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American Short Line and Regional Railroad Association

VIEWS & NEWS

VOLUME 72

NUMBER 21

NOVEMBER 7, 2005

Upcoming Meetings and Events

(Click on the meeting name for more information)

FRA Safety Workshop
December 6-8, 2005
Hyatt Regency
Saint Louis, MO

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

2006 Annual Meeting
Apr. 23-25, 2006
World Center
Marriott
Orlando, FL

Questions? Comments?
E-Mail Us.

Currently, Railroad Security Alert Level 2 is in Effect

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HURRICANES DON'T DAMPEN SOUTHERN REGION SPIRITS



Pictured (from clockwise): Kathy Keeney and Steven Friedland, Associate Board Representatives, address Associate Sandhouse Session; Pam Blakeney, NS, as the Countess of Cars; Peter Roe, TSA; Jo Strang, FRA; State DOT panel presenters (L to R) Steve Yost (GA), R. Bell; Shirley Williams (NC); Steve Edwards (MS); and Fred Wise (FL); Railroad Members attend Monday Sandhouse Session; Ben Biscan poses question; Best Condiment Costume Winners, Connie and Ben Biscan, pose with ex-Con Tom Streicher; Group shot at Sunday evening's reception with host, Shane Boatright of Boatright Enterprises; Business Sessions boast a full house; Tuesday evening's entertainer, Jim Gossett, brings down the house. *Photos: Jennie Lam-Nagata*

The Southern Region Meeting was held October 30-November 1, at the JW Marriott Buckhead in Atlanta, Georgia. The meeting was originally scheduled to take place in Biloxi, Mississippi, but the severe damage caused by Hurricane Katrina along the Gulf Coast required us to look for a new venue. Southern Region Board Members determined that Atlanta's central location would be best and as a result, this meeting attracted almost 200 attendees and guests.

The conference started Sunday with a thank you reception for event sponsors and railroad attendees, followed by a Halloween-themed reception where costumes were encouraged. Prizes were awarded to Ben and Connie Biscan of Florida Central Railroad for Best Condiments (Mustard and Ketchup); Jason Bell of Progress Rail Services, won for Costume Most Likely to Get You Arrested (Pimpdaddy); Judy Petry of Farmrail System, won for Costume Most Likely to Offend PETA (Cruella DeVille); and Christy Kasten of E80 Plus Constructors won for Best Railroad Costume (Engineer). Monday's business session included a welcome to Atlanta by Southern Region Vice President Roger Bell; an overview of the short line rail industry by ASLRRA President Richard Timmons; a legislative update and a primer for using the tax credit regulations by Greg Try of Chambers, Conlon and Hartwell; the role that the short line industry plays in Florida, North Carolina, Georgia and Mississippi by Fred Wise of Florida DOT, Shirley Williams of North Carolina DOT, Steve Yost of Georgia DOT, and Steve Edwards of Mississippi DOT. At the business luncheon, ASLRRA General Counsel Keith Borman gave a presentation about knowing local condemnation and preemption laws and not overstepping them. After lunch, Short Line Integration Team Chairman Judy Petry, along with ASLRRA's Sr. Director of Equipment and Service Performance, Dave Mears, discussed the need to track cars and keep customers informed of their whereabouts, as well as the standards to be

upheld, and Nacho Quintero, Senior Manager of Conductor Training for the National Academy of Railroad Sciences and Tom Streicher, ASLRRA General Superintendent - Safety & Operating Practices discussed the many training options available through NARS.

On Tuesday morning, Keynote Speaker Peter Roe, of the Transportation Security Administration, discussed the TSA's role in rail security, and Jo Strang, Acting Associate Administrator for Safety for the FRA spoke of the human factor in rail accidents and the need to keep improving worker safety. The business session was concluded with a discussion about the Hurricane Katrina and Rita relief efforts and the need to develop plans to prepare for any future disasters or crises. Roger Bell moderated this panel, which included Gregory Deakle of the Port Bienville Railroad, D. Gregory Luce of the Mississippi Export Railroad, Eric Lee of the Meridian Southern Railroad, and ASLRRA Executive Director Stephen Sullivan. After the business session adjourned, attendees had the option of attending the golf outing at Crooked Creek Golf Club or touring the new David Goode Office Building, NS' new center of operations.

