

You have been sent the ASLRRA newsletter, *Views & News*, in HTML format. If your e-mail viewer will not accept this format, you can view *Views & News* online at:
http://www.aslrta.org/whats_in_the_news/views_and_news/

American Short Line and Regional Railroad Association

VIEWS & NEWS

VOLUME 71

NUMBER 23

DECEMBER 16, 2004

Mark Your
Calendars for
ASLRRA's 2005
Meetings!

**Railroad Day on
Capitol Hill**
March 2, 2005
Washington Court
Hotel
Washington, DC

**2005 Annual
Convention**
April 3-4-5
Anaheim Marriott
Anaheim, CA

**Click here to view
the new, Amended
Rail Industry
Agreement.**
Please note, you
must resubscribe to
this agreement.

**Questions?
Comments? E-Mail
Us.**

**Currently, Railroad
Security Alert Level
2 is in Effect**

IN THIS ISSUE

1. [Happy Holidays from ASLRRA](#)
2. [Retired ASLRRA President, Bill Loftus, Dies at 74](#)
3. [Nominate Your Safety Person of the Year](#)
4. [AEI Tagging Boosts Quality of Customer Service](#)
5. [Train Tracks to Animal Tracks](#)
6. [FRA Region 1 Seminars Scheduled for February 2005](#)
7. [Plan to Attend the Railway Security Forum and Expo](#)
8. [December *Railway Age* Article Describes Secrets to Short Line Legislative Success](#)
9. [Year 2005 Railroad Retirement and Unemployment Insurance Taxes](#)
10. [Portec Rail Completes Merger with Kelsan Technologies](#)
11. [Railinc Implements Phase One Redesign of AAR Car Repair Billing System](#)
12. [Montreal, Maine & Atlantic Appoints Jones VP Sales & Marketing](#)
13. [Florida East Coast Railway Promotes Bramlitt to VP & CFO](#)
14. [Crouch Engineering Adds New Staff Member](#)
15. [Railroad Traffic](#)
16. [Embargo Notices and Reroute Orders](#)



HAPPY HOLIDAYS FROM ASLRRA

This will be the last edition of Views & News this year. The next issue will be out on January 17, 2005. Have a safe and happy holiday season!

RETIRED ASLRRA PRESIDENT, BILL LOFTUS, DIES AT 74



William E. Loftus
1930 – 2004

The Loftus family has requested that donations be made to the following organizations that Bill actively raised funds for during his time at the FRA:

[The HSC Pediatric Center](#)
(formerly the Hospital for Sick Children)

1731 Bunker Hill Road, N.E.
Washington, DC 20017
202-832-4400

[So Others Might Eat \(SOME\)](#)

71 O Street, N.W.
Washington, DC 20001
202-797-8806

William E. Loftus, 74, retired president of the American Short Line and Regional Railroad Association and former Executive Director of the Federal Railroad Administration, died Dec. 1 at the University of Maryland Medical Center in Baltimore of complications from surgery for pancreatic cancer.

Bill was a great leader of the small railroad community and will be best remembered for bringing together the American Short Line Railroad Association and the Regional Railroads of America. Always an advocate for the small railroad community, Bill encouraged short line and regional railroad growth and ensured that the voice of our segment of the industry was heard on Capitol Hill and in the Federal agencies. Bill worked tirelessly to improve our Association as President and continued to be a passionate advocate of our cause right up until the time he became ill.

"He always made himself available to me when I took over the Association and I sincerely appreciate his wise counsel and advice," said current ASLRRA President, Rich Timmons. "While he will be sorely missed, Bill's personal friendship and his many contributions will long be remembered."

Loftus took over the ASLRRA leadership in 1990. He guided the organization through many challenges and was a skilled and effective representative of short line and regional railroad interests. Bill played a key role in the formation of the Rail Industry Agreement between small roads and Class I's. In 1999, he handed over the reins to Frank Turner, a former regional railroad president and CSX executive, and continued to work in the industry as a consultant to RailAmerica and as a Board Member of JMA Railroad Supply.

