resources offered by SLSI, including longer, more detailed <u>HazMat training videos</u>, downloadable <u>safety posters</u>, <u>safety tips</u> and an assortment of <u>resources and templates</u>. SLSI's experts also conduct online and in-person <u>training sessions</u> and <u>safety culture assessments</u>. To view even more, visit the SLSI website at <u>www.shortlinesafety.org</u>.



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Review Cybersecurity Materials to Determine Company's Safety

The <u>U.S. Cybersecurity & Infrastructure Security Agency (CISA)</u> marked September as <u>Cybersecurity Awareness Month</u>. In conjunction with this effort CISA posted <u>specific resources</u> to increase cybersecurity awareness, as well as highlighted the resources they maintain on an ongoing basis to help critical infrastructure partners defend their information systems.

ASLRRA members are encouraged to review these materials as they assess their cybersecurity posture. More information on these resources is available here: https://www.cisa.gov/cisa-cybersecurity-resources.

ASLRRA's <u>On-Demand Webinar library</u> also features a three-part series on cybersecurity, presented and sponsored by Collins Aerospace. Look for the following titles:

- Part 1: Introduction to Cybersecurity for Short Line Railroads
- Part 2: Security Controls for Short Line Railroads
- Part 3: Resiliency for Short Lines



Congress Clears Short-Term Debt Limit Extension While Discussions on Social Spending Bill Continue

The U.S. House of Representatives on Monday voted 219-206 to increase the ceiling on U.S. debt by \$480 billion. The Senate already passed the measure last week, and the House vote sent the measure to the White House for the president's signature.

After being days away from default, the legislation ensures the U.S. government can continue paying its bills until approximately mid-

December, although that could stretch into early January. Congress will still need to enact a longer-term resolution of the debt issue in the coming months to stave off any threat of the U.S. government defaulting.

Meanwhile, high-level discussions continue among Democratic leaders about their large-scale social spending bill. The fundamental political dynamics continue, with progressive House members urging a go-big approach with major sweeping new social safety-net initiatives while moderate members seek a scaled down, more measured piece of legislation.

White House officials continue working with both factions to find an acceptable approach that also garners support of key swing senators Joe Manchin (D-W.Va.) and Kyrsten Sinema (D-Ariz.). Speaker Nancy Pelosi (D-Calif.) stands by her contention last week that the House will pass the social spending bill and, alongside it, the bipartisan infrastructure bill before the current extension of the Highway Trust Fund expires on Oct. 31.



Employee Health Insurance

The Coalition Health Plan is available exclusively to ASLRRA members, designed to reduce medical premiums and simplify the healthcare experience for employees. Click to learn more...



ASLRRA Conference Features Two Days of Engaging Content

There are so many educational sessions presented at the <u>2021</u> <u>ASLRRA Annual Conference and Exhibition</u>, it was impossible to squeeze them all into one day.

Thursday and Friday, Nov. 18-19, are jam packed with educational opportunities for railroad professionals in all facets of the industry. Consider these examples:

• Engineering & MOW – <u>Managing a Natural Disaster Bridge</u>

Collapse

- Human Resources Recruitment and Retention Strategies in 2021 and Beyond
- Marketing Successful Transloading Partnerships
- Safety & Operations <u>Electronic Rulebooks</u>, <u>Wave of the Future?</u>
- Technology <u>New Technologies in Simulator Training</u>

And these sessions are only a small fraction of the events planned for conference participants.

- Federal Railroad Administration Deputy Administrator Amit Bose will be a general session keynote speaker.
- ASLRRA will honor winners of its <u>Business Development</u> and <u>Veterans Engagement</u> Awards, as well as inductees to the Short Line Industry Hall of Fame and <u>Safety Professional and Safety</u> Person of the Year Award winners.
- <u>Networking opportunities</u> like the Early Bird Happy Hour, First Timer's Reception and two Exhibit Hall Receptions allow attendees to make valuable connections.
- Railroad industry professionals can meet with industry suppliers in the expansive <u>Exhibit Hall</u> and learn about sustainable products and services in the first-ever Green Zone.
- A <u>golf tournament</u> allows participants to square off in a friendly round at the beautiful JW Marriott Camelback Golf Club.

