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American Short Line and Regional Railroad Association

VIEWS & NEWS

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and
S. 1703 has
18 Co-sponsors**

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RUTTER ANNOUNCES HE WILL LEAVE THE FRA

On Friday, April 30, Allan Rutter, Administrator of the Federal Railroad Administration (FRA), announced that he will leave his position with the FRA in mid-June. Rutter will be returning to his native state of Texas, where he has accepted a position as Deputy Executive Director of the North Texas Tollway Authority.

ASLRRA President Richard Timmons stated, "Allan Rutter has been a strong supporter of the short line and regional railroad industry at a period in our history of enormous change and growth. His forceful involvement in rejuvenating the RRIF program, strong endorsement of the Accident / Incident Severity Index, frequent appearances at short line meetings and availability to discuss our issues has contributed to the success of the industry in recent years. Allan can be proud of the fact that the rail industry experienced the safest year in its history under his watch in 2003. We all will miss his steady hand, good humor and focus on improving railroad safety across the nation."

In reaction to the news, U.S. Secretary of Transportation, Norman Y. Mineta thanked Rutter for his service and commented that, "the Federal Railroad Administration made significant improvements in the safety of our nation's railroads" during his tenure. Following Rutter's departure, Betty Monro will take over as Acting Administrator.

SHOW ME STATE WOVES SHORT LINES



1) Chuck Laggan welcomes attendees to St. Louis; 2) Incoming ASLRRA Chairman Roger Bell presents a plaque of appreciation to outgoing Chairman Walter Rich; 3) Safety Person of the Year, D.K. Roth (center) with FRA Administrator Allan Rutter and ASLRRA President Rich Timmons; 4) The exhibition's opening ceremony; 5) ASLRRA President Rich Timmons presents a "budget" chair to Walter Rich; 6) Shipper Panel speakers answer questions; 7) ASLRRA's 2003 Safety Award Winners; 8) Attendees were treated to an excursion aboard UP's equipment; 9) Lunch speaker Stephen Goddard; 10) BNSF's John Lanigan and 11) CSXT's Clarence Gooden were two of the four Class I speakers featured on Saturday morning's logistics panel; and 12) ASLRRA's 2004 Marketing Award Winners.

ASLRRA members gathered in St. Louis, Missouri April 20-24, 2004 for ASLRRA's 2004 Annual Convention. The Convention kicked off early Tuesday morning with a Power Brake Training Seminar and included an Operating & Maintenance Session along with the Annual Meeting and Exhibition. The Annual Convention had over 1,000 registered attendees, with record numbers of first-time attendees and railroad and transit attendees.

Thursday night's reception in the exhibit hall opened the Annual Meeting with an impressive array of products and services offered by over 100 exhibiting ASLRRA members. The opening reception featured a World's Fair theme, as St. Louis celebrates its 100-year anniversary of hosting the event.

The meeting sessions covered a variety of topics. Friday morning's general session focused on safety, with remarks by Federal Railroad Administrator, Allan Rutter, the presentation of ASLRRA's Safety Awards, and the presentation of the Safety Person of the Year Award to D.K. Roth, Locomotive Engineer, Montana Rail Link. This meeting marks the second time that D.K. has been awarded this honor. The award presentations continued during Friday's Business Luncheon with the presentation of ASLRRA's Marketing Awards, the Railway Age Short Line and Regional Railroad of the Year awards, and the first presentation of the Susan C. Murray Scholarship. Breakout sessions on Friday included presentations on Remote Control Locomotives, Event Reporting, public funding opportunities, risk management, implications of heavy axle loads, and an Ask the Lawyers panel. Saturday's business session started off with new Railroad Retirement Board Chair, Hon. Michael S. Schwartz. Representatives from three shippers, discussed the pros and cons of shipping product by rail and the challenges that they face particularly with regard to 286k cars. This was followed by a panel of Commercial officers from four Class I railroads: BNSF, CSX, NS, and UP. The morning's sessions concluded with an update on the ASLRRA's progress on the legislative front and a very interesting review of the short line data study recently commissioned by ASLRRA.

