

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.aslrra.org/whats_in_the_news/views_and_news/

American Short Line and Regional Railroad Association

VIEWS & NEWS

VOLUME 72

NUMBER 15

AUGUST 15, 2005

**Make Plans to
Attend the 2005
ASLRRA Regional
Meetings:**
(Click on the meeting name
for more information)

Central / Pacific
Region Meeting
October 2-4, 2005
Monte Carlo Resort
Las Vegas, NV

Eastern Region
Meeting
October 17-19, 2005
Westin Convention
Center
Pittsburgh, PA

Southern Region
Meeting
Oct. 30-Nov. 1, 2005
Beau Rivage Resort
Biloxi, MS

Questions? Comments?
E-Mail Us.

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

IN THIS ISSUE

1. [DM&E and IC&E Railroads Expanding Grain Car Fleet](#)
2. [University of Wisconsin – Madison Offers Popular Design of Railway Track Systems Course](#)
3. [Genesee & Wyoming, Inc. Completes \\$125 Million Debt Refinancing](#)
4. [Upcoming FRA / ASLRRA Short Line Safety Seminar](#)
5. [Wireless Telecommunications Bureau Construction or Coverage Requirements and ULS Automated Termination Enhancement](#)
6. [Robert Maner Joins Crouch Engineering](#)
7. [Mississippi Export Railroad Hosts 12th Annual Short Line Liability Conference](#)
8. [Steelroads © Event Reporting – July 2005](#)
9. [RMI RailConnect Index of Short Line Traffic](#)
10. [Railroad Traffic](#)
11. [Embargo Notices and Reroute Orders](#)

DM&E AND IC&E RAILROADS EXPANDING GRAIN CAR FLEET

Cedar American Rail Holdings, Inc, which operates the Dakota, Minnesota & Eastern Railroad (DM&E) and the Iowa, Chicago & Eastern Railroad (IC&E), announced that in order to meet high demand for grain cars, it has begun receiving the first of 600 new grain covered hopper cars. Delivery of these new cars begins this week and will continue through December 2005. Total cost of new rail cars exceeds \$45 million.

“We have seen good grain production in our South Dakota, Minnesota and Iowa service territory the past three years,” said President and Chief Executive Officer Kevin V. Schieffer. “This very significant acquisition demonstrates our strong commitment to the agricultural business community. Acquisition of these cars is a part of our overall plan to improve the railroad infrastructure and our service capabilities to allow us to improve our ability to provide efficient, cost-effective transportation for our customers,” Schieffer added.

Trinity Industries, Inc, Dallas, TX, is building 200 of the new covered hopper cars and the remaining 400 are coming from National Steel Car Limited, Hamilton, Ontario.

The DM&E and IC&E Railroads are the longest regional railroad system in the United States. They operate 2,500 miles of track in eight states in the upper Midwest, from Chicago to Wyoming and from Minneapolis, Minnesota to Kansas City, Missouri, annually handling 250,000 carloads of freight.

UNIVERSITY OF WISCONSIN – MADISON OFFERS POPULAR DESIGN OF RAILWAY TRACK SYSTEMS COURSE

The University of Wisconsin–Madison, Department of Engineering Professional Development will offer their popular technical course, Design of Railway Track Systems, October 10-11, 2005 in Philadelphia and December 5-6, 2005 in Las Vegas, Nevada. The Department of Engineering Professional Development each year provides 400 continuing education courses for the engineering, transportation, and construction industry to enable practitioners to stay current and expand their technical skills and knowledge.

This course is part of a new series the University is developing to aid in increasing the commitment to rail, including freight, inter-city passenger and urban light rail transit. These segments constitute a key transportation component. Attendees will gain solutions to, and discover resources for, the challenge facing the railroad industry in improving track systems.

Roadmasters and track superintendents, railroad engineers, consultants, contractors, qualified engineering technicians, industry and tech sales representatives, plant engineers, and others will receive a straightforward practical workshop teaching each important element of railway location and operation, track structure, subgrade and drainage, ballast and sub-ballast, tiles, rail, turnouts, and crossings.

Upon completion of the Railway Track System Design course participants will have a working knowledge of the performance of railway track systems in response to train loadings. They will also understand how today’s track systems are designed for functionality, safety, reliability and competitiveness.

For further information contact Professor C. Allen Wortley by phone at 608-262-0577, by email at wortley@engr.wisc.edu or visit <http://epd.engr.wisc.edu/webG817> or <http://epd.engr.wisc.edu/webG783>.