A native of Cleveland, OH, Bill graduated from Kent State University with a degree in Journalism. After serving with the U.S. Army Counter Intelligence Corps for several years, Bill started his career as a newspaperman and radio news broadcaster and United Press reporter before moving into public relations and legislative work in the labor relations field. He joined the Federal Railroad Administration in 1967, and held several offices before being named Executive Director in 1983. While at FRA, Loftus was involved in key public policy decisions and federal programs

Cards and condolence notes may be

sent to Mitzi Loftus at:

**342 Colony Point Place
Edgewater, MD 21037**

affecting rail transportation. He was a member of the federal group that planned the Amtrak national rail passenger network; he managed federal assistance programs for bankrupt railroads in the Northeast and Midwest in the years when Conrail was coming into being; and he was instrumental in developing and implementing programs to continue rail service on lines which otherwise would have been abandoned. Loftus spent 23 years at the Federal Railroad Administration, ending his tenure as Executive Director.

An active member of Holy Family Catholic Church and a volunteer at Anne Arundel Medical Center, Bill is survived by his wife and partner of 48 years, Marie (Mitzi), six children, and 16 grandchildren.

NOMINATE YOUR SAFETY PERSON OF THE YEAR

The American Short Line and Regional Railroad Association is proud to announce that we are now accepting nominations for the 5th Annual Safety Person of the Year Award. Response to this program has been overwhelming and the Safety Person of the Year Award has become one of the most prestigious honors in the short line and regional railroad industry. This is an exciting award that not only recognizes a railroad's commitment to safety, but also recognizes the safety efforts of one of its employees.

This program is specifically designed to recognize railroad employees that not only talk about safety, but also are prime examples of what safety truly means on our railroads. Any railroad employee is eligible for this award – as long as they are extremely safety minded in word, thought and action and are able to demonstrate their commitment to safety.

The winner of the ASLRRA Safety Person of the Year award will be presented with the award at the ASLRRA Annual Meeting and Exhibition on April 3-5, 2005 in Anaheim, CA. The winner and his/her spouse will be flown to the meeting at ASLRRA's expense to receive the award.

Because this year's Annual Meeting will be held early in April, time is of the essence, so entries must be submitted **no later than March 11, 2005**. Every railroad has at least one individual that is known for his/her commitment to safety and that individual should be recognized in our industry. Keep "Safety Number One" on your railroad and recognize that one special person who truly supports your efforts. Please submit your entry now.

For more information on how to nominate an employee as the Safety Person of the Year, [click here](#).

AEI TAGGING BOOSTS QUALITY OF CUSTOMER SERVICE *Reprinted from Mileposts – The Newsletter of the Indiana Rail Road Company*

In our continuing quest to improve service for our customers, INRD has installed an Automatic Equipment Identification (AEI) system over the past two years. The system increases the accuracy in reporting and assists our customer service staff to provide customers with accurate consists of cars.

For several decades, the North American rail industry has wanted a system that would allow them to attach a unique identifier to each locomotive and rail car. The Association of American Railroads (AAR) initiated a system of color-coded optical labels, called Automatic Car Identification (ACI) in the early 1970s. Both dirt accumulation on, and deterioration of the labels led to low accuracy for the system, and it was soon abandoned. It was not until the mid-1980s that another system was developed.

That system, AEI, uses programmed tags on cars and readers at various locations to read the information coded on the tags. The coded information for each car includes the car owner's initials, the car number, and the tare weight. INRD has installed eight readers at its terminals, yards, and junctions along the line, and they work on a UHF radio frequency. The reader collects information about all cars on a particular train, then transmits the entire train's consist. Using both AEI and Positive Train Control (PTC), INRD can identify at any time the location of each car and shipment on its line.

Since 1994, the AAR has required data tags for all freight and passenger cars and locomotives. Radio transmission eliminates the need for batteries, so the tags do not require regular maintenance. In addition, errors that can creep into manual transmission of information are almost eliminated with the AEI system.

INRD's experience has been that nearly 97% of the cars it handles are tagged, and that tag reading by the AEI readers is approximately 97% accurate. Reasons for failure are that the tags are incorrectly programmed or they are damaged or missing, all of which are rare.