Immediately following the business session, a hardy group of golfers headed for the links and a 175 or so folks made tracks for Union Station and the Union Pacific/Terminal Railroad excursion.

Beginning with a "roast" and ending with a serious expression of gratitude for years of hard work,, the Annual banquet closed out the meeting on Saturday evening with a fitting salute to our outgoing chairman, Walter Rich. Walter was presented with the traditional chair that is given to retiring Chairs, but not before ASLRRA President, Rich Timmons, had a little fun, presenting Walter a folding chair based on ASLRRA's recent cost-cutting measures. Walter ended the evening with a passing of the gavel to the incoming Chair and Vice-Chair, Roger Bell and Tom Schlosser, respectively. New board members elected during the meeting included Ken Doiron, Pacific Region, Steve Friedland, Associate Members, Gary Shields and Mick Burkart, Eastern Region, and Bob Bailey, Eastern Region Vice President. Tom Schlosser closed the meeting by inviting attendees to the 2005 Annual Meeting in Anaheim, California.

PROPOSED ILLINOIS GAS TAX WOULD NEGATIVELY IMPACT SHORT LINES

Legislation has recently been proposed in Illinois to expand the Motor Fuel Tax base to include non-farm, off-highway motor fuel usage. If enacted this would have a major impact on state railroads, as well as manufacturers, construction contractors, barges, ships, mining operations, warehousing, package delivery facilities, and retailers.

If passed, those previously exempt from the Motor Fuel Tax will continue to pay the state and local sales taxes, plus an additional 21.5 cents for every gallon of diesel fuel purchased in the state of Illinois. The big railroads estimate it will cost them \$40 million per year and it will cost short line railroads 21.5 cents times the gallons used. Railroads do not use the highways and they pay for their own infrastructure maintenance. Therefore, this tax is unfair and could threaten the viability of certain short lines and their customers.

ASLRRA President Richard Timmons, recently sent an e-mail to all railroads and suppliers in Illinois, encouraging them to inform their state legislators and Governor Blagojevich about the negative impact this legislation will have on their business. All railroads and suppliers in Illinois should contact their state legislators by phone and mail immediately and should encourage their customers, suppliers, and employees to do the same. If you would like more information on what is being done to oppose this legislation and what you can do to help, contact Joe Ciaccio, President of the Illinois Railroad Association, at (217) 753-8739 or email jciaccio@aol.com or Jim Farrell at the Illinois Chamber of Commerce at (312) 983-7111 or jfarrell@ilchamber.org.

FRA ISSUES EMERGENCY ORDER ON TANK CAR BOLSTERS

On April 27, the Federal Railroad Administration issued Emergency Order No. 23 covering only the outstanding Group I tank car bolsters.

The order states:

“The Federal Railroad Administration...has determined that public safety compels the issuance of this Emergency Order directing all persons...to discontinue the loading and transportation of any railroad tank car with an original built date of 1995, 1996, 1997, or 1998 and stenciled with DOT specification and the packaging requirements of the commodity table at 49 CFR 172.101, amplified in Part 173 identifying it as capable of transporting hazardous material; that is equipped with a truck bolster bearing either (1) AAR Identification Number B-2410 and NCM Pattern Number 52122 or (2) AAR Identification Number B-2409 and NCM Pattern Number 52202, until each of the described bolsters is removed from the car and replaced with a bolster of suitable design and manufacture.”

The order continues: “...no person may transport, offer for transportation, load, or continue in service any tank car...stenciled with DOT specification...except as necessary to effectuate such removal and replacement.”

The order goes on to state: “Railroads are permitted to haul such a car if necessary to effectuate such removal and replacement, but only to the nearest available location where the removal and replacement of the subject bolster can be made. If found empty do not reload the car in movement to the repair location.”

To view the order in its entirety, [click here](#).

FRA ISSUES ROADWAY WORKER SAFETY ADVISORY

On April 27, the FRA also issued a new Roadway Worker Safety Advisory. While most trends have been favorable following the issuance of the Roadway Worker Protection regulation in 1997, fatalities continue to occur. The FRA issued the advisory to address this issue and to promote heightened awareness among roadway workers. The notice of the advisory can be viewed by [clicking here](#).