Register today to attend this year's <u>ASLRRA Annual Conference and Exhibition</u> in Phoenix, Arizona. Limited space is still available in <u>ASLRRA's hotel room blocks</u> at the Sheraton Phoenix Downtown and the Hyatt Regency Phoenix.

ASLRRA Members of Note

ASLRRA is pleased to highlight the accomplishments of its members and the strides being made in <u>freight</u> rail sustainability, <u>business development</u>, <u>veterans engagement</u> and more. This week, the Association is happy to highlight the many ways The Indiana Rail Road Company is emphasizing sustainability in its operations.

INRD's Sustainability Efforts Go Beyond Locomotives to Lightbulbs and F-150s



Photo Courtesy of INRD

An overhead shot of the Indianapolis headquarters of ASLRRA member The Indiana Rail Road Company (INRD) shows the results of a recent project: rooftop solar panel installation. The new solar panels will provide almost half the energy used at INRD headquarters and are part of numerous initiatives INRD has undertaken to make its operations more environmentally friendly.

ASLRRA member The Indiana Rail Road Company (INRD) is taking its sustainability efforts beyond the tracks, implementing environmentally friendly technology in many aspects of company operations and showing how these steps, big and small, produce significant results.

At the core of railroad operations are the trains that move goods. INRD uses technology to lower fuel consumption and reduce greenhouse gas emissions. The mother-slug locomotive configuration is one way INRD increases efficiency. It enables

one diesel engine to do the work of two, while providing double the tractive power. Fuel consumption, exhaust emissions and noise pollution are reduced, and time between servicing and refueling is extended.

Engine idling is a significant source of pollution, so many INRD initiatives focus on reducing idling. INRD employs ZTR's SmartStart system to monitor locomotive and environmental conditions and determine whether it is safe to shut down the locomotive engine. SmartStart technology has helped INRD reduce its fuel and oil consumption, emissions and restart exhaust smoke while collecting data on fuel management and savings.

To maximize operations in the winter, INRD installed Hotstart Idle Reduction Systems. These auxiliary power units heat locomotive water and oil and charge batteries, making sure the locomotive is warm and ready to go without keeping the engine on.

Installing Medha electronic governors in locomotives has further improved fuel efficiency, allowing INRD to control engine speed with precision. Having this strict control ensures the engine is operating under optimal conditions and not using excess fuel when it is not needed, such as during start up.

Physical technology helps reduce emissions, but data collection is also an important aspect of ecofriendly operations. The Wi-Tronix IoT platform helps INRD collect and analyze data with artificial intelligence, video analytics and machine learning, so that INRD can monitor each locomotive's fuel consumption and send mechanics to examine any locomotive idling for over two hours. The program has helped INRD reduce the idle fuel consumption of its entire locomotive fleet by 50 percent in August 2021 compared to August 2020.

The effort put into efficient operations goes beyond locomotives. INRD has spent the past several years converting lights in offices and around rail yards to LED bulbs. Not only do LED lights last longer and use less energy, they also emit very little heat, making them safer.

But INRD is replacing more than light bulbs. A new company initiative will build a more eco-friendly fleet of company vehicles, replacing the standard Ford F-150 trucks currently in use with hybrid versions. INRD will start the process with its taxi service fleet, hoping to complete the transition in the next three to five years.

INRD facilities also demonstrate the company's environmentally friendly focus. To help power the new LED bulbs, at least at its Indianapolis headquarters, INRD completed installation of rooftop solar panels in July. The panels are expected to provide almost half the energy used at INRD headquarters, cutting energy costs.

INRD's state-of-the-art locomotive maintenance facility has also undergone a conversion to LED lighting, but it is the way the facility processes water that makes it stand out. A unique oil-water recycling system collects all contaminated water, oily wastewater and petroleum products and treats it for release into local sewers, cleaning dirty water far beyond what is dictated by state regulations. A separate system captures all storm runoff from the facility's buildings, which amounts to 36,000 square feet of roof, and drains it directly into a storm-water sewer system and then into state waters. Catching runoff and diverting it immediately to the sewer prevents it from becoming contaminated before it enters state waters and helps INRD avoid runoff-related erosion on its property.

