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American Short Line and Regional Railroad Association

# VIEWS & NEWS

VOLUME 73

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## Upcoming 2006 ASLRRA Events

(Click on the meeting  
name for more  
information)

Currently, Railroad  
Security Alert Level  
2 is in Effect

Rail Security  
Conference  
Jan. 30-31, 2006  
Marriott Hotel  
Washington, DC

Railroad Day on  
Capitol Hill  
March 8, 2006  
Grand Hyatt  
Washington, DC

2006 Annual  
Convention  
April 23-25  
World Center  
Marriott  
Orlando, FL

Questions? Comments?  
E-Mail Us.

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## **JOHN SULLIVAN, FORMER FRA ADMINISTRATOR, PASSES AWAY AT 81**

Former FRA Administrator John McGrath Sullivan passed away December 19, 2005, at the age of 81. Born and raised in Bayside, New York, Mr. Sullivan was a 1947 graduate of the U.S. Naval Academy and served in VF-41 flying Corsairs from the USS Midway. After leaving the Navy, he started a career in sales, forming his own company in 1960. Mr. Sullivan served as Jimmy Carter's campaign manager in Pennsylvania in 1974, and was later appointed FRA Administrator by President Carter. From 1992 until his death, he was on the board of directors for RailAmerica. Mr. Sullivan is survived by his wife of 60 years, Mickey; six children; eleven grandchildren; and four great-grandchildren. In lieu of flowers, the family asks that memorial donations be made to Hope Rural School in Indiantown, Florida.

## **ASLRRRA ANNOUNCES 2006 MARKETING AWARDS COMPETITION**

The American Short Line and Regional Railroad Association is currently accepting entries for its Eleventh Annual Marketing Awards Competition. All member railroads are invited to participate. From among the received applications, a panel of three distinguished judges will select three top marketing initiatives. Each winning entrant will receive an engraved plaque at the Annual Convention in Orlando, Florida, in April.

The Marketing Awards Competition is open to all member railroads. Eligibility and outcome will be unaffected by the size of a competing railroad's project or operations. In particular, companies that have developed websites to promote their business or to enhance customer service should consider entering. Short line and regional railroads have some of the most innovative and successful marketing initiatives in today's railroad industry. ASLRRRA's Marketing Awards Competition is a prime opportunity to demonstrate to your peers and to present and potential customers how the small railroad industry gets the job done.

All entries must be mailed **in triplicate** and received by ASLRRRA **before March 17, 2006**. Please send submissions to the following address:

ATTN: Jenny McKinney, Marketing Manager  
50 F Street, NW, Suite 7020  
Washington, DC 20001

Feel free to contact Jenny with any questions or requests for additional information by phone at 202.585.3449 or by email at [jmckinney@aslrri.org](mailto:jmckinney@aslrri.org).

## **ASLRRRA MEMBER GAINS VICTORY IN MISSISSIPPI**

The Mississippi Export Railroad recently gained an important victory in the Mississippi Supreme Court in a case in which ASLRRRA filed an *amicus* brief supporting the defendant. A private landowner sued the Mississippi Export after it closed a private crossing the plaintiff had used to access his nursery. The railroad had asked the landowner to sign a crossing agreement, and the landowner refused, claiming he had a 'prescriptive' easement giving him the right to cross, even though the railroad offered access to his property from another location. The lower court ruled in favor of the landowner, and the Mississippi Supreme Court reversed that ruling.

ASLRRRA's brief argued that there are important public policy reasons to give the railroads the same exemption from interfering easements as public highways enjoy. It was gratifying that the Court noted the cases we cited from other states and adopted our reasoning to support its ruling that in Mississippi railroads shall be treated like public highways against which no easements may be involuntarily imposed. Your ASLRRRA General Counsel wrote the brief, and it was filed by Charles Ozier and Kenneth McLean, local counsel in Jackson we retained (without cost to the ASLRRRA) to file it.

This decision from the state's Supreme Court will add to the body of "good law" around the country supporting the ability of railroads to operate without the threat of judicially imposed private easements and crossings fouling their rights of way. It also illustrates the important role ASLRRRA amicus briefs play in supporting both individual members' interests and the development of sound law for the short line and regional railroad industry. You may review the [Court decision](#) and [ASLRRRA's brief](#), and contact Keith Borman at 202-585-3448 or via e-mail if you have any questions.

