



**AMERICAN SHORT LINE AND  
REGIONAL RAILROADS**

*Connecting America's Communities  
Strengthening America's Economy  
Protecting America's Environment*

# “First Mile-Last Mile”: The Short Lines

**Richard F. Timmons  
President**

**American Short Line and Regional Railroad Association**

**Presentation to**

**Mr. Brian Bock, Executive Manager, Queensland Rail  
Washington, DC**

**February 25, 2010**



[www.aslrra.org](http://www.aslrra.org)

# **American Short Line and Regional Railroad Association**

## **The Organization**



## ASLRRA Mission

### ■ Represents Interests of Class II / III Railroads Before:

- Congress
- Federal Railroad Administration
- Surface Transportation Board
- Department of Homeland Security
- Transportation Security Administration
- Environmental Protection Administration
- Federal Communications Commission
- Class I Railroads
- Rail Labor

### ■ Conduit of Information from Federal Agencies on:

- Regulatory
  - Safety
  - Security
  - Technical
  - Training
- } Matters / Issues / Studies / Alerts / Compliance

### ■ As Appropriate:

- Testifies
  - Files
  - Comments
  - Appears
- } Before Congress, Federal Agencies, Departments, and State Governments



**Membership is broken down into four Regions:**

**PACIFIC REGION**

Pacific Region Membership:  
71 Railroads; 46 Associates

Pacific Region Board  
Jalene Forbis, Regional VP  
Ken Doiron  
Alan Hardy  
Robert Jones  
Michael Stolzman

**CENTRAL REGION**

Central Region Membership:  
137 Railroads; 149 Associates

Central Region Board  
Michael Ogborn, Regional VP  
John Howell  
J. Reilly McCarren  
Judy A. Petry  
Ray Stephens  
Norma Torres  
Dan Zink

**EASTERN REGION**

Eastern Region Membership:  
153 Railroads; 149 Associates

Eastern Region Board  
Robert Bailey, Regional VP  
Carl Belke  
David Collins  
Jerome M. Hebda  
Don Hutton  
John Levine  
Gary R. Shields  
Michael V. Smith  
Mrs. M. P. Silver