GENESEE & WYOMING INC. COMPLETES \$125 MILLION DEBT REFINANCING

Recently, Genesee & Wyoming Inc. (GWI) announced that it completed a private placement of \$100 million ten-year senior notes and \$25 million floating rate seven-year senior notes. The senior notes are unsecured but are guaranteed by substantially all of GWI’s U.S. subsidiaries. No additional private placement or underwriting fees were paid in connection with this refinancing.

The US\$100 million fixed rate senior notes were priced at a spread of 1.20% over the ten-year U.S. Treasury, and bear interest at 5.36%. The floating rate notes have a borrowing rate of LIBOR plus 0.70%.

GWJ will use the proceeds of the senior notes to repay the \$125 million ten-year floating rate notes issued in connection with the acquisition of Rail Management Corporation.

Investors in the new notes were Genworth Financial and certain affiliates, Teachers Insurance and Annuity Association of America, The Prudential Insurance Company of America and certain affiliates, Phoenix Life Insurance Company, Modern Woodmen of America, and Mutual of Omaha Life Insurance Company and certain affiliates. Banc of America Securities LLC acted as private placement agent.

Timothy J. Gallagher, Chief Financial Officer of GWJ commented, "This refinancing demonstrates the company's ability to access the debt market on favorable terms, and allows the company to lock in long term fixed interest rate debt at attractive levels. We are pleased that the blended cost of floating and fixed rate debt to finance the Rail Management Corporation acquisition, approximately 5.1%, is less than we originally indicated in late May."

GWJ is a leading operator of short line and regional freight railroads in the United States, Canada, Mexico, Australia and Bolivia. GWJ operates over 9,100 miles of owned and leased track and more than 3,000 additional miles under track access arrangements.

UPCOMING FRA / ASLRRRA SHORT LINE SAFETY SEMINAR

Be sure to make plans to attend the upcoming FRA / ASLRRRA Short Line Safety Seminar. From September 13 – 15, 2005, FRA and ASLRRRA, in conjunction with the Central California Traction Co., will be hosting a Safety Seminar in Stockton, California. The seminar will be held at the Radisson Hotel Stockton, with conference meetings and field exercises taking place at the Port of Stockton.

The meeting agenda includes topics on Track Standards and Roadway Worker Programs, Remote Control Locomotives, and Motive Power and Equipment.

Registration is \$50 per person. Fees should be sent to the following address:

Central California Traction Co. (CCT)
2201 W. Washington St., #12
Stockton, CA 95203
ATTN: Dave Buccolo
Phone: 209-466-6927
Fax: 209-466-1204

The Central California Traction Co. was incorporated on August 7, 1905 and was originally conceived as a second streetcar line for the citizens of Stockton as an alternative to the Stockton Electric Railroad. Within a couple of years, CCT began hauling freight as well. At its peak, the railroad operated 36 passenger trains a day, in addition to its freight operations.

Today, the Central California Traction Co. is a critical link in San Joaquin County's transportation infrastructure, moving up to 2,000 railcars a month for 31 customers at the Port of Stockton and providing daily freight service between east Lodi's industrial and agricultural processors to the major rail lines that run through Stockton.

WIRELESS TELECOMMUNICATIONS BUREAU CONSTRUCTION OR COVERAGE REQUIREMENTS AND ULS AUTOMATED TERMINATION ENHANCEMENT

The Wireless Telecommunications Bureau announced earlier this year that it would begin development of an automated feature in its Universal Licensing System (ULS) to identify licenses that have terminated automatically for failure to meet construction or coverage requirements. This enhanced capability would increase the accuracy of the Commission's licensing records, as well as expedite the reassignment of unused spectrum.

The new ULS feature will be implemented in the fall of 2005. Prior to implementation of this automated feature, licensees are encouraged to review their licensing records to ensure the proper construction notifications have been filed. Licensees that have met their construction or coverage requirement in a timely manner, but have not yet filed the required notification, should immediately file FCC Form 601, Main Form and Schedule K, with a waiver request of the rule section that requires timely notification.

Use the new buildout deadline search at <http://wireless2.fcc.gov/ULsApp/ULsSearch/searchLicense.jsp> to search on buildout deadlines within a given time frame. Search by FRN, license name and more! If you can't find the buildout deadline in the license record, visit <http://wireless.fcc.gov/licensing/const-req/> and click on "Checking Build Out Deadlines and Notification Dates".

How Will the Automated Termination Process Work?