### **CHANGES ANNOUNCED AT MMA, FRA, AND A&K**

Montreal, Maine & Atlantic Railway has appointed Anthony R. Manzo as Director of Finance at the railway's headquarters in Hermon, Maine, effective December 14. He succeeds Robert Haluzak. Mr. Manzo has worked in the paper industry for 19 years and joins MMA from International Paper in Bucksport, Maine, where he had served as senior cost analyst since 1995. He is a native of Millinocket, Maine and has an MBA and a BS in Business Administration from the University of Maine, Orono. He served as customer service representative at Beneficial Finance Company prior to joining Georgia Pacific Corporation at Woodland, Maine in 1987, where he successively served as a cost accountant at various levels within the organization.

The FRA's Robert Finkelstein retired on January 3, after 37 years of federal service, 27 with accident/incident reporting. Best wishes to Mr. Finkelstein for a happy retirement.

Rhonda Nicoloff has acquired 10% ownership of A&K as of July 2005, and Morris H. Kulmer, President of A&K Railroad Materials, Inc. has divested his interest in the company after 38 years of partnership with Kern Schumacher. A&K remains a privately held corporation with Kern W. Schumacher as majority shareholder. Rhonda began her career with A&K in 1991 in the Gary, Indiana location. In 1995 she moved the sales office to Portage, Indiana, where she ran the Great Lakes Sales Region until 2001 when she and her family moved to corporate headquarters in Salt Lake City. She is now the VP-Western Region Sales and is responsible for the sales efforts for the western half of the U.S. and Canada. Rhonda can be reached at [rnicoloff@akrailroad.com](mailto:rnicoloff@akrailroad.com) or 801/974-5484.

### **FRA ANNOUNCES CHANGE TO ACCIDENT REPORTING THRESHOLD**

Effective January 1, 2006, FRA has increased the threshold required for reporting accidents from \$6,700 to \$7,700. You may review the FRA amendment [here](#). Please contact Tom Streicher at 202-585-3434 or via [e-mail](#) for more information.

### **FRA RELEASES DRUG & ALCOHOL INFORMATION**

The FRA recently released a number of correspondences concerning drug and alcohol testing.

- A response to a question of what a collector should do if an Evidential Breath Testing device fails to "print out" a test result. Please click [here](#) for this question and answer.
- Sciteck Clinical Laboratories, Inc. in Fletcher, NC has had certification suspended by Department of Health and Human Services. Please click [here](#) for more details.
- FRA has released a revised form (change in mailing address) for ordering post-accident testing tox boxes. Please use this form only if you need to order more "standard" tox boxes. The first standard tox box for a railroad is free (just mark FREE and fax to the number on the form), but there is a charge for additional tox boxes. Remember that tox boxes DO NOT expire, but the "blood tubes" within the boxes do expire. If you have standard post-accident tox boxes with expired blood tubes, please email Laurie Tobler at Northwest Toxicology lab at [Laurie.Tobler@nwtox.com](mailto:Laurie.Tobler@nwtox.com) and provide her with a contact name, full name of railroad, street mailing address, telephone, fax number, and tox box number on the outside of the box. Normally, the lab will check with a railroad to verify the tox box numbers and then send out replacement blood tubes free of charge, prior to the expiration date on the blood tubes. Also please verify that you have the new address labels in your tox boxes. The address should be Northwest Toxicology in West Valley City, UT (instead of Salt Lake City, UT). To download this form, please click [here](#).

- Finally, FRA issued a post-accident flow chart to assist in determining whether an event qualifies for FRA post-accident testing. Please click [here](#) to download.

If you have any questions, please contact Tom Streicher at 202-585-3434 or via [e-mail](#).

## **CARGO SHIFTING TO RAILS**

The roads are getting more congested and gas is getting more expensive. At least one industry is happy – trains don't get stuck in traffic jams – and small cargo rail companies in New Jersey say business has been going full steam in recent years.

The state has about a dozen short line rail companies operating a few locomotives on less than one hundred miles of track. Among them are Southern Railroad of New Jersey, the railroad that wants to build a transfer station in Mullica, and Winchester & Western Railroad in Cumberland County. The railroads shuttle raw materials from Class I railroads to factories, industrial parks and other customers. And in today's economy, the railroads say more and more customers need their services.

"We've grown tremendously," said Tom Collard, vice president of Southern Railroad. "I'm really, really positive of that. There has been a shift within the last few years from truck to rail." In 1993, two years after it was founded by a Pennsylvania businessman, Southern Railroad delivered 768 carloads of goods to businesses along its Atlantic and Salem County lines. Now, it's throttled up to more than 5,636 carloads a year. The company is in the process of building a new rail spur in Pleasantville to serve two new customers. And it's working with other railroads to add switching track in Winslow Junction.

"The region is growing because of the cost of real estate north of here," said Fred Winkler, the general agent for Winchester & Western. "What was land for warehousing is now becoming more valuable as land for housing development."