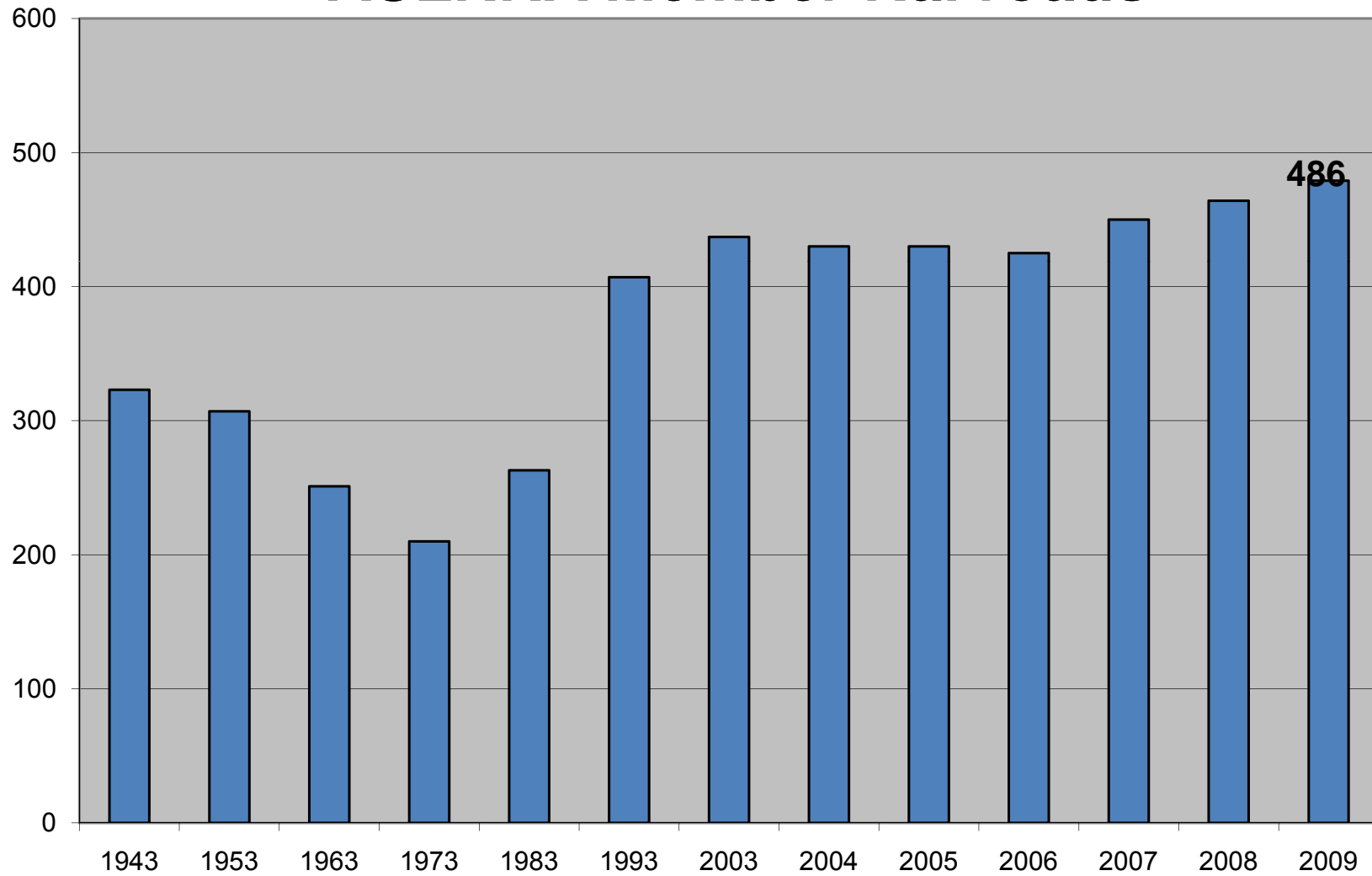
**SOUTHERN REGION**

Southern Region Membership:  
100 Railroads; 59 Associates

Southern Region Board  
Anthony V. Reck, Regional VP  
Jeffrey E. Geary  
Garland G. Horton  
Ronnie McKenzie  
Kenneth A. Pippin  
Jerry E. Vest



## ASLRRA Member Railroads





## Working Committees

- Safety & Training
- Railroad Police & Security
- Short Line Bridge (Joint with FRA, Class I's, Short Lines, AREMA, Contractors)
- Short Line Information Integration Committee (SLIIC) (Joint with AAR, Class I's)
- Technology
- Passenger
- Legal
- Finance & Administration
- Legislative Policy
- Fuels Working Group

# The Short Line Profile



# Short Line Statistics

- Top 4 Commodities
  - + Coal
  - + Food & Agriculture
  - + Steel and Metals
  - + Paper and Wood
  
- Annual Carloads: 12M
  
- Average Employees Per Railroad: 22
  
- Facilities Served: 12K
  
- 2008 Estimated Gross Revenue: \$3.6M
  
- Capital Expenditures:
  - + Equipment: \$169M
  - + Road and Structures: \$646M