At the Tuesday dinner, business was concluded with the announcement of board elections. Brad Lafevers was reelected to serve a second three-year term. After the Tuesday night dinner, the attendees were entertained by the comedy and impressions of Jim Gossett. During the course of the meeting, a number of door prizes were awarded: Jan Spreen of Edna A. Rice, Executive Recruiter Inc. won an American Express Gift Certificate; Harold Holiman of Chattooga and Chickamauga Railroad won an XM Satellite Radio; Tom Wisniewski of Union Switch and Signal won an iPod; and Frank Anthony of Stone Consulting and Design Inc. won a TiVo video receiver. Cheryl Huyck of Railinc won a free registration to next year's Southern Region Meeting for completing the meeting survey. We would like to thank Brad Lafevers of Heart of Georgia Railroad, Pete Kleifgen of RMI, and Pam Blakeney of Norfolk Southern for stepping in and helping ease our last minute transition to Atlanta. A special thanks goes out to our planning committee and volunteers that helped make the meeting such a success: Jennie Baker, Pam Blakeney, Steve Friedland, Beth Garguilo, Gary Griswell, Heather Griswell, Pete Kleifgen, Karl Knauff, Brad Lafevers, Della McDonough, Judy Petry, Andrea Sullivan, and Margo Timmons.

MEMBERS HELPING MEMBERS



Mark Almond, Railinc (right) presents check to Greg Deakle, Port Bienville Railroad (center), as Roger Bell, ASLRRA Chairman and Vice President of the Southern Region looks on. *Photo courtesy of Jennie Lam-Nagata*

Last week, at ASLRRA's Southern Region Meeting in Atlanta, many attendees had an opportunity to relate and learn about some of the hardships that the recent hurricanes had wrought on the Gulf Coast. While revealing the often overwhelming path to recovery for railroads in this region, the meeting also has allowed our members the chance to help out in meaningful ways.

One such example of coming to the aid of those in distress was shown by Railinc. Mark Almond, Account Manager for Railinc, presented a \$2,000 check to Greg Deakle, Deputy Director of the Port Bienville Railroad to go towards the Port Bienville Employee Relief Fund. "I still believe in the power of people and am so proud of all of our employees", said Deakle. "Before the storm we had a total of 47 and have only lost 4. Without them we could not be where we are today." This generous gesture reminds us that the recovery efforts are still very much in full swing, and much more needs to be done. If you would like to donate to the PBERF you may send your donations to:

Railroad Employees Disaster Relief Fund
Hancock Bank
P.O. Box 4019
Gulfport, MS 39502

or if you would like to send a donation straight to the railroad, the address is:

Port Bienville Railroad
P.O. Box 2267
Bay St. Louis, MS 39521

CFR RULE ON REFLECTORIZATION

On October 28, 2005, the FRA issued a final rule concerning the ReflectORIZATION of Rail Freight Rolling Stock under 49 CFR Part 224. A copy of this rule can be downloaded by clicking [here](#). This document responds to petitions filed by the AAR, TTX Company, and 3M, for reconsideration of FRA's January 3, 2005, rule mandating the reflectORIZATION of freight rolling stock. This document amends and clarifies the final rule and also lifts the stay of the rule's effectiveness published on May 26, 2005. These amendments become effective November 28, 2005.

NARS ACTIVITY

In the first 90 days, the [National Academy of Railroad Sciences](#) has trained 122 short line railroaders in the disciplines of Train and Engine, Communications and Signals, and Maintenance-of-Way. For more details on how you can sign up for training, contact Jeff Abbott at (913)-319-3900 or send an e-mail to jeffrey.abbott@bnsf.com.

THANK YOU TO ASLRRRA'S 2005 REGIONAL MEETING SPONSORS

ASLRRRA thanks our sponsors for their contributions to this year's

Regional Meetings!

Their generous support truly made the meetings possible.

(Click on a company's name to learn more about its offerings. And remember, when purchasing goods and services, buy from a member!)