Many of New Jersey's short line rail companies have been founded within the last fifteen years to serve major industrial parks. SMS Rail Lines, in Bridgeport, began serving the Pureland Industrial Complex in 1994. It operates 4.5 miles of track in the 3,000-acre industrial park. In 2000, it began serving the Valero Company in nearby Paulsboro. An affiliate, Penn Jersey Rail lines, has been serving Penn Warner Industrial Park since 1997. To reach more customers, it increased its track by 33 percent in 2000.

The growing number of industrial parks is helping New Jersey's smallest railroads, but they're benefiting from a nationwide rail boom as well. "Bulk products ... are transported today more and more by railroads. A lot of the rail industry business is bigger than it was in the heyday of the industry," said Mark Davis, a spokesman for Union Pacific. "We're handling more goods, and, because of technology advances today, doing it with fewer people."

New Jersey short line railroads say it's about customer service, too. Truckers are often unfamiliar with the businesses they deliver to, and big rail companies don't have the time for individual customer care, short line operators say. But if you call a short line railroad, you're likely to get the owner or the president on the line. "Short lines are able to provide day-to-day communications with the customer," said Port Jersey Railroad CEO Bob Bailey, president of the New Jersey Short Line Railroad Association. "The larger ones aren't able to do that."

## **EASTERN SEABOARD PRESENTS BOTTLENECK ISSUES**

Rail lines critical to the nation's freight transportation infrastructure will need a billion-dollar face-lift to handle the expected tonnage growth moving through Baltimore and along the Atlantic seaboard.

A preliminary government study, prompted by a railroad tunnel fire in Baltimore four years ago that caused a freight gridlock along the East Coast, concluded the condition of the city's rail infrastructure is both unsafe and inadequate. It recommended separating passenger and freight rail operations and building two separate double-track main lines – one dedicated for freight and the other for passengers – through the heavily traveled Baltimore region. The freight mainline would require either a tunnel under land costing between \$900 million and \$1.3 billion or an underwater tunnel across the Baltimore Harbor estimated at \$3.1 billion.

Maryland Democratic Senators Paul Sarbanes and Barbara Mikulski pushed for the study following the fire and subsequent flooding caused by the derailment of a 60-car CSX train inside the Howard Street Tunnel at the height of evening rush hour July 18, 2001. The last car was pulled from the tunnel six days after the accident, which closed off CSX's mainline into the Northeast and to the Port of Baltimore. Trains had to be rerouted over alternative CSX routes and Norfolk Southern.

The accident forced government officials to pay closer attention to the limitations of the rail infrastructure in Baltimore – both in capacity and clearances – that have been known for years. “Baltimore's railway network is so antiquated and underdeveloped, and so important to the nation's transportation system, as to fully justify the Congressional request for this analysis,” said Maryland Department of Transportation Secretary Robert Flanagan. He added that the tunnel owned by Amtrak that had been part of the Baltimore & Potomac Railroad was completed eight years after the end of the Civil War.

With demand for freight and passenger train movements expected to increase by 50 percent by 2050 from 2003 levels – with even greater proportional increases on the already congested CSX line – transportation officials said a new plan would be required to deal with the stress. The study focused on the principal elements of Baltimore's rail network, extending from Perryville, northeast of Baltimore – the junction of Amtrak's Northeast Corridor with the NS's principal route from Harrisburg, Pa., and points west – to Halethorpe, southeast of the city, where CSX and Amtrak lines from Washington cross.

The report said Baltimore's railroads have strategic importance “far beyond the confines of their immediate region.” Originating and terminating rail freight in the Baltimore region remains significant, it said, largely due to Baltimore's port, which ranks fourth among Atlantic Coast ports and is the closest Atlantic port to major Midwestern markets. Also, through-freight is important on CSX routes that traverse Baltimore between the Northeast, Midwest, and South, despite clearance limitations.

Both Amtrak's Northeast Corridor and the CSX main line suffer from too many sharp curves and too many steep grades, the report said. “The curvature constrains speeds for both passenger and freight trains; the grades – exacerbated by the curves – unduly hamper freight movements in particular.”