ULS will identify licenses, locations, or frequencies for which a timely notice of construction or a request for extension of the construction or coverage period has not been filed by the required deadline.

The buildout deadline date is important for three reasons. First, it is the date by which the construction or coverage requirements must be met. Second, any Requests for Extension of Time to meet the requirements must be filed prior to the deadline. Third, it is the effective date of automatic termination.

The Required Notification of Construction must be filed no later than 15 days after the buildout deadline. Licensees should file FCC Form 601, Main Form and Schedule K.

Thirty (30) days after the deadline for the licenses, locations, or frequencies identified, ULS will generate a notice to the licensee at its official address of record in ULS announcing the pending termination of its license, location, or frequency and will list the pending termination in a weekly Public Notice. The licensee will then have thirty (30) days from the date of the Public Notice to file a petition for reconsideration.

If the time period for filing a petition for reconsideration lapses and the licensee does not file a petition for reconsideration, the license, location, or frequency will automatically terminate effective as of the construction or coverage deadline. The license or frequencies will then be available for the Commission to reassess. For more information on how to file a Notice of Construction or Request for Extension of Time, or for information on construction or coverage requirements by radio service, visit the web site at <http://wireless.fcc.gov/licensing/const-req/>.

Next Steps

Over the next few months, the Bureau will continue its public outreach program to provide additional information about the ULS automated license termination process and its implementation. A Public Notice will be released prior to deployment of this enhancement. In the meantime, check <http://wireless.fcc.gov/licensing/const-req/>.

Upon receiving a valid license from the FCC, a licensee has a period of one (1) year to notify the Commission that the newly licensed frequencies are in service as noted on the license. Construction Notification is associated with the frequency as opposed to the site location. Therefore Construction Notification is also required for modifications to an existing license such as the addition of a new frequency to an existing site or the addition of an existing frequency to a new site. This notification is mandatory and non-compliance will result in termination of the un-constructed frequencies from the license. This process will be automated in June of this year as noted in the Public Notice DA 05-137 (21-Jan-2005).

For the complete text of Order FCC 04-292, December 23, 2004, please click here. (Post to website and insert hyperlink.)

ROBERT MANER JOINS CROUCH ENGINEERING

Crouch Engineering, a leader in railway engineering for the short line industry, is pleased to announce that Robert J. Maner has joined the firm as Project Manager. Recently an Industrial Development Manager for

Norfolk Southern Railway, Robert has also worked in design and construction, and as a track supervisor for NS. He brings a great degree of expertise and professionalism in track design, industrial development, and track maintenance to our company. Robert is headquartered in Chattanooga, Tennessee, with the main office in Brentwood (Nashville, Tennessee).

MISSISSIPPI EXPORT RAILROAD HOSTS 12TH ANNUAL SHORT LINE LIABILITY CONFERENCE

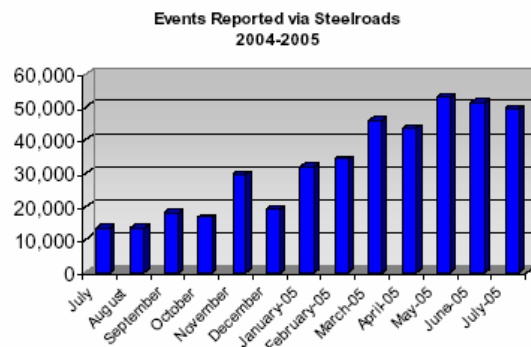
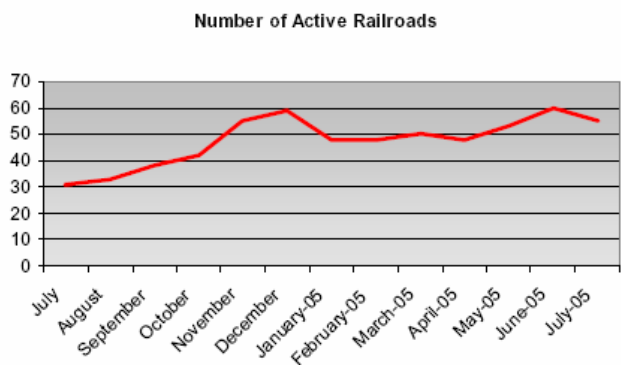
Reported by Keith Borman, ASLRRA General Counsel

Beware to those who would cast liability upon the short line and regional railroads! The Twelfth Annual Short Line Liability Conference convened July 20 – 22 in balmy Biloxi, Mississippi to arm short line foot soldiers with new tools and techniques to defend the industry from harm. Hosted by the gracious and efficient staff of the Mississippi Export Railroad, this year's conference surely set a record for attendance with 134 registered participants from 33 different states. Attendees included financial officers, claims managers, in-house general counsel and even some enlightened Chief Executive Officers! In addition, the conference welcomed the participation of outside defense counsel, insurance company representatives and brokers and other short line industry service providers. As a measure of the growing importance of this conference to short line railroads, approximately 35% of the attendees were first timers!