INRD has installed its AEI system over the past two years, and the system became operational on the line in September. The system vendor is Comet Industries of Kansas City, MO. According to its website, Comet has installed approximately 3,000 AEI sites.

TRAIN TRACKS TO ANIMAL TRACKS

Since the 1920's, the steel rails of train tracks have stretched throughout sand prairie areas at the closed Savanna Army Depot in Savanna, Illinois. The rails provided transportation for millions of tons of weapons and ammunition to this former military munitions storage facility. The Depot officially closed under Congressional mandate in 2000 and redevelopment efforts began. A partnership was formed between the U.S. Fish and Wildlife Service and Riverport Railroad, LLC, to recycle almost 15 miles (of the total 68 miles) of railway track, ties, plates, spikes and ballast from this area, which is now called the Lost Mound Unit of the Upper Mississippi River National Wildlife and Fish Refuge. This project not only resulted in about 91 acres of sand prairie habitat to be restored within the Refuge but also provided rail materials for a new rail line to be constructed on the east side of the Depot that is more closely located to the Burlington Northern Santa Fe Railway interchange.

The partnership between the Service and Riverport began in December 2001 when a 95 acre land exchange was agreed to between the Service and the JoCarroll Local Redevelopment Authority. This land exchange was for the specific purpose of allowing Riverport to develop new rail lines and service to the Depot. Riverport was one of the first businesses to express interest in the Depot and subsequently purchased this land parcel from the Authority.

By working together in this partnership effort, the Service and Riverport achieved a remarkable result. The Service is now able to restore the area to sand prairie for the benefit of the many species of wildlife and Riverport will be able to build an intermodal and unit train facility that will greatly enhance the infrastructure of the railroad and the prospects for job creation at the Depot. The partnership between Riverport and the Service was an environmentally creative idea that recycled portions of the old military infrastructure into new economic redevelopment opportunities while creating habitat restoration opportunities on the sand prairie landscape. The steel rail tracks that were once part of the history of the Depot will now be replaced with animal tracks, such as deer, turkey, coyote, raccoon, rabbits, meadow voles, and grassland birds.

FRA REGION 1 SEMINARS SCHEDULED FOR FEBRUARY 2005

FRA, Region 1 will be holding two one-day safety seminars in February 2005 for short line railroads.

Registration will begin at 8:30 am, with a general session beginning at 9 am. Following the general session, discipline specific workshops will be conducted by FRA specialists in Operating Practices, Motive Power & Equipment, Track, Hazardous Materials, and Signal & Train Controls. Workshops will be repeated during the day in order for participants to attend more than one workshop of interest.

Dates and locations of the seminars are as follows:

Tuesday, February 8, 2005

Radisson Hotel and Conference Center
4 Executive Park Drive
Merrimack, New Hampshire
(603) 424-8000

Thursday, February 10, 2005

Wyndham Hotel
6301 Route 298
East Syracuse, New York
(315) 432-0200

There is no cost to attend either seminar, however, seating is limited. Please contact FRA, Region 1 offices at (800) 724-5991 or (617) 494-2302 for additional information or to register for the seminar.

PLAN TO ATTEND THE RAILWAY SECURITY FORUM AND EXPO

Security is one of the most important issues that freight and passenger railroads face today. In the wake of 9/11 and the Madrid train bombings, the focus on how rail employees, riders, and cargo are protected has only intensified.

If you are involved with rail security at any level, you can't afford to miss Railway Age's 2005 Railway Security Forum and Expo on January 31-February 1, 2005 at the Washington Marriott Hotel in Washington, D.C. This inaugural event is presented in cooperation with the Association of American Railroads, the American Public Transportation Association, the American Short Line and Regional Railroad Association, and the Railway Supply Institute.

The 2005 Railway Security Forum and Expo will provide answers to such pressing questions as:

- What best practices can you use to secure vulnerable freight and passenger infrastructure and rolling stock?
- Is it possible to screen passengers without disrupting operations?
- What technologies are available to monitor hazmat shipments?
- Are you properly prepared for a potential emergency?
- Where is the funding going to come from?