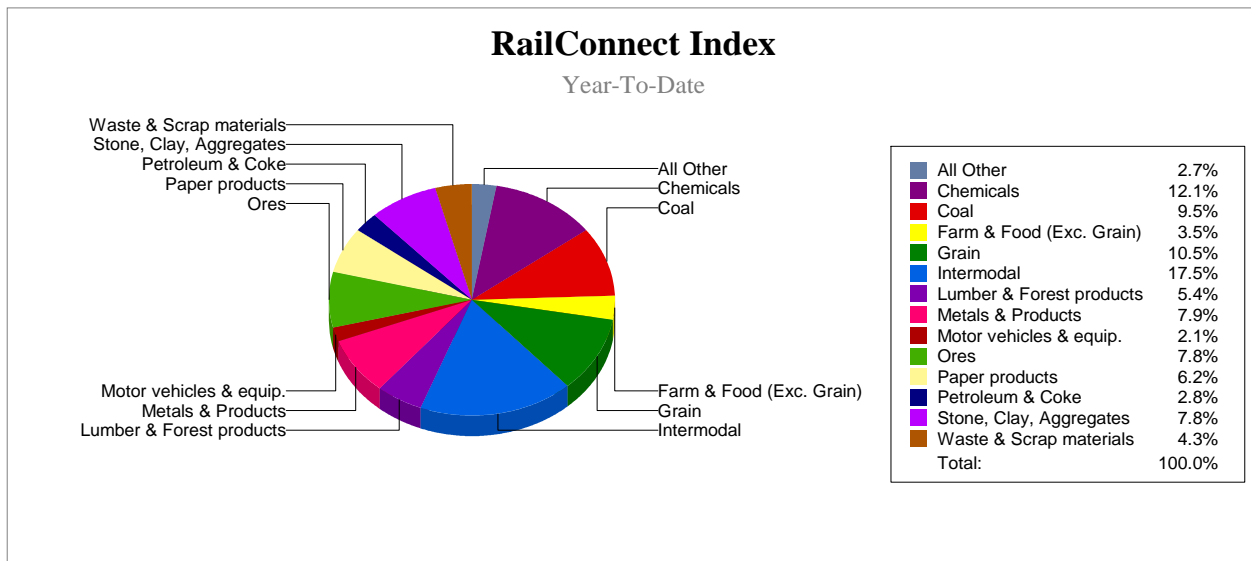
In addition, neither line provides adequate capacity for projected future freight and passenger operations. The CSX route has “severe” capacity constraints given the heavy amount of traffic, single-track operations through the Howard Street Tunnel, and extra “helper” locomotives that must assist heavy trains up northbound grades, it said. And neither route can accommodate high-capacity freight equipment such as double-stack containers and triple-rack auto cars.

## RMI RAILCONNECT INDEX OF SHORT LINE TRAFFIC

For the week ending: 12/17/2005

Number of Railroads: 212

	Current Week			Year-To-Date		
	2005	2004	% Change	2005	2004	% Change
<b>Carloads Handled</b>						
Coal	12,391	11,195	10.68%	470,352	484,529	-2.93%
Grain	10,664	10,565	0.94%	518,966	505,920	2.58%
Farm & Food (Exc. Grain)	3,765	3,508	7.33%	170,526	154,511	10.36%
Ores	7,287	8,459	-13.86%	386,597	394,690	-2.05%
Stone, Clay, Aggregates	6,511	7,268	-10.42%	383,613	341,655	12.28%
Lumber & Forest Products	5,349	5,332	0.32%	263,898	255,790	3.17%
Paper Products	6,166	6,138	0.46%	303,332	291,787	3.96%
Waste & Scrap Materials	4,847	4,789	1.21%	210,238	210,151	0.04%
Chemicals	11,358	11,923	-4.74%	596,175	558,811	6.69%
Petroleum & Coke	4,090	3,505	16.69%	137,435	120,839	13.73%
Metals & Products	9,058	10,438	-13.22%	388,220	378,222	2.64%
Motor Vehicles & Equipment	2,320	2,432	-4.61%	103,029	105,124	-1.99%
Intermodal	16,940	14,266	18.74%	862,175	685,514	25.77%
All Other	2,897	2,958	-2.06%	134,527	148,781	-9.58%
<b>Total</b>	<b>103,643</b>	<b>102,776</b>	<b>0.84%</b>	<b>4,929,083</b>	<b>4,636,324</b>	<b>6.31%</b>



### RAILROAD TRAFFIC

According to the AAR, U.S. carloads were up 17.1 percent in the week ending December 24, 2005, with 317,770 cars originated, compared to 271,413 cars originated in 2004. Carloads for U.S. Non-Class I's that submit data to the AAR were up 33.4 percent for the week and are up 3.3 percent for the year to date. U.S. intermodal traffic was up 32.1 percent for the week and is up 6.3 percent for the year to date. U.S. and Canadian intermodal traffic is up 5.9 percent for the year. Total volume is up 2.4 percent for the year, with an estimated total of 1,662.9 billion ton-miles.

For just the week ending December 17, 2005, U.S. carloads were down 2.0 percent and carloads for U.S. Non-Class I's that submit data to the AAR were down 4.2 percent. Carloads were down 4.7 percent in the East and up 0.2 percent in the West. U.S. intermodal traffic was up 2.8 percent for the week.

### **EMBARGO NOTICES & REROUTE ORDERS**

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

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