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American Short Line and Regional Railroad Association

# VIEWS & NEWS

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As of  
March 22,  
**H.R. 876** has  
**264** Co-sponsors  
and  
**S. 1703** has  
**17** Co-sponsors

[Click here to find out if your representative or senators are co-sponsors.](#)

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

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### MAKE PLANS TO ATTEND OUR 2004 ANNUAL CONVENTION

The 2004 ASLRRA Annual Convention is approaching fast. We hope you'll join us in St. Louis. We have an excellent program, with informative topics that impact your business. This year's Annual Convention will include (click on the session name for more details):

[Power Brake Training Session](#) - The last one we will be able to conduct this year. Don't miss out on this opportunity to take this 'train the trainer' course.

[Questions?  
Comments? E-Mail  
Us.](#)

**Operating & Maintenance Session** – We have an excellent program scheduled and all O&M attendees will be able to visit with the exhibitors at the annual meeting on Thursday, following the O&M Session.

**CSX Reorganization Update** - Thursday afternoon from 2:00pm - 4:00pm, CSX representatives will be conducting a special session with their connecting carriers. They will discuss the reorganization of their Commercial and Regional Development (Short Line and Regional) Departments and how it will affect their short line partners.

**Annual Meeting** - Excellent educational opportunities with great panel discussions and breakout sessions planned. Our goal is to inform and provide you with the tools you need to run your company more effectively and efficiently.

**Exhibition** – Visit the only exhibition geared exclusively to short line and regional railroads, featuring over 100 exhibiting companies.

Don't forget, we have a new Thursday-Friday-Saturday date pattern for this meeting. Saturday morning's program is filled with great topics, including:

- Keynote Speaker: *Hon. Michael Schwartz, Chair, Railroad Retirement Board*
- Growing the Business: A View from the Shipper's Perspective
  - *shippers from Anheuser Busch, US Steel Co., and Harvest States have been invited to participate*
- Rail Partners – Piecing Together the Transportation Puzzle
  - *Clarence Gooden, Senior Vice President – Merchandise Marketing, CSX*
  - *Jack Koraleski Executive Vice President – Marketing and Sales, UP*
  - *John Lanigan, Executive Vice President and Chief Marketing Officer, BNSF*
  - *Don Seale – Vice President- Merchandise Marketing, NS*
- Legislative Update
  - *Ed McKechnie, Legislative Policy Committee*
  - *Keith Hartwell, Chambers, Conlon & Hartwell*
- Mythbusting – A Review of the ASLRRRA Data Study
  - *Craig Rockey, Association of American Railroads*
  - *Steve Roop, Texas Transportation Institute*

After the morning sessions, we have some great activities planned, including a rail excursion aboard Union Pacific's equipment along the Terminal Railroad, ASLRRRA's annual golf outing, and the closing evening's dinner and entertainment.

[Registration forms are available online by clicking here.](#)

Hotel rooms are available at the Renaissance Grand in St. Louis for ASLRRRA's group rate of \$129/night. **The hotel room cut-off date is March 30.** To make a reservation, call 314-621-9600 and mention group code ASRASRA.

### **THE NEW RRIF – HOW IT WORKS & HOW TO APPLY**

The New RRIF process is now in place. It is quicker, easier and user friendly.

Click on the link below to learn more, or contact Joe Pomponio the Acting Chief, Office of Freight Programs, FRA at (202) 493-6381 for information.

<http://www.fra.dot.gov/Content3.asp?P=1303>

## **NY TIMES – STRONG DEMAND FOR RAIL CONNECTIONS AT INDUSTRIAL SITES**

On March 14, 2004, the *New York Times* published an article describing “first-hand evidence of a back-to-the-rails movement in the freight industry in New Jersey.” The article cited several brokers who have noticed an increase in demand for rail service among customers looking for industrial sites. One broker noted, “We used to see a lot of times when rail was a ‘nice to have’ when a company was looking for a site. More and more now, it’s a ‘must.’”

The article credited the lower cost and better efficiency of shipping via rail as a major factor in the increase in demand, along with recent improvements in delivery. It also cited the increasing popularity of port-to-rail intermodal shipping and new trucking regulations as possibly contributing to the demand for rail access.

Many of the brokers observed that industries that ship heavy materials – such as the paper, building supplies, steel, and plastics industries – have been some of the most likely to demand rail service. They also noted that some customers have viewed rail service as such an indispensable resource that they have relocated on inactive rail lines and assisted in financing the reactivation of rail service.

This is a major change in thinking from recent years when having rail service was in the 2<sup>nd</sup> and sometimes 3<sup>rd</sup> tier of location criteria for new business.

## **PA RELEASES \$6 MILLION FOR RAIL IMPROVEMENTS**

Pennsylvania Governor Edward Rendell recently announced the release of more than \$6 million in capital budget funds for five rail-freight improvement projects on short line railroads.

“Railroads are playing an increasing role in keeping the freight moving from our communities and employers to the major railroads that carry freight around the nation,” Rendell said. “These funds will help ensure the smooth operation of the shortline and regional railroads that promote economic development, job creation and highway safety.”

The funding will include:

- \$1 million for track rehabilitation on the Allegheny Valley Railroad Co.
- \$955,256 for the Delaware & Hudson Railway Co. to expand and rehabilitate their product handling facilities at the Philadelphia Naval Yard
- \$2 million for RFI Energy, Inc. to obtain rail access at their coal facility via the Buffalo and Pittsburgh Railroad
- \$2 million for the Western New York & Pennsylvania Railroad Co. to improve reliability and safety along the former Erie Lackawanna line
- \$500,000 for track rehabilitation on the Wheeling & Lake Erie Railway Co.