Central / Pacific Region Meeting

Las Vegas, Nevada

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<u>RMI</u>	
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<u>Union Pacific Railroad</u>	
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Eastern Region Meeting

Pittsburgh, Pennsylvania

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<u>National Railroad Contractors Association</u>	<u>L. B. Foster Company</u>
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<u>NS Thoroughbred Mechanical Services</u>	<u>HDR, Inc.</u>
<u>Progress Rail Services</u>	<u>Koppers, Inc.</u>
<u>Railinc</u>	<u>Lexington Insurance Company</u>
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<u>Short Line Data Systems</u>	<u>Patrick Engineering, Inc.</u>
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Southern Region Meeting

Atlanta, Georgia

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SAFETY AND OPERATIONS CONFERENCE CANCELLED

Due to the destruction caused by Hurricane Wilma, we at the ASLRRRA regret to inform you that the Railway Industry Safety and Operations Conference, scheduled for Nov. 13-16 at Fort Lauderdale, Florida, has been cancelled. We have not rescheduled, but will keep you informed of any updates in this area. If you have any

questions, please contact Kathy Cassidy at (202) 585-3443 or send an e-mail to kcassidy@aslrra.org.

FRA RELEASES INTERIM TRACK STANDARDS

The FRA has released an amendment to Federal Track Safety Standards to improve the inspection of rail joints in continuous welded rail. Please review the [document](#) and direct any comments to Tom Streicher at (202) 585-3434 or send an e-mail to tstreicher@aslrra.org.

ASLRRRA WELCOMES SEVEN NEW MEMBERS

Since the start of September, six new railroads and one associate member have joined the Association, and we would like to welcome those organizations into the fold. Four new Watco railroads have joined: the Yellowstone Valley Railroad at the start of September, the Louisiana Southern Railroad and Arkansas Southern Railroad at the start of October, and the Alabama Southern Railroad at the start of November. We also added First Coast Railroad (Genesee & Wyoming) in October, and most recently added Marquette Rail (Farmrail) and the law offices of Yeretsky & Maher, LLC at the start of November. On behalf of all of our members, we would like to welcome you to the ASLRRRA.

PAIN AT THE PUMP: “SAVING FUEL”

The first in a series to appear in Views and News from Carl Belke of ASLRRRA’s Technical Committee

My Tahoe fill-up topped off at \$72 earlier this week, an event that would have been in the \$35 range just a few short months ago. “Pain at the pump” is being felt equally by all highway users and similarly by off-road users of diesel fuel. Even though rail has a decided fuel use advantage over the rubber tire for moving large volumes of freight, we can make even greater inroads against the competition by practicing some savvy fuel conservation measures.

I decided to write this series of articles on saving diesel fuel at the prodding of my peers on the ASLRRRA’s Technical Committee. The Committee’s aim is to assimilate information on new products and techniques gained from myriad industry sources and distil it so as to save the time and research energy of our members. I have spent the last five years or so of my career attempting to haul more freight further distances with less fuel. I would now like to share with you some truths found, falsehoods uncovered and motive-power wives’ tales exposed.

What I hope to do over the next few months is to touch on proven ideas for railroad fuel conversation. We will look for the obvious low hanging fruit through to some more intricate means – from the inexpensive to the capital intensive. I’ll report; you decide what will work best for your situation. The goal is to disseminate information as to what others are doing and as to the technical devices that are out there to help us.

Here are a few of the topics we will discuss in future issues. No doubt others will arise along the way:

- **Best operating practices** – are you using the right locomotives in the right applications? Are you mixing manufacturers, models and generations?
- **Best maintenance practices** – would increasing my maintenance budget provide any payback in fuel savings? Are you using multiple units per movement when improved maintenance would permit a reduction of units? If so, where should I intensify my efforts?
- **Engaging employees to help save fuel** – do we have employee buy-in to help in this effort? What incentives will entice them to participate? Have they received any fuel conservation training?
- **Fuel additives and modifiers** – are they really “snake oils?” Where are the chemistry, metallurgy and technology today? Are there really products that will save fuel and improve engine life and reduce emissions all at once?