The actions recommended in the advisory include:

- Reinforce to individual roadway workers that it is critical not to foul a track except in the performance of duty and only when on-track safety has been established. This training could be accomplished through training sessions, as well as daily job briefings.
- Institute peer-intervention measures by which workers are encouraged to intervene when observing another roadway worker engaging in potentially noncompliant and unsafe activity.
- Develop and implement basic risk assessment procedures to determine the likelihood of adjacent track intrusion prior to initiating work activities (whether large-scale or small-scale activities). Use working limits for activities where equipment could foul adjacent track (whether large-scale or small-scale activities).
- Install and utilize, as appropriate, rotation stops on roadway maintenance machines to prevent equipment from inadvertently fouling adjacent tracks.
- Review procedures for directing trains through adjacent track working limits, and enhance such procedures when necessary.
- Install adjacent track warning signs/devices in the operating cab of on-track machines to remind roadway maintenance machine operators to not inadvertently exit the cab onto a track where there may be trains and other on-track equipment passing.
- Provide additional training and monitoring to its employees, emphasizing the need to cross tracks in a safe manner.

REPRESENTATIVE BOOZMAN TOURS A&M RAILROAD



Above Left: (from left) G. Brent McCready, President, A&M Railroad; Congressman John Boozman and J. Reilly McCarren, Chairman, A&M Railroad. **Above Right:** Congressman Boozman aboard Alco Unit 66.

On April 8th the Arkansas & Missouri Railroad held a reception for Congressman John Boozman (R-AR), a member of the Transportation and Infrastructure Committee, in Springdale, Arkansas. Congressman Boozman, A&M vendors and customers joined the railroad's employees with their friends and family, aboard two business cars for refreshments and a few words from the Congressman. The event ended with a tour of the Railroad's facilities and a VIP tour of Alco Unit 66.

Attendees spoke with the Congressman about a variety of A&M operations – including hauling feed for the nation's largest poultry industry, countryside excursions in Northwestern Arkansas, rail technology and the role of rail police in keeping the public safe. As with all grassroots events, our focus is to improve communications with our elected officials and to emphasize the importance of keeping safe the future of short lines and regional railroads. The executives and employees of Arkansas & Missouri Railroad were able to successfully do just that.

If you are interested in hosting similar events in your neighborhood, please call Sally Johnson at (202) 638-7790 or email sally.johnson@cchinc.com.

Special thanks to Reilly McCarren and Brent McCready for generously hosting the event, Jerry Lipka for flawlessly organizing it, Brenda Brown for graciously preparing all of the refreshments and decorations, and Ron "Sparky" Sparks for his impeccable photography.

ELECTRONIC FILING OPTION INITIATED AT STB

The Surface Transportation Board has amended its regulations to allow certain types of documents and pleadings to be filed electronically. When e-filing is chosen, the need for filing additional paper copies is eliminated. To find out more, visit the Board's website at www.stb.dot.gov and click on "E-Filing." The "E-Filing" page includes instructions on when e-filing can and cannot be used. Some processes require a log-in ID and password, which can be obtained through the "E-Filing" page. The e-filing process may not be used to file initial filings in a proceeding, filings requiring a fee (except recordations) or large evidentiary filings (collectively, over 10 megabytes).

RRB RELEASES Q&A SHEET ON SPOUSE & WIDOW(ER) BENEFITS

The Railroad Retirement Board recently released a Question & Answer sheet on recent changes in spouse and widow(er) benefits. Railroad Retirement Act spouse and widow(er)s' benefits, in addition to being reduced for social security entitlement, may also be reduced when a spouse or widow(er) is entitled to public service pension unless certain requirements are met.

These requirements for exemption from the public service pension reduction were recently tightened by the Social Security Protection Act of 2004, signed into law on March 2, 2004. [Click here](#) to view the Q&A sheet regarding these changes.