## **UP UPDATES SHORT LINE SERVICES**

At a Short Line Advisory Council meeting on March 17, Union Pacific announced that it has added a new short line section to its website. The section, which can be viewed by [clicking here](#), features a directory of UP’s short line connections, contacts at UP for short line issues, and an Interline Marketing Team contact list. UP will also add a list of Short Line Advisory Council members, along with the agendas and minutes for the Advisory Council meetings. The Advisory Council is also finalizing a survey that will be sent to all UP Connections prior to the UP annual short line meeting.

## **EVENT REPORTING IMPROVING**

Statistics on event reporting are showing improvement since industry-wide reporting standards went into effect on January 1, 2004. 32 roads are now reporting that had not been previously and 207 roads have shown an increase in overall reporting. However, there is still a long way to go. As of January 2004, while 226 roads had an overall compliance of 75% or better, 175 roads had an overall compliance of less than 75% and the remaining 150 roads had zero compliance. A survey is being sent out by the Class I connections to those short lines showing zero reporting to find out how they can assist in improving their scores.

## **CENTRALIZED CAR HIRE BEING STUDIED**

The rail industry commissioned a study to determine the cost-benefit of centralizing the existing car hire system and investigate the changes that would be necessary in order to centralize the process. A preliminary report was presented to NEMC at its meeting on February 19, 2004, at which time it was recommended to continue the refinement of a business case, with a report to be made to NEMC at its May, 2004 meeting.

## **ASLRRA TO RELEASE REVAMPED SAFETY BULLETIN**

ASLRRA is currently preparing the first edition of its newly revamped Safety Bulletin. The Safety Bulletin will include input from the FRA, Class I railroads, Operation Lifesaver and ASLRRA's Safety Committee, as well as safety statistics and lists of important events and dates. The first issue will be out in April, 2004.

## **RAILAMERICA SEPARATES CHAIRMANSHIP FROM PRESIDENT & CEO**

RailAmerica, Inc. announced that its Board of Directors has split the offices of Chairman of the Board and President & CEO. William G. Pagonis, who previously served as Vice Chairman of the Board and Chairman of the Corporate Governance and Nominating Committee, will serve as the new Chairman of the Board. Gary O. Marino will continue to serve as the President & CEO of the Company.

"The Board of Directors has determined that separation of the offices of Chairman and CEO is an important element in developing an effective corporate governance system," said Mr. Pagonis, noting that a number of Fortune 500 companies have recently taken similar action.

The Board also appointed Charles Swinburn, who currently serves on the Compensation and Government Relations Committees, as the new Chairman of the Corporate Governance and Nominating Committee to replace Mr. Pagonis, who has also resigned as a member of the Company's Compensation Committee. The Board has appointed John M. Sullivan to replace Mr. Pagonis on the Company's Compensation Committee.

Mr. Pagonis is currently Senior Vice President - Head of Supply Chain for Sears Roebuck and Company, and President of Sears Logistics Services, Inc., a wholly owned subsidiary of Sears. Mr. Pagonis is also a retired U.S. Army Lieutenant General. He served in Desert Shield / Desert Storm as logistics commander for General Schwarzkopf. Mr. Pagonis has served as a member of the Board of Directors of RailAmerica, Inc. since February 2000.

## **PIONEER RAILCORP ANNOUNCES NEW PRESIDENT**

The Board of Directors of Pioneer Railcorp has elected J. Michael Carr to assume the position of President of the company. Mr. Carr succeeds Guy Brenkman as President and will be in charge of all daily railroad operations of Pioneer Railcorp. Carr will also continue as Pioneer Railcorp's Chief Financial Officer.

Mr. Brenkman will remain the company's senior executive and will retain the positions of Chairman of the Board and Chief Executive Officer. "Pioneer has grown to the point that it is difficult for one person to manage and control all aspects of the operation," commented Brenkman. "I have grown to trust Mike to

make the appropriate decisions concerning the daily operations of the company. By delegating the daily operations to Mike, I can concentrate my efforts on growing the overall company and maintaining our position as a premiere short line holding company.”

## **RAILROAD TRAFFIC**

According to the AAR, U.S. carloads were up 1.0 percent in the week ending March 13, 2004. Carloadings are up 2.7 percent compared to 2003 for the year to date. Carloads for U.S. Non-Class I's that submit data to the AAR were down 13.9 percent for the week, and are down 5.3 percent for the year. Carloads for Week 10 were down 1.3 percent in the East and up 3.0 percent in the West. U.S. intermodal traffic was up 7.7 percent for the week and is up 6.6 percent for the year. U.S. and Canadian intermodal traffic was up 6.2 percent for the week and is up 5.2 percent for the year, with a total of 2,347,209 trailers and containers. Total volume for the week was up 2.7 percent from 2003, with an estimated 30.0 billion ton-miles. Total volume for the year is up 4.1 percent, with 293.2 billion ton-miles through the 10th week of 2004.

For just the week ending March 6, 2004, U.S. carloads were up 4.0 percent and carloads for U.S. Non-Class I railroads that submit data to the AAR were down 0.6 percent. Carloads were up 2.4 percent in the East and up 5.5 percent in the West for the week. U.S. intermodal traffic was up 10.8 percent from the 9th week of 2003 and U.S. and Canadian intermodal traffic was up 9.1 percent from the prior year.

## **EMBARGO NOTICES & REROUTE ORDERS**

A complete listing of embargo notices is available at [embargo.railinc.com](http://embargo.railinc.com).

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