No holiday for the troops! The conference got right down to work during twelve hard hitting sessions featuring 35 speakers and panelists on timely topics ranging from protecting railroads from terrorist attack to multidisciplinary response to hazardous materials events and practical advice on how to survive being deposited. Don't weep for the weary: the Mississippi Export treated participants to great receptions and meals, and even some mighty fine golf outings and deep sea fishing expeditions.

Planning has already begun for next year's conference. OmniTRAX has generously offered to host the meeting, which tentatively is set for Denver, Colorado. Hurray!

STEELROADS © EVENT REPORTING – JULY 2005



Event Reporting in Steelroads continues to bring increased satisfaction to short lines and their customers. The number of short lines is rising steadily as more users learn how easy it is to keep information up-to-date.

Reporting events in Steelroads is an excellent way to provide increased visibility to customers, and keep track of events such as interchanges, releases, arrivals, departures, and placements.

Steelroads event reporting is so easy and simple that many users wish they had started using it sooner. Reporting events in Steelroads is completely free, making it an even better way to keep records current.

Get started to day by logging onto www.steelroads.com and click on *Become a Member*.

RMI RAILCONNECT INDEX OF SHORT LINE TRAFFIC

For the first half of 2005 versus 2004
Number of Railroads: 212

Observations & Analysis

Short line traffic grew at a double digit rate in the first half of 2005 and at 9.2% for the second quarter. Intermodal (+25.6%); Stone, Clay & Aggregates (+24.8%) and Metals & Products (+24.5%) continued the strong performance shown in 2004. Petroleum & Coke (+22.7%) and Farm & Food (excluding Grain) (+15.5%) rounded out the list of the top five performers in the first half of 2005.

Almost 80% of the carload growth in the first half came from four commodity groups: Intermodal, Metals & Products, Stone, Clay & Aggregates and Chemicals. Strength in the short line traffic was further confirmed by the small impact that losing commodities had on the aggregate numbers. The four commodities losing carloads in the first half included Motor Vehicles, Coal, Grain and Other and totaled less than 1% of all carloads.

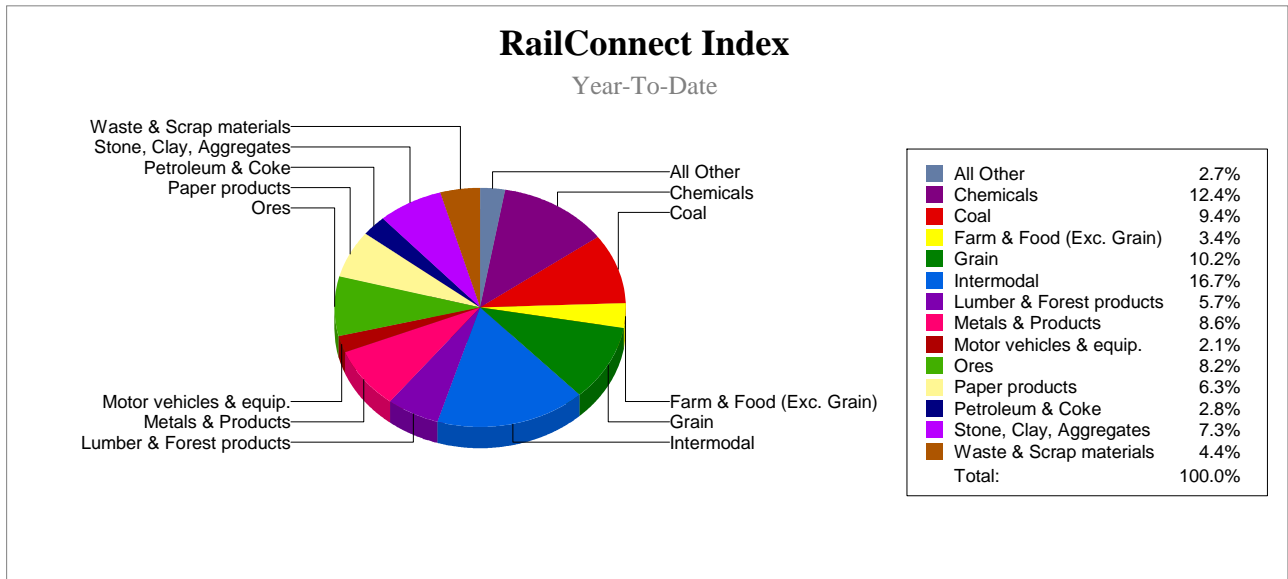
Second quarter results were very similar with over 70% of carload growth coming from three commodity groups; Intermodal, Chemicals and Stone, Clay & Aggregates. Intermodal (+22.1%), Stone, Clay & Aggregates (+18.5%) and Farm & Food (excluding Grain) (25.3%) showed the largest increases. Loser's carloads accounted for only 1.7% of all traffic in the second quarter.