Finally, INRD looks beyond company boundaries to advance other sustainability initiatives. INRD is a founding member of the Repurposing Carbon Consortium, formed in part with researchers at Purdue University. The goal of the consortium is to determine new uses for waste railroad ties, of which the U.S. rail industry produces 21 million each year.

INRD "prides itself on investing ahead of the growth curve and envisioning tomorrow's opportunities. When looking to the future, INRD strives to be a sustainable organization wherever possible," said company officials in a statement. The efforts of INRD are a testament to the diverse ways railroads address environmental concerns in their operations, and how it can start with something as simple as changing a lightbulb.

ASLRRA Announcements

Coalition Health Plan with HUB Insurance Helps Members Reduce Premiums

The Coalition Heath Plan is specifically designed for ASLRRA members looking for a solution to reduce their medical premiums and simplify the healthcare experience for their employees.

As the fifth largest broker in the world with over 500 locations in North America, HUB International is well equipped to provide ASLRRA members with a broad array of benefits experts and best-in-class resources anywhere in the U.S. When you partner with HUB, you're at the center of a vast network of experts who will help you reach your goals through risk services, claims management, and compliance support. Visit the ASLRRA Member Discount Program website and select Employee Health Insurance to start saving today.

ASLRRA Out and About

For Federal Infrastructure Bill, Baker Hopes Good Sense Prevails

In his <u>latest column</u> for *Railway Age* magazine, ASLRRA President Chuck Baker focuses on the potential passage of the Infrastructure Investment and Jobs Act (IIJA), a bill that currently includes significant benefits for the short line freight rail industry.

Baker highlights several of these benefits, including a "dramatic increase" in funding for Consolidated Rail Infrastructure and Safety Improvements (CRISI) grants, which is the lone program for which short lines are directly eligible. There are also increases to Infrastructure for Rebuilding America (INFRA) grants and Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants, formerly BUILD and TIGER grants, and more money for grade-crossing and port infrastructure programs.

In addition to discussing the IIJA, Baker highlights the winners of this year's ASLRRA Business Development Awards, whose profiles can be viewed on the <u>ASLRRA website</u>. They will be honored at the 2021 ASLRRA Annual Conference and Exhibition, held Nov. 17 to 19 in Phoenix, Arizona.





ASLRRA Webinars – Live or On-Demand

Upcoming Webinars

<u>Section 889: Protecting the Security of the Railroad Supply Chain</u> – Oct. 14, 2021

Learn more about this webinar in the Regulatory section above. **CLE** credits are available for this webinar.

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Strategically Defending a FELA Toxic Tort Case - Oct. 20, 2021

David Schmitt and Anne Marie O'Brien, partners at Lamson Dugan and Murray, LLP, will discuss the new FELA threat posed by toxic tort cases claiming diesel exhaust and other exposures caused cancer. They will also cover plaintiffs' law firm business models in filing such lawsuits, and how to strategically defend the claims from inception to defense verdict. **CLE credits are available for this webinar.**

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How Running Repair Agents Benefit Short Line Railroads - Oct. 27, 2021

Vanessa Knapton of The Andersons will explain how running repair agents can provide essential safety and mechanical services at little or no cost, including what running repair agents do for short lines, how to sponsor them, and what rules govern their operations.

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Click here for more ASLRRA events.

Industry Events and Announcements

Oct. 18 and Oct. 20 - Railinc to Hold Two Introductory Umler Webinars

Railinc is offering two Introduction to Umler webinars on Oct. 18 and Oct. 20 at 11 a.m. and 2 p.m., respectively. Railinc recommends this webinar to new Umler users, as it will provide a comprehensive overview of the application.

Topics discussed will include granting Umler permissions and assigning equipment rights, transferring equipment and using Umler query tools. Registration is free, but required, for all participants. Click here to register for the Oct. 18 webinar, or here for the Oct. 20 webinar.

<u>Click here</u> for more industry events.

Views & News is published by American Short Line and Regional Railroad Association. Please contact Amy Krouse, editor, with questions or comments.