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2005 Meetings:

Railroad Day on the Hill

March 2, 2005
Washington Court
Hotel
Washington, DC

2005 Annual Convention

April 3-4-5
Anaheim Marriott
Anaheim, CA

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ASLRRRA PAC PLAYS IMPORTANT ROLE IN LEGISLATIVE EFFORT

The last two issues of Views & News have taken a detailed look at the political accomplishments of ASLRRRA including the enactment of the short line infrastructure tax credit (see Views & News, Oct. 19, 2004). Views & News has also begun a detailed examination of some of the important tools that the ASLRRRA has utilized to support the reelection of key congressional decision makers, and the shaping of ASLRRRA legislative policy. The last issue provided a summary of recent Grassroots Initiative events that have been hosted by ASLRRRA members to support local Congressmen and Senators (see Views & News, Nov. 1, 2004). This week another distinct and important element is examined – The ASLRRRA Political Action Committee.

The Political Action Committee (ASLRRRA-PAC) is distinct and entirely separate from the Legislative Policy Committee (LPC). Contributions to ASLRRRA-PAC are used to make political contributions in support of candidates for Congress. Corporate dues to the LPC are used to fund ASLRRRA lobbying activities including the Chambers, Conlon & Hartwell, LLC retainer and the salary of Grassroots Coordinator Sally Johnson.

In order to wage a political campaign a candidate must be able to communicate his message to the voters, and that communication has become extraordinarily expensive. The ability to raise money has an “arms race” quality and those candidates that raise the most generally win. In the 2004 election over 95 percent of the 435 House races were won by the candidate that raised the most money. Of the 34 Senate seats up for election, the top spender won 31 of them.

The importance of political contributions to campaign operations has driven an explosion in fundraising activity over the last ten years. Total House fundraising exceeded \$625 million in 2004, a figure that was up over 55% since 1994. Total Senate fundraising exceeded \$445 million in 2004, a figure that was up over 40% in the same period.

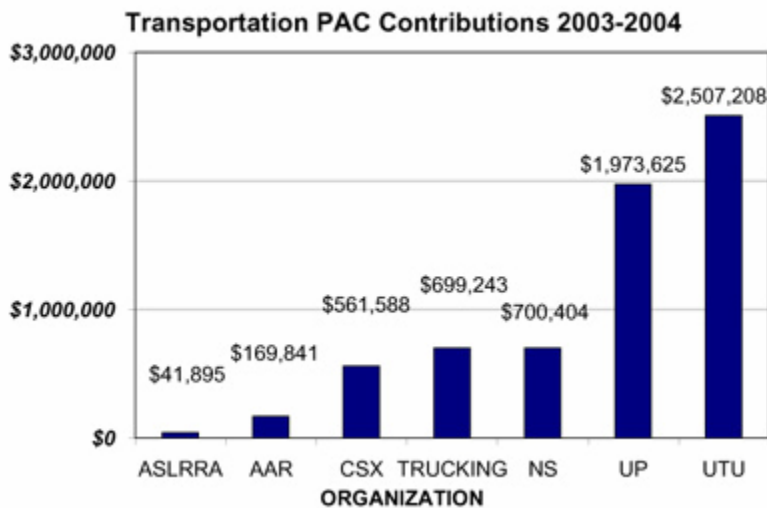
Contributions from individuals to campaign committees are capped by federal law. Those caps were most recently adjusted upward from \$1,000 to \$2,000 per election by the McCain-Feingold Act, also known as the Bipartisan Campaign Reform Act of 2002 (BCRA). Since most candidates face both a primary and a general election (whether or not they face an opponent) an individual could actually give up to \$4,000 to a candidate in the 2004 election cycle.

The BCRA also corrected a major shortcoming of the 1974 post-Watergate amendments of the Federal Election Campaign Act (FECA) by indexing the contribution limits to inflation. From 1974 until 2002 individual limits were capped at \$1,000 per candidate per election. As time went by and inflation outstripped the value of these contributions, the importance of Political Action Committees began to grow.

As early as 1905 Teddy Roosevelt called upon Congress to ban all contributions by corporations to political parties and campaigns. Several attempts to control corporate involvement such as the Corrupt Practices Act in the 1920's and the Hatch Act of 1940 met with varying degrees of failure. Following World War II the Taft-Hartley Act banned contributions from corporate entities, unions and banks. With the passage in 1971 of the FECA, corporations, unions and trade associations were allowed to have a limited and tangential role in political contributions through the use of Political Action Committees (PACs).

PACs allow corporations, unions and associations such as ASLRRRA to solicit voluntary contributions from employees, stockholders, and in the case of ASLRRRA, association members and associate members. Under the BCRA, contributions to candidates by PACs are capped at \$5,000 to each candidate for each election for a so-called “multi-candidate PAC” such as the ASLRRRA-PAC. Smaller PACs have lower dollar limitations. The \$5,000 limitation applies to the primary and a separate \$5,000 limitation applies to the general election. These contributions, however, are not indexed for inflation by the BCRA.