For more information, visit www.railwayage.com.

**DECEMBER RAILWAY AGE ARTICLE DESCRIBES SECRETS TO SHORT LINE
LEGISLATIVE SUCCESS**

The December 2004 "Short Line / Regional Perspectives" article in *Railway Age* magazine highlighted the short line tax credit recently approved by Congress and signed by President Bush. The article, by ASLRRRA President Richard Timmons, focuses on the ways in which short lines were able to gain visibility and support in Congress. Timmons credits four factors for generating Congressional support:

- 1) The geographical reach and entrepreneurial profile of small railroads, accompanied by the tireless effort of many people in the small railroad industry to increase visibility among their representatives;
- 2) The involvement of many short line shippers in the lobbying process, proving that the benefits to short lines would extend to their customers and the communities they serve;
- 3) The use of figures from ASLRRRA's national data study to provide statistical information that demonstrated the significance of short line and regional railroads; and

- 4) The strong relationships with Class I's, rail labor, and the rail supply industry, which projected a single position on the issue.

[Click here](#) to read the Railway Age article.

YEAR 2005 RAILROAD RETIREMENT AND UNEMPLOYMENT INSURANCE TAXES

The amounts of compensation subject to railroad retirement tier I and tier II payroll taxes will increase in 2005. However, the tier I tax rate on employees and employers remains unchanged. Under the Railroad Retirement and Survivors' Improvement Act of 2001, tier II tax rates are now determined annually by an average account benefits ratio. Based on this ratio, the tier II tax rate on both employees and employers will decrease in 2005. Railroad unemployment insurance tax rates paid by employers will continue to include a 1.5 percent surcharge in 2005.

Tier I and Medicare Tax.--The railroad retirement tier I payroll tax rate on covered rail employees and employers for the year 2005 remains at 7.65 percent. The railroad retirement tier I tax rate is the same as the social security tax, and for withholding and reporting purposes is divided into 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of an employee's earnings subject to the 6.20 percent rate will increase to \$90,000 in 2005 from \$87,900 in 2004, but there is no maximum on earnings subject to the 1.45 percent Medicare rate. The increase in the amount of earnings subject to railroad retirement and social security taxes is based on indexing to increases in average national wages.

Tier II Tax.--The railroad retirement tier II tax rate on employees will decrease by 0.5 percent, from 4.9 percent to 4.4 percent in 2005, and the rate on employers will also decrease by 0.5 percent, from 13.1 percent to 12.6 percent. The maximum amount of earnings subject to railroad retirement tier II taxes, however, will increase to \$66,900 in 2005 from \$65,100 in 2004. Tier II tax rates under the 2001 Railroad Retirement and Survivors' Improvement Act are based on an average account benefits ratio reflecting railroad retirement fund levels. Depending on this ratio, the tier II tax rate for employers can range between 8.2 percent and 22.1 percent, while the tier II rate for employees can be between 0 percent and 4.9 percent.

Unemployment Insurance Tax.--Employers, but not employees, also pay railroad unemployment insurance taxes, which are experience-rated by employer. The basic tax rates range from a minimum of 0.65 percent to a maximum of 12 percent on monthly earnings up to \$1,150 in 2005, up from \$1,130 in 2004. However, the Railroad Unemployment Insurance Act also provides for a surcharge in the event the Railroad Unemployment Insurance Account balance falls below an indexed threshold amount, and such a surcharge of 1.5 percent applied in 2004. Since the accrual balance of the Railroad Unemployment Insurance Account was \$98.6 million on June 30, 2004, which was less than the indexed threshold of \$112.9 million, a surcharge of 1.5 percent will again be added to the basic tax rates in 2005, but will not increase the maximum 12 percent rate.

The unemployment insurance tax rates on railroad employers in 2005 therefore will range from 2.15 percent (the minimum basic rate of 0.65 percent plus the 1.5 percent surcharge) to a maximum of 12 percent on monthly compensation up to \$1,150.