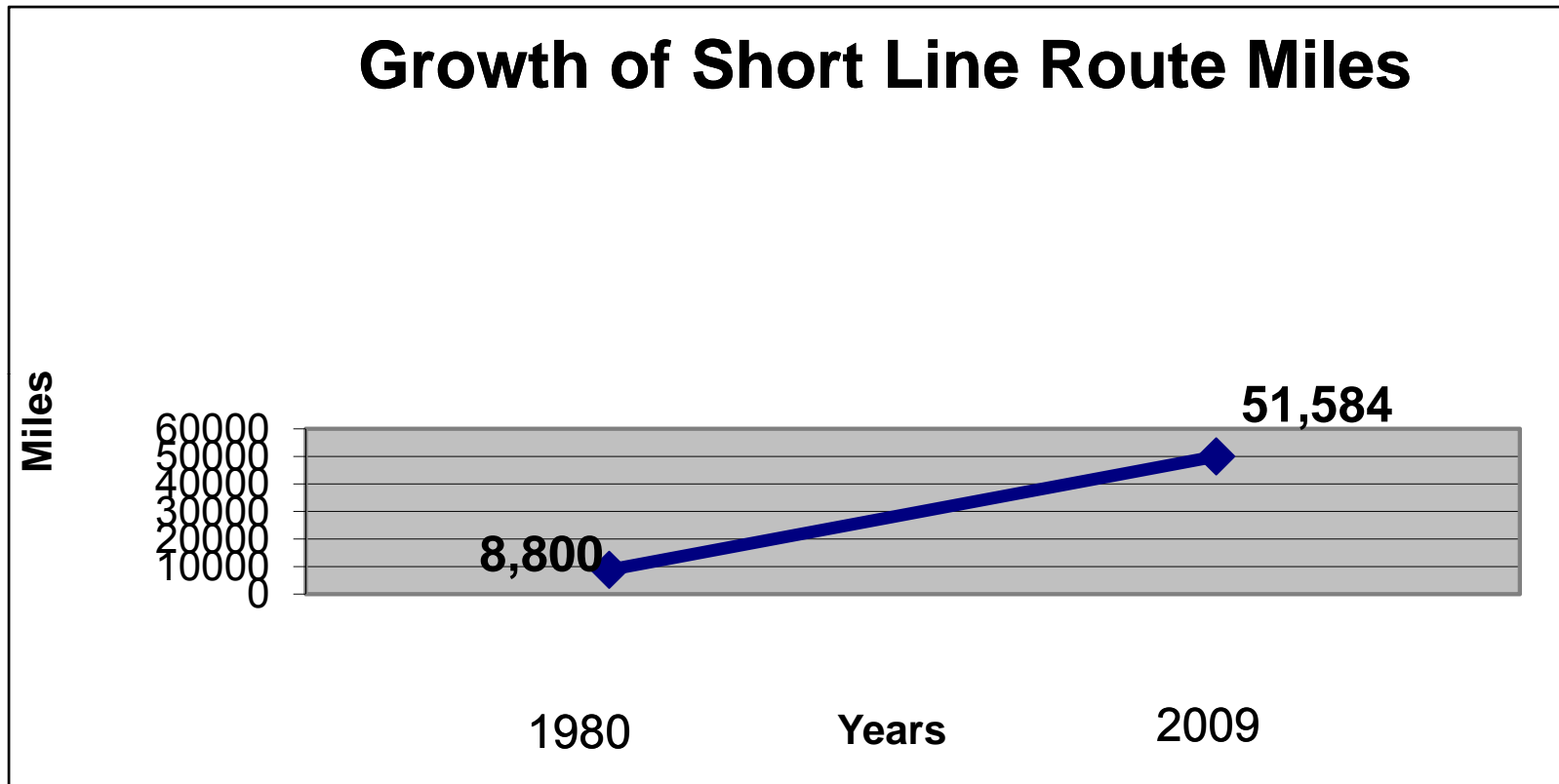


## Short Line Statistics

- Maintenance Expenditures
  - + Equipment: \$282M
  - + Road and Structures: \$433M
  
- New Customers (2007-2008): 480
  
- Planned Facilities (2009-2010): 997
  
- Taxes:
  - + Federal: \$357K
  - + State & Local: \$100K
  
- Locomotives: 4,049
  
- Fuel:
  - + Consumption: 158M Gals.
  - + Cost: \$464M



## Growth of Short Line Route Miles



- **1980 Staggers Act:**

- \* More Than 465% Route Miles Growth Over the Course of 25 Years . . .
- \* Creation of 172 Short Lines – 31% Growth – Totaling 556