Corporations themselves are prohibited by federal law from making contributions directly to the campaigns of candidates for federal office (President, Senator, Representative). However, PACs allow people with shared interest in the issues affecting a trade association or corporation to aggregate their individual contributions in a PAC which then makes contributions in the name of the corporation or association's PAC.



ASLRRRA-PAC started the 2003-2004 election cycle with a moderate balance and made contributions totaling roughly \$41,000 to federal candidates while collecting individual contributions from executives of ASLRRRA member companies of roughly \$15,500. The end result was to substantially spend down the PAC balance. Other than minor banking expenses, PAC funds are only used for the purpose of making political contributions candidates for office.

These PAC funds provide an important companion to ASLRRRA

Grassroots Initiative fundraising. As highlighted in the November 1 issue of Views & News the Grassroots initiative has raised contributions of \$750,000 to candidate campaigns since May of 1999. The rate of grassroots fundraising has accelerated in the 2004 election cycle with grassroots events raising almost \$400,000 since December of 2002.

PAC funds are used in conjunction with Grassroots Initiative events in two ways. The prohibition on corporate contributions extends to “in-kind” contributions of food or venue expenses for fundraisers. When the executives of ASLRRRA members host a Grassroots Initiative event PAC funds are frequently used to fund such “in-kind” expenses as invitations, postage, food and entertainment. These expenses are also considered contributions to the candidate for whom the event is hosted. Using PAC funds for event overhead increases the monetary contributions raised by the local ASLRRRA executives and allows a host to maximize the credit for a successful event by minimizing such expenses.

Second, PAC funds allow ASLRRRA representatives to attend fundraisers in Washington, DC held by congressional campaigns. Such industry-focused events are heavily attended by other rail industry representatives and usually require contributions of \$1,000 and occasionally more to attend. Congressmen expect ASLRRRA to be represented at these events and PAC funds allow ASLRRRA to show the flag at these important gatherings.

ASLRRRA-PAC funds are not used to subsidize other lobbying costs, travel, or ASLRRRA overhead. The funds are used solely to make contributions (both in-kind and monetary) to candidates for federal office.

Stay tuned to future issues for the fourth installment of political and legislative summaries. In an upcoming issue Views & News will examine the functions of the ASLRRRA Legislative Policy Committee (LPC). This dedicated group of ASLRRRA members pays additional and special dues assessments to fund the lobbying activities to produce legislative successes such as the short line tax credit which are enjoyed by all ASLRRRA members.

FRA ISSUES LETTER ON INCREASE IN FATALITIES

On November 3, 2004, FRA Acting Administrator Betty Monro released an urgent message regarding an increase in the number of fatalities over the past two months. She notes that “within a 59 day period, seven railroad employees have lost their lives while on duty, and six of the seven were engaged in switching operations.” The fatalities included:

September 2, 2004-Thursday-Burlington Northern Santa Fe (BNSF), Clovis, New Mexico.
A 26-year-old switchman died when he fell from the leading end of a tank car as it derailed during a switching move.

September 20, 2004-Monday-Ann Arbor Railroad (AA), Saline, Michigan.
A 44-year-old brakeman died when he was crushed between a piece of track equipment and the rail car he was handling.

October 4, 2004-Monday-Burlington Northern Santa Fe (BNSF), Topeka, Kansas.

A 57-year-old machinist died as a result of an injury he sustained September 29, when he was struck in the face by an object that was ejected from a hydraulic press.

October 7, 2004-Thursday-Union Pacific (UP), Springfield, Illinois.

A student trainman was killed when the cars he was walking beside derailed, fell on their side, and crushed him.

October 7, 2004-Thursday-Burlington Northern Santa Fe (BNSF), Teague, Texas.

A 60-year-old trainman was killed when the cars that he was between moved. His was the only crew working at the yard at the time.

November 1, 2004-Monday-Burlington Northern Santa Fe (BNSF), Bowdoin, Montana.

A 47-year-old conductor was killed when he was struck by a passing train that he was positioning himself to observe as it passed his standing train.

Ms. Monroe noted that the SOFA Working Group (SWG) recently released a report in which it stated its belief that many switching fatalities “were potentially preventable by the Five Operating Recommendations or by awareness of Special Switching Hazards Close Clearances, Shoving as a Direction of Movement, and Being Struck by Mainline Trains.”

For educational purposes, the SWG has condensed the Five Operating Recommendations into the Five SOFA Lifesavers:

- Secure equipment before action is taken
- Protect employees against moving equipment
- Discuss safety at the beginning of a job or when a project changes
- Communicate before action is taken
- Mentor less experienced employees to perform service safely

Discussing safety at the beginning of a job or when a project changes and mentoring less experience employees appear to be two of the most effective activities in reducing serious accidents.

Ms. Monroe concluded by appealing to all railroad employees to renew their commitment to working safely. She noted that safety concerns will continue to grow as new employees enter the workforce.

[Click here](#) to view a copy of the letter.