The 1.5 percent surcharge will not apply to new employers in 2005, and new employers will initially pay a tax rate of 3.43 percent, which represents the average rate paid by all employers in the period 2001-2003.

For 77 percent of covered employers, the unemployment insurance rate assessed will be 2.15 percent in 2005.

PORTEC RAIL COMPLETES MERGER WITH KELSAN TECHNOLOGIES

Portec Rail Products, Inc. announced today that it has completed its merger with Kelsan Technologies Corp. This strategic acquisition significantly expands Portec Rail's friction management capabilities and strengthens its position as a leading global entity, providing essential products and services to the railway industry.

Kelsan Technologies Corp. is an innovative developer of proprietary friction control solutions for the railway industry. Kelsan's unique solutions control friction at the wheel/rail interface in order to reduce costs and improve performance.

John S. Cooper, President and Chief Executive Officer of Portec Rail Products, Inc. said, "We have had a technical alliance with Kelsan and we have been working as a distributor of Kelsan's friction modification products for many years; we are well acquainted with the company's management team and Portec Rail has been designing and providing equipment for the application of the Kelsan products. The combination gives us the ability to optimize the use of our engineering, research and development and global sales and marketing resources. In addition, this acquisition follows our recent acquisition of Salient Systems, Inc., a global leader in railway electronic wayside data collection and data management systems used for predictive maintenance. Our goal is to be a solutions provider and enable our railway customers to significantly reduce their cost by extending the life of the track structure and rolling stock, reducing fuel consumption and improving noise abatement."

Portec Rail Products, Inc. manufactures, supplies and distributes a broad range of railroad products, including rail joints, rail anchors and spikes, railway friction management products, railway wayside data collection and data management systems and load securement systems. For more information, visit <http://www.portecrail.com>.

RAILINC IMPLEMENTS PHASE ONE REDESIGN OF AAR CAR REPAIR BILLING SYSTEM

Railinc recently announced it has implemented the phase one redesign of the AAR Car Repair Billing System (CRB) for the North American Rail Industry. The CRB System supports the monthly exchange of information to process payables and receivables.

With this redesign, railcar repair billing users can access the CRB System via the Internet to price railcar repairs, enter railcar repairs, and create invoices. Users can also participate in the CRB Data Exchange, a monthly exchange of repair bills maintained by Railinc for the Association of American Railroads (AAR).

The new CRB system includes an Internet-enabled Billing Repair Card (BRC). This module allows small repair shops and short lines to report repairs, automatically price those repairs against the AAR Price Master, and send the repair data directly into Railinc's Data Exchange. This improves the network efficiency of the rail industry by promoting more efficient business exchanges among railcar owners, freight car repair companies, and railroads.

"By enabling CRB Billing Repair Card to be accessed over the Internet, repair shops and short lines will be able to accurately price their repairs and create invoices," said Rick Hobb, Director Business Systems of Railinc. "Car owners benefit from an improved AAR Price Master, more accurate price matrices, and data exchanges which help eliminate paper invoices. This redesign is a significant benefit to the North American Rail Industry."

MONTREAL, MAINE & ATLANTIC APPOINTS JONES VP SALES & MARKETING

Montreal, Maine & Atlantic Railway announces the following appointment, effective December 1, 2004:

Frederick M. Jones becomes vice president Sales & Marketing, succeeding William R. Schauer, who retires after 41 years in the railroad industry. Bill has been MMA's Vice President – Marketing since the railroad's start up in January 2003.

Mr. Jones has 18 years of railroad sales and marketing experience and most recently served as a logistics and sales training consultant. He worked in multiple sales and marketing positions with Canadian National in New York and with CSX Transportation in New York and Jacksonville, Fla. He also served in several sales and marketing roles with PPG Industries Chemicals Division in Pittsburgh, Pennsylvania and New York.

Mr. Jones was an undergraduate at Princeton University and earned a Ph.D. from the University of Pittsburgh.

Bob Grindrod, president and chief executive officer of Montreal, Maine & Atlantic said, "We want to welcome Fred to the MMA family and wish Bill a long and enjoyable retirement. We especially want to thank Bill for all that he has done to strengthen MMA's customer base and develop new business for the future."