- **Automotive shutdown devices** – what is state-of-the-art? How long is the payback period? Are they to install and maintain?
- **Mother-daughter sets** – known in some circles as “slug sets” or “cow-and-calf,” they have been around in various configurations for a long time in both Class 1 and short line applications. Some folks are sold on them, some are not. Are they right for your situation?
- **Tractive effort enhancers** – these are the “creeping things” that allow us to retrofit older locomotives to enjoy the anti-wheel slip technology available in today’s amazingly powerful new locomotives. What is available and can I afford it? Can I afford not to use them?
- **Hybrid locomotives** – many believe the jury is still out on this approach. Do they work and, if so, in what applications? Where is the technology today and what’s on the drawing board? How can I afford them?

If filling up old No. 90 costs you \$5,000 this week instead of the \$3,000 you paid last week, you too are experiencing “pump pains.” I trust this series will be of some use to you and welcome your thoughts and feedback. If you have any question or comments, you can contact Carl at cbelke@patrickengineering.com.

SENATOR’S LEGISLATION HELPS MIDWESTERN LINES

Under a newly enacted law authored by Senator John Thune (R-SD), the Dakota, Minnesota and Eastern Railroad (DM&E) and Iowa, Chicago & Eastern Railroad (IC&E) have applied for a Federal Railroad Administration (FRA) loan package totaling approximately \$2.5 billion to build and rehabilitate approximately 1,300 miles of railroad in four states. If approved, the package would transform the regional railroad built in the United States in more than a century. The loan package is intended to fund four separate projects:

1. The 900-mile project includes a 262.3-mile extension of DM&E’s line into the Wyoming Powder River Basin coal fields, to provide badly needed rail capacity for lower cost, environmentally preferred Wyoming coal, and improve service for existing DM&E rail customers.
2. The 250-mile IC&E upgrade of lines in Iowa to attract new ethanol production and other business, and to improve service for existing business.
3. The 150-mile DM&E upgrade of the western end of its system between Wall, SD and Colony, WY.
4. The 30-mile IC&E upgrade of its line from Marquette, IA northward, to attract new rail business.

“This would be a complete transformation of not only our infrastructure, but of our entire business operations,” said Kevin V. Schieffer, President and Chief Executive Officer of both railroads. “We have an historic opportunity to do something truly remarkable not only for our customers and America’s Heartland, but of great importance to the entire country. It should translate into cheaper, cleaner energy for the entire nation, greatly improved service to our existing agriculture customers and the many other industries we serve, and provide major economic development opportunities throughout our service region.”

DM&E is filing for the loan application under a new law authored by U.S. Senator John Thune, which directs the agency to prioritize applications that meet the objectives accomplished by DM&E’s project. Other railroads have relied on similar federal funding to rebuild coal hauling lines in the recent past. For example, Union Pacific’s 500-mile coal hauling line from Fremont, NE to Chicago, IL was funded through a similar federal loan program; as was the 480-mile BNSF coal hauling route traversing northern South Dakota. Authorization for those programs subsequently expired. Thune’s legislation, recently signed by President Bush, provides for financing on terms similar to those projects currently being operated by UP and BNSF.