D&A TESTING FOR FOREIGN RAIL WORKERS TO GO INTO EFFECT

The FRA has issued a final rule on a 2001 proposal to require testing of foreign rail employees for drugs and alcohol. The rule, which will go into effect June 11, has been slightly altered from its original version. It will allow employees of a railroad incorporated outside the United States to travel up to 10 miles within the United States before being subject to FRA's requirements for employee assistance programs, pre-employment drug testing, and random alcohol and drug testing. It will also allow the Associate Administrator for Safety to recognize a foreign railroad's substance abuse program created under the laws of its home country as a compatible alternative to FRA's requirements. [Click here](#) to view the final rule.

CN ANNOUNCES SALE OF CANAC, INC. SUBSIDIARY

On April 27, CN announced the sale of 100 percent of the stock of its subsidiary, CANAC, Inc. to Savage Companies of Salt Lake City, Utah. Excluded from the transaction is CANAC's Remote Control Division, which produces BELTPAK® and other locomotive remote control products. It will continue to serve the North American and international markets with existing staff from its current locations. This group will be renamed BELTPACK Corporation and remain a CN subsidiary.

APRIL RAILWAY AGE ARTICLE FEATURES RICH INTERVIEW

The April 2004 issue of *Railway Age* featured the sixth article in the "Short Line/ Regional Perspectives" series. April's article consisted of an interview with Walter Rich, ASLRRRA's outgoing chairman of the board and chairman, president and CEO of the New York, Susquehanna & Western Railway. Rich spoke about the success of the NYS&W, his tenure as Chairman, and the future of the rail industry. To view the complete article, [click here](#).

1st QUARTER 2004 CPI AVAILABLE

The Bureau of Labor Statistics Consumer Price Index Information for the 1st Quarter of 2004 is available at the following link or by [clicking here](#).

AAR RAILROAD ACCOUNTING OFFICERS MEETING

The AAR Railroad Accounting Officers (RAO) will hold their 2004 Spring Training / Update Session June 10-11, 2004 at the Sawgrass Marriott Resort & Beach Club in Ponte Vedra Beach, Florida. The program will address current accounting and financial issues and will feature presentations by the "Big Four" accounting firms on developments dealing with the SEC, FASB, EITF, Sarbanes-Oxley and financial process benchmarking. Other topics include current issues in rail economics and legislation and rail safety and security. Contact Dave Miller at 202-639-2304 or dmiller@aar.org for registration forms and additional details.

RAILROAD TRAFFIC

According to the AAR, U.S. carloads were up 3.7 percent in the week ending April 24, 2004. For the year to date, carloadings are up 3.2 percent compared to 2003. Carloads for U.S. Non-Class I's that submit data to the AAR were down 11.6 percent for the week, and are down 4.3 percent for the year. Carloads for Week 16 were up 5.2 percent in the East and up 2.4 percent in the West. U.S. intermodal traffic was up 13.6 percent for the week and is up 7.9 percent for the year. U.S. and Canadian intermodal traffic was up 10.9 percent for the week and is up 6.4 percent for the year. Total volume for the week was up 5.8 percent from 2003 and total volume for the year is up 4.4 percent through the 16th week of 2004.

For just the week ending April 17, 2004, U.S. carloads were up 6.2 percent and carloads for U.S. Non-Class I railroads that submit data to the AAR were up 2.6 percent. Carloads were up 3.9 percent in the East and up 8.1 percent in the West. U.S. and Canadian intermodal traffic was up 12.3 percent from the prior year.

For just the week ending April 10, 2004, U.S. carloads were up 0.7 percent and carloads for U.S. Non-Class I railroads that submit data to the AAR were down 6.8 percent. Carloads were down 0.4 percent in the East and up 11.5 percent in the West. U.S. and Canadian intermodal traffic was up 4.4 percent from 2003.

For just the week ending April 3, 2004, U.S. carloads were up 4.6 percent and carloads for U.S. Non-Class I railroads that submit data to the AAR were up 5.4 percent. Carloads were up 4.7 percent in the East and up 4.6 percent in the West. U.S. and Canadian intermodal traffic was up 9.5 percent from 2003.

EMBARGO NOTICES & REROUTE ORDERS

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

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