Class I traffic showed similar patterns during the first half, though growth trailed that of short lines. Traffic growth declined from 4.2% in the first quarter to 2.2% in the second. Coal was responsible for most of the decline. First half growth equaled approximately 3% versus 2004 first half traffic. Intermodal carried the increase. Commodity carloads increased only 0.6% in the second quarter and were virtually flat in the first half.

The second half of 2005 looks promising for both Class I and short line carriers. The housing market and intermodal shipments are expected to continue to grow at a robust pace for a variety of reasons. Grain comps are not as difficult in the second half indicating that some growth will be forthcoming from an area which did not perform well in the first half. In addition, if Powder River Basin service problems and maintenance get cleaned up in the second half, coal comparisons may improve.

For the week ending: 7/30/2005
Number of Railroads: 212

| | Current Week | | | Year-To-Date | | |
|----------------------------|----------------|---------------|--------------|------------------|------------------|---------------|
| | 2005 | 2004 | % Change | 2005 | 2004 | % Change |
| Carloads Handled | | | | | | |
| Coal | 9,553 | 9,417 | 1.44% | 274,413 | 275,821 | -0.51% |
| Grain | 11,199 | 10,991 | 1.89% | 299,011 | 298,886 | 0.04% |
| Farm & Food (Exc. Grain) | 3,606 | 3,158 | 14.19% | 98,301 | 85,532 | 14.93% |
| Ores | 8,557 | 8,756 | -2.27% | 239,057 | 220,422 | 8.45% |
| Stone, Clay, Aggregates | 8,103 | 7,584 | 6.84% | 213,484 | 171,072 | 24.79% |
| Lumber & Forest Products | 5,892 | 5,730 | 2.83% | 166,993 | 148,700 | 12.30% |
| Paper Products | 6,177 | 5,680 | 8.75% | 185,274 | 167,971 | 10.30% |
| Waste & Scrap Materials | 4,278 | 4,489 | -4.70% | 127,887 | 112,368 | 13.81% |
| Chemicals | 11,996 | 10,820 | 10.87% | 363,047 | 321,071 | 13.07% |
| Petroleum & Coke | 2,435 | 2,400 | 1.46% | 81,018 | 61,160 | 32.47% |
| Metals & Products | 7,910 | 8,509 | -7.04% | 250,599 | 195,817 | 27.98% |
| Motor Vehicles & Equipment | 1,831 | 1,601 | 14.37% | 60,564 | 62,350 | -2.86% |
| Intermodal | 18,734 | 15,134 | 23.79% | 489,051 | 391,259 | 24.99% |
| All Other | 2,313 | 2,699 | -14.30% | 79,463 | 88,742 | -10.46% |
| Total | 102,584 | 96,968 | 5.79% | 2,928,162 | 2,601,171 | 12.57% |



RAILROAD TRAFFIC

According to the AAR, U.S. carloads were up 1.0 percent in the week ending August 6, 2005, with 330,667 cars originated, compared to 327,267 cars originated in 2004. Carloads for U.S. Non-Class I's that submit data to the AAR were up 7.8 percent for the week and are up 8.7 percent for the year to date. U.S. intermodal traffic was up 7.6 percent for the week and is up 6.1 percent for the year to date. U.S. and Canadian intermodal traffic is up 5.9 percent for the year. Total volume is up 2.3 percent for the year, with an estimated total of 983.4 billion ton-miles.

For just the week ending July 30, 2005, U.S. carloads were up 1.3 percent and carloads for U.S. Non-Class I's that submit data to the AAR were up 3.2 percent. Carloads were down -0.4 percent in the East and were up 2.6 percent in the West. U.S. intermodal traffic was up 5.9 percent for the week.

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