DC COUNCIL VOTES DOWN HAZMAT MEASURE

On November 9, 2004, the D.C. Council rejected legislation that would have barred railroads from shipping hazardous materials through the District of Columbia. The pending vote had caused a great deal of controversy, as railroads argued that it would interfere with their ability to conduct interstate commerce. Several D.C. Council members had argued that security was being compromised by the movement of hazardous materials through the nation’s capital. CSX, whose tracks run within four blocks of the Capitol, noted that they were working closely with the Transportation Security Administration and the Department of Homeland Security and had voluntarily rerouted many of the most dangerous shipments. CSX and other common carrier railroads are regulated by the federal government and will continue to work with the Department of Homeland Security. For additional coverage on the Council’s vote, [click here](#).

PROGRESSIVE RAILROADING ARTICLE EXAMINES SHORT LINE HIRING

The October 2004 issue of Progressive Railroading magazine featured a cover story on short line hiring. The article "Short on Help," detailed the issues many short lines are having in finding and keeping new employees. With more traffic and some current employees approaching retirement age, many short lines are in the process of adding new employees. As several short line representatives noted, their problem isn't finding prospective employees as much as it is finding and keeping the "right" employees – people willing to work long hours and who fit into the company's environment. Several short line operators discuss the methods they have put in place for screening new hires and retaining employees. [Click here](#) to read the complete Progressive Railroading article.

BNSF PRESENTS SHORT LINE AWARDS

Burlington Northern & Santa Fe Railway presented the first-ever Short Line Partnership in Growth Awards at its annual Short Line Conference. BNSF, which connects with more than 200 short line and regional railroads and which derives more than 15 percent of its revenue from traffic originated or terminated on small roads, has recognized four of its small-road partners. The awards were presented to the Alabama & Gulf Coast Railway; Burlington Junction Railway; Modesto & Empire Traction Co.; and Toppenish, Simco & Western Railroad.

"All of our short line connections have played a role in our joint success in 2004," said Pete Rickershauser, BNSF vice president-Network Development. "These awards recognize the resourcefulness and achievements of those short lines that have gone beyond our expectations through innovation, determination, and hard work. We envision BNSF as a high-density main line network interchanging with a lower-density feeder network of short lines operating at low cost with a high level of service. Short lines are an integral part of realizing our BNSF network vision. They provide an intense customer focus, resourcefulness, operational flexibility, and a local presence in their communities. "We see their role expanding in the future as they do more gathering and distribution, and aggregate blocks of cars for integration into BNSF's network of main-line trains."

RAILAMERICA ANNOUNCES PROMOTION OF CHARLES HUNTER

RailAmerica has announced the promotion of Charles Hunter to the position of General Manager for the New England Central Railroad effective November 15, 2004. Charles previously held the position of Assistant General Manager for the Connecticut Southern Railroad. Charles will report to Charlie Moore, Regional Vice President- Atlantic Region.

Charles has been in the railroad industry for 23 years and has a diverse background in the short line industry. Charles began his career in 1981 with the Cadillac & Lake City Railway in Limon, CO as a conductor, and later became their agent/dispatcher. He has held several positions in his career including General Freight Agent, Trainmaster, Manager of Transportation, A.V.P. Transportation, and V.P. Transportation. He spent 13 years with Emons Transportation in Pennsylvania and New England. Prior to coming to work for RailAmerica, he was the V.P. Transportation and General Manager of Genesee & Wyoming's St. Lawrence & Atlantic Railroad located in Auburn, ME.

In his new position, Charles will manage all aspects of the operations of the New England Central Railroad and the Connecticut Southern Railroad.

RAILROAD TRAFFIC

According to the AAR, U.S. carloads were up 2.4 percent in the week ending November 6, 2004. For the year to date, carloadings are up 2.9 percent compared to 2003. Carloads for U.S. Non-Class I's that submit data to the AAR were up 22.6 percent for the week, and are up 4.2 percent for the year. Carloads for Week 44 were up 0.8 percent in the East and up 3.7 percent in the West compared to the same week in 2003. U.S. intermodal traffic was up 11.2 percent for the week and is up 9.7 percent for the year. U.S. and Canadian intermodal traffic was up 8.5 percent for the week and is up 8.0 percent for the year. Total volume was up 2.5 percent for the week and is up 5.2 percent through the 44th week of 2004.

For just the week ending October 30, 2004, U.S. carloads were up 1.8 percent and carloads for U.S. Non-Class I railroads that submit data to the AAR were up 16.4 percent. Carloads were up 0.8 percent in the East and up 2.6 percent in the West. U.S. intermodal traffic was up 12.4 percent for the week and U.S. and Canadian intermodal traffic was up 9.6 percent from the prior year.

According to RMI's RailConnect Index, which includes traffic summaries for 167 short line and regional railroads, short line carloads were up 12.14 percent for the week ending October 30, 2004. Short lines reporting to RMI moved 76,836 cars for the week, compared with 68,519 for the same week in 2003. For the year-to-date, short line traffic is up 10.55 percent in 2004, with 3,207,275 cars handled, compared to 2,901,194 cars handled at the same point in 2003.

EMBARGO NOTICES & REROUTE ORDERS

A complete listing of embargo notices is available at embargo.railinc.com.

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