Montreal, Maine & Atlantic began operations January 9, 2003 operating 745 route miles of line in Maine, New Brunswick, Quebec and Vermont.

FLORIDA EAST COAST RAILWAY PROMOTES BRAMLITT TO VP & CFO

Florida East Coast Railway, L.L.C. has promoted Amy Bramlitt to Vice President and Chief Financial Officer. Ms. Bramlitt will continue to report directly to FECR President John D. McPherson and will be responsible for all budgeting, forecasting, accounting, financial controls, financial planning and capital investment strategies for FECR.

Ms. Bramlitt joined FECR in March 2002 as Vice President and Controller. "Her twenty-three years of business experience in the areas of finance, accounting, budgeting, customer service and process redesign in the rail transportation, technology and financial services industries has allowed Amy to contribute significantly to FECR's operations," stated FECR President John D. McPherson. "Amy is a tremendous asset to the Company and this promotion recognizes her demonstrated ability to strengthen financial leadership, implement successful cost management policies, and increase financial coordination with FECL."

Ms. Bramlitt's railroad career began nineteen years ago with CSX Corporation ("CSX") where she served in various leadership positions within the railway and technology business divisions. Prior to joining CSX, Ms. Bramlitt was an auditor with the public accounting firm of Ernst & Young.

Amy earned a Bachelors of Business Administration degree in Accounting from the University of Memphis, a Masters of Business Administration degree at the University of North Florida, and is a licensed CPA.

She and her husband Calvin have one son and reside in Green Cove Springs, Florida.

CROUCH ENGINEERING ADDS NEW STAFF MEMBER

Crouch Engineering, provider of railway, bridge, and engineering and planning services to the short line industry, is pleased to announce that it has added William J. Cedzich to its staff of engineering professionals. Will is an Ole Miss Graduate, and a former Tennessee Tech co-operative education student who trained with Crouch Engineering in the mid-1990's. As a licensed professional engineer, and a registered geologist, Mr. Cedzich brings valuable railway engineering and geotechnical experience to the firm. He has worked on many slope stabilization projects on the CSX, CP, and NS railroads, and has taken the lead on tunnel, retaining wall, grading, and other projects at Crouch Engineering.

RAILROAD TRAFFIC

According to the AAR, U.S. carloads were up 0.6 percent in the week ending December 4, 2004. For the year to date, carloadings are up 2.8 percent compared to 2003. Carloads for U.S. Non-Class I's that submit data to the AAR were up 27.7 percent for the week, and are up 5.6 percent for the year. Carloads for Week 48 were up 3.7 percent in the East and down 1.9 percent in the West compared to the same week in 2003. U.S. intermodal traffic was up 14.9 percent for the week and is up 10.0 percent for the year. U.S. and Canadian intermodal traffic was up 13.1 percent for the week and is up 8.2

percent for the year. Total volume was up 0.6 percent for the week and is up 5.0 percent through the 48th week of 2004.

For just the week ending November 27, 2004, U.S. carloads were up 4.8 percent and carloads for U.S. Non-Class I railroads that submit data to the AAR were up 17.5 percent. Carloads were up 5.1 percent in the East and up 4.5 percent in the West. U.S. intermodal traffic was up 13.0 percent for the week and U.S. and Canadian intermodal traffic was up 10.4 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 9.64 percent for the week ending November 27, 2004. Short lines reporting to RMI moved 67,144 cars for the week, compared with 61,240 for the same week in 2003. For the year-to-date, short line traffic is up 10.58 percent, with 3,504,358 cars handled in 2004, compared to 3,169,124 cars handled at the same point in 2003. For the week ending November 20, 2004, short line traffic was up 13.16 percent. Short lines reporting to RMI moved 77,762 cars for the week, compared with 68,716 for the same week in 2003.

EMBARGO NOTICES & REROUTE ORDERS

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

American Short Line and Regional Railroad Association
50 F Street, N.W., Suite 7020, Washington, DC 20001
(202) 628-4500 FAX (202) 628-6430 aslrra@aslrra.org