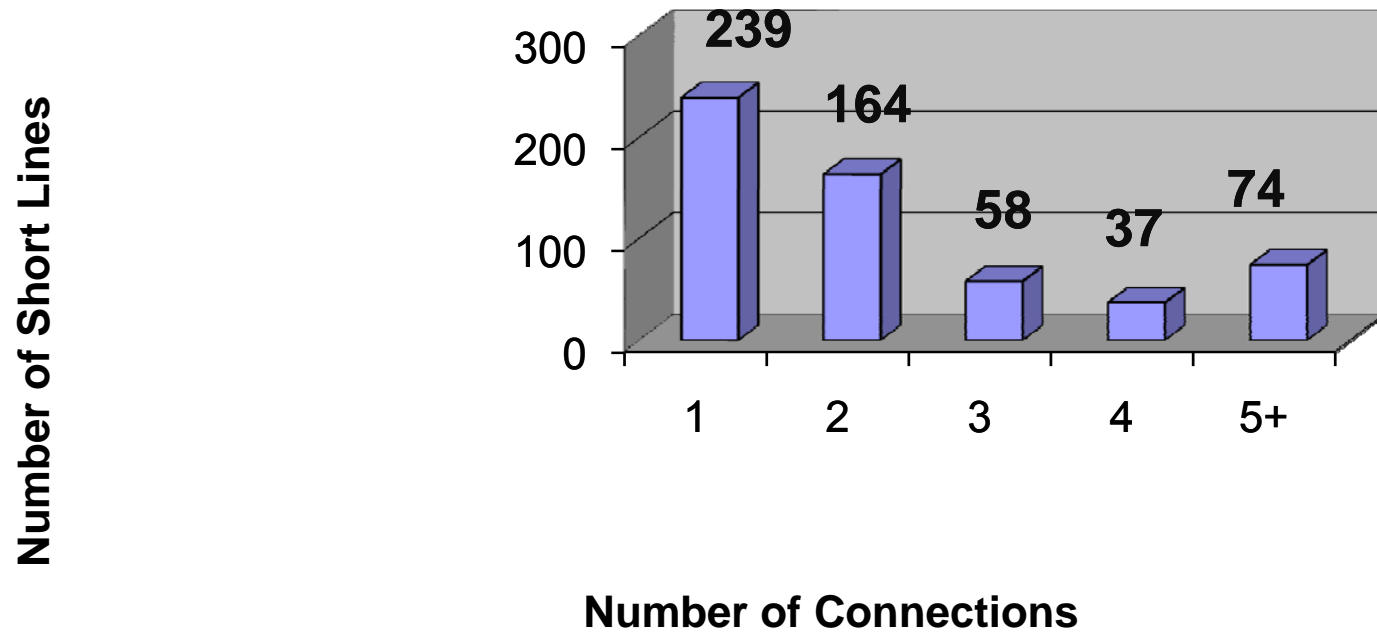
## Rail Industry Carloads 2008 - 2009

### Class I's – Short Line Traffic Only

<u>RR</u>	<u>2008</u>	<u>2009</u>	<u>Variance</u>
BNSF	1,247,000	1,060,000	- 15.0%
CN	518,783	406,163	- 21.7%
CSX	955,325	800,391	- 16.2%
KCS	202,682	147,468	- 27.2%
NS	983,959	800,292	- 18.7%
UP	986,166	795,133	- 19.4%



## Number of Class I Connections



Over 300 Short Line Railroads Have More Than One Class I Connection

# Security



# Security – ASLRRA

## Industry Measures in Place Today:

1. Required Plans Covering Security for all Railroads (Rail Industry Plan) – TSA
2. Updated Security Plans with Special Annexes – Rail Industry
3. Threat-Based Requirements and Analysis On-Going – Rail Industry
4. Security Training / Awareness Required – TSA NPRM Pending 2010
5. IED Training Required for all Railroads – TSA NPRM Pending 2011
6. TSA Security Grants Awarded for Short Line Training
7. Communications Security Focus – Rail Industry / TSA
8. GPS on some Shipper Owned Chemical Cars – TSA / Chemical Industry

\* None in 2001



# Security – ASLRRA

## Industry Measures in Place Today: (cont'd)

9. TIH Car Positive Hand-Off – In Effect April 1, 2009 – TSA
10. New Hardened Tank Car Standard – Rail Industry / FRA
11. FreightScope Tracking Software for TIH Cars Nationwide – Short Line / FRA
12. Intelligence Coordination with Military and Federal Agencies on Train Movements –  
Rail Industry / DOD
  - Close Law Enforcement Relationships
  - Primarily Incident Reporting
13. Intelligence Networks Established within the Railroad Industry – Rail Industry
14. Industry Operations Center Established by the AAR
  - Operates the Rail Industry Alert Network
15. Increase in TSA Field Inspectors

\* None in 2001



# Security – ASLRRA

## Industry Measures in Place Today: (cont'd)

16. Border and Port Enhanced Security and Screening of Freight – USCBP / TSA
17. Transportation Worker Identification Credential (TWIC) Program in Place for Port Access Only – USCG
  - 1M (+) Active Credentials Issued to Date
  - \$132.50 Cost to Individual
18. Rail Security Departments Created for Each Railroad – DOT / FRA
19. Railroad Security Coordinators Required for Each Railroad – DOT / FRA
20. Railroad Employee Background Check and ID Card Initiatives – Rail Industry /  
FRA / TSA
21. U.S. DOT HazMat Routing Rule for TIH Carriers – Sept. 1, 2009 for all HM 232-E Commodities (TIH, Explosives, Radiological Materials) – PHMSA