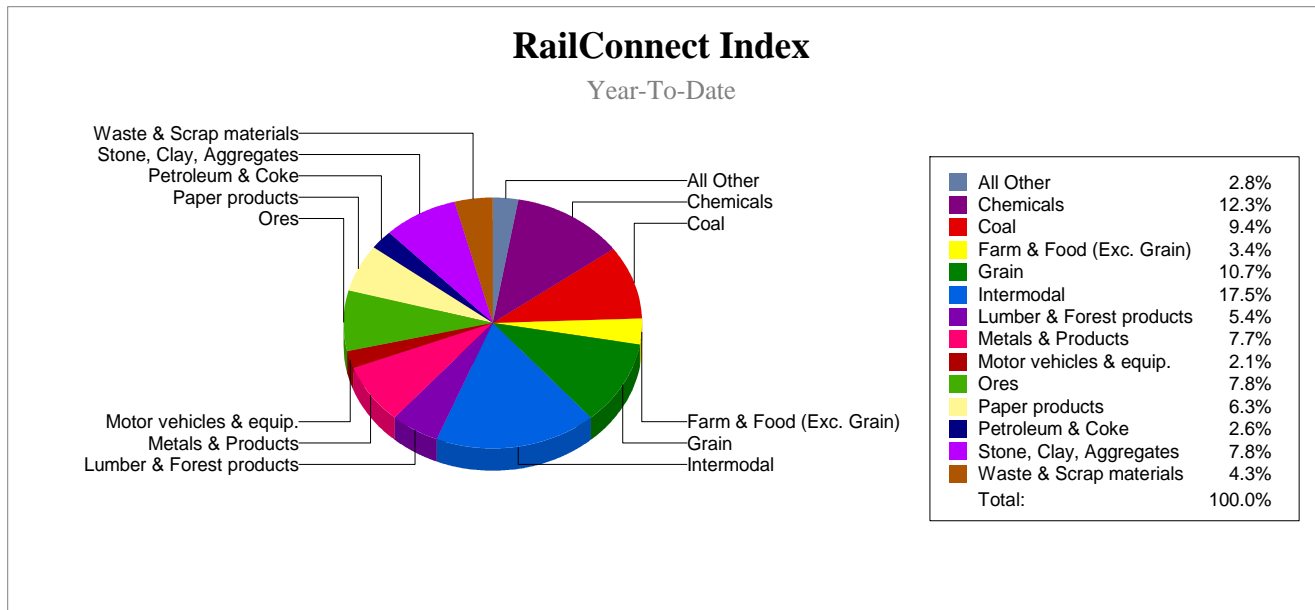
“Senator Thune’s extraordinarily effective leadership on this issue should result in major national, regional and local benefits for years to come,” said Schieffer. “As former Rail Director for the state of South Dakota, his knowledge of rail issues provides him a unique perspective on the critical importance of the project for the country and our service area.”

RMI RAILCONNECT INDEX OF SHORT LINE TRAFFIC

For the week ending: 10/15/2005

Number of Railroads: 212

	Current Week			Year-To-Date		
	2005	2004	% Change	2005	2004	% Change
Carloads Handled						
Coal	10,737	10,711	0.24%	371,981	388,875	-4.34%
Grain	11,097	9,992	11.06%	423,509	415,580	1.91%
Farm & Food (Exc. Grain)	4,561	3,481	31.03%	134,809	122,359	10.17%
Ores	8,960	9,896	-9.46%	309,354	310,661	-0.42%
Stone, Clay, Aggregates	8,544	8,666	-1.41%	311,722	271,072	15.00%
Lumber & Forest Products	5,010	5,380	-6.88%	216,336	207,594	4.21%
Paper Products	6,067	6,176	-1.76%	248,723	236,417	5.21%
Waste & Scrap Materials	4,492	4,692	-4.26%	169,139	166,662	1.49%
Chemicals	11,494	11,548	-0.47%	490,277	452,689	8.30%
Petroleum & Coke	3,820	3,425	11.53%	103,406	88,544	16.78%
Metals & Products	8,864	8,714	1.72%	304,429	292,928	3.93%
Motor Vehicles & Equipment	2,354	1,867	26.08%	84,456	86,522	-2.39%
Intermodal	20,773	14,776	40.59%	696,161	551,893	26.14%
All Other	3,071	2,854	7.60%	109,511	122,475	-10.59%
Total	109,844	102,178	7.50%	3,973,813	3,714,271	6.99%



RAILROAD TRAFFIC

According to the AAR, U.S. carloads were down 1.9 percent in the week ending October 29, 2005, with 337,882 cars originated, compared to 344,575 cars originated in 2004. Carloads for U.S. Non-Class I's that submit data to the AAR were down 23.2 percent for the week but are up 6.4 percent for the year to date. U.S. intermodal traffic was up 3.1 percent for the week and is up 6.3 percent for the year to date. U.S. and Canadian intermodal traffic is up 5.8 percent for the year. Total volume is up 2.6 percent for the year, with an estimated total of 1,396.9 billion ton-miles.

For just the week ending October 22, 2005, U.S. carloads were up 0.5 percent and carloads for U.S. Non-

Class I's that submit data to the AAR were down 4.9 percent. Carloads were up 0.4 percent in the East and 0.6 percent in the West. U.S. intermodal traffic was up 7.9 percent for the week.

EMBARGO NOTICES & REROUTE ORDERS

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

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