\* None in 2001

# Legislative



# Rail Safety Improvement Act of 2008 HR 2095

## ■ 90 Industry Action Items, Including:

- 32 New Regulations
- 7 Amended Regulations
- 8 New Plan Requirements
- 11 New Report Assignments
- 8 New FRA Studies
- 4 Pilot Programs



## Rail Safety Improvement Act of 2008 (cont'd)

1. **Positive Train Control** – Implement 2015; **FRA Final Rule 01/10**
2. **Hours of Service** – RSAC Completed: Final Rule 07/09; **In Effect 07/16/09**
3. **Bridge Safety Requirements** – RSAC Completed; **NPRM 08/ 09; Final Rule 03/10**
4. **Grade Crossing Inventory** – **Completed by 10/16/09; NPRM 2010**
5. **1 – 800 ENS** – Implement Within 18 Months
6. **Risk Reduction Program** – **Final Rule 10/12**
7. **Top 10 States Require Xing Action Plan** – FRA Ongoing
8. **Dark Territory Switch Technology** – Future RSAC
9. **Broken Rail Service Failure Rate** – Study
10. **Certify Conductors** – RSAC 07/09 – 12/09



## Rail Safety Improvement Act of 2008 (cont'd)

11. **Certify Carmen** – Study
12. **Sight Distance Law & Regulations at Xings** – FRA Ongoing
13. **Radio Monitoring Authority** – **In Effect**
14. **Civil Penalties \$25K-\$100K** – **In Effect**
15. **800 New FRA Inspectors** – Implement Hiring 2009 – 2010
16. **Minimum Training Standards and Plans** – Pending Task Statement Approval

# Regulatory



# Ongoing and Significant

## **FRA Rail Safety Advisory Committee (RSAC)**

1. Railroad Operating Rules / Human Factors – Done
2. Medical Standards for Train Crews for Safety Critical Employees – Done
3. Private Crossings – NPRM – Done
4. Roadway Worker Protection Rules and Requirements – Awaiting NPRM – Done
5. Passenger Safety – Ongoing
6. Rail Integrity – Ongoing
7. Concrete Ties Utilization – Ongoing
8. Bridge Inspection and Maintenance – Final Rule 2010 – Done
9. Tunnel Standards – No Immediate Requirements
10. Locomotive Standards – (NPRM at OMB) – Done
11. ECP Brake Specifications and Requirements – Waivers in Effect – No Action Required
12. Positive Train Control Implementation, Standards, Rules – FRA Final Rule Jan. 2010



## Ongoing and Significant (Cont'd)

13. Conductor Certification – Ongoing
14. Minimum Training Standards for Safety Related Railroad Employees – Pending FRA Task Statement Announcement

### **Other**

- \*15. Pressure Tank Car Specifications – No Action Required
- \*16. Accident / Incident Reporting Requirements – Waiting Final Rule – Ongoing
- \*17. HazMat Risk Assessment / Routing Rules – 09/09 – Ongoing
- \*18. Emergency Escape Breathing Apparatus Requirements – No Action Required
- \*19. Emergency Call Numbers at Grade Crossings 24-7-365 Call Centers – Waiting NPRM – Ongoing
- \*20. At Grade Crossing Inventory – 16/10/09 – Done

\* Not RSAC



## Ongoing and Significant (Cont'd)

### Other

- \*21. Continuous Welded Rail Standards – Final Rule 08/09 – Ongoing
- \*22. Narrow Band Radio Frequency Change and Equipment – FCC Requirement; 07/10 – 01/13 – Ongoing
- \*23. Locomotive Horn Testing and Record Keeping – NLT 06/10 – Ongoing
- \*24. Risk Reduction – ANPRM 04/10; Final Rule 10/12 – Ongoing
- \*25. EPA Locomotive Rules – Ongoing
- \*26. URCS – Ongoing (STB Review and Analysis Begins 2010)

\* Not RSAC

# Short Lines Near Term



## Short Line Railroads You Decide . . .

### ■ What Should I Be Focusing on Today and Why?

- + Safety
  - + People
  - + Equipment
  - + Infrastructure
  - + Technology
  - + Shippers
  - + Growth
  - + Consumer Shifts
  - + Class I's
  - + Security
  - + Insurance
  - + Compliance
- + Finance: – Tax Credits, RRIF, CMAQ, TIFIA, “Tiger G”,  
Banks, State, Grants, Stimulus

- In What Priority? In What Combinations?
- Where do I want to be in 1 year? 5 years from now?
- Am I Ready, and is my organization ready, for Continuous Change?



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