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American Short Line and Regional Railroad Association

VIEWS & NEWS

VOLUME 73

NUMBER 4

FEBRUARY 21, 2006

Upcoming 2006 Events

(Click on the meeting
name for more
information)

Drug &
Alcohol/Engineer
Certification Seminars
Feb.-March, 2006
Atlanta, GA
Reno, NV
Philadelphia, PA

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

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

Deadlines

ASLRRA Susan
Murray Scholarship
March 1, 2006

NOTE: Deadline Extended

Railway Age Short
Line/Regional
Railroad of the Year
Competition
March 2, 2006

ASLRRA Marketing
Awards
March 17, 2006

ASLRRA Safety
Person of the Year
March 24, 2006

Questions? Comments?
E-Mail Us.

Currently, Railroad
Security Alert Level
2 is in Effect

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NARMO SEMINAR SCHEDULED FOR APRIL

The North American Rail Mechanical Operations (NARMO) Seminar – formerly known as the Car Repair Billing Seminar – is an educational training program sponsored by the Safety and Operations Department of the Association of American Railroads.

The 2006 NARMO seminar is being held at the Renaissance Grand Hotel in St. Louis, Missouri, April 5-7. A wide variety of technical and training workshops are being offered to provide instruction on the Interchange Rules (contained in both the Field and Office Manuals), Car Repair Billing, and other Mechanical Department functions. This seminar is an excellent forum for everyone involved in this arena. No matter what your tenure is within the specific areas, everyone will walk away with new learning skills to use in your day-to-day operations.

Registration for this conference is \$300 for AAR members and \$400 for non-members. Please [click here](#) to visit the Association of American Railroads' website to learn more about this conference. The website link contains:

- [Preliminary agenda](#)
- [Hotel information](#)
- [Registration information](#)
- [Exhibitor information](#)

Registration will be open to attendees on Wednesday, April 5, from 3:00pm to 7:00pm, on Thursday, April 6, from 7:00am to 5:00pm and on Friday, April 7, from 8:00am to 10:30am.

Exhibits will be open to seminar participants on Wednesday, April 5, from 3:00pm to 7:00pm, Thursday, April 6, from 7:00am to 5:00pm and on Friday, April 7, from 7:00am to 10:30am.

Seminar workshops will begin with the opening session on Thursday, April 6, at 8:00am and adjourn on Friday, April 7, at noon.

Please call Betty Pague at (202) 639-2140 or at bpague@aar.org if you have any questions.

RAILWAY AGE EXTENDS COMPETITION DEADLINE

Railway Age has announced that the deadline for its Short Line/Regional Railroad of the Year Competition will be extended to March 2, 2006. Please submit your entries to: Marybeth Luczak, Executive Editor, Railway Age, 345 Hudson St., 12th Floor, New York, NY 10014. E-mail: mluczak@sbpub.com. Fax (212) 633-1863. Entries should contain the name, position, and contact information of the nominator and an approximately 500-word description of the achievement(s) of the nominated railroad.

Entry forms are not essential but may be obtained from Luczak by e-mail or fax or by clicking [here](#).

RRB ANNOUNCES RAIL EMPLOYER SEMINAR

The U.S. Railroad Retirement Board will hold its sixth National Rail Employer Training Seminar on May 10, 11 and 12, 2006. The three-day seminar is intended for railroad officials responsible for preparing and filing reports of service, compensation, contributions and other business interactions with the RRB. The seminar is not intended for National Reporting Officers and other rail labor officials. The agency will present a separate program in October designed to address the training needs of those individuals.

The RRB will conduct the seminar at the Allerton Crowne Plaza Hotel, 701 North Michigan Avenue, in Chicago, Illinois. Attendees may choose from a variety of instructional sessions providing information and guidance on the crediting of service and compensation under the Railroad Retirement and Railroad Unemployment Insurance Acts, employer and employee coverage under the Acts, timely and accurate employer reporting, and related topics.

In separate sessions, RRB officials will address the new Medicare prescription drug coverage and its effect on railroad retirement beneficiaries, and Mr. Enos Throop, Jr., Chief Investment Officer for the National Railroad Retirement Investment Trust, will discuss the latest performance of Trust-managed assets.

Attendees will also have the opportunity to join a discussion group to offer opinions and share ideas on what they want to see from the RRB. Separate discussion sessions will be held for Class I railroads, and Short-line and Regional railroads.

As in past years, a representative of the Internal Revenue Service will provide information on issues involving coordination between the RRB and the IRS. The Social Security Administration will also conduct a session on various topics, including their latest Internet services.

Mr. Jerome F. Kever, Management Member of the Board, will discuss the RRB's disaster recovery and continuity of service plans at an optional luncheon for attendees to be held on Thursday, May 11. Ms. Carol d'Aquin, manager of the RRB's New Orleans field office, will also describe the agency's customer service efforts in the wake of Hurricane Katrina.

Registration forms and additional details were mailed to reporting officials in January, but on-line registration is also available at www.rrb.gov. Those interested should register by the May 1 deadline. Rail officials having any questions regarding the registration materials or the seminar should contact:

U. S. Railroad Retirement Board
Quality Reporting Service Center
(312) 751-4992
Fax (312) 751-7190

GATES PROMOTED BY GENESEE & WYOMING

Effective February 15, 2006, Gerald (Gerry) T. Gates was appointed Vice President – Safety & Compliance for Genesee & Wyoming with headquarters in Jacksonville, Florida. Gerry began his railroad career at Conrail after earning a degree in Civil Engineering at Bucknell University. In 21 years at Conrail, he held a variety of field supervisory positions in the engineering, mechanical and transportation departments. Gerry served as Vice President in the mechanical, transportation and customer support departments and held other similar positions at CSX after it acquired Conrail. In 2002, he was selected to become President of the Terminal Railroad Association of St. Louis, which was awarded the AAR's E.H. Harriman Gold Award for best safety performance in Switching and Terminal Railroads in 2002, 2003 and 2004, under his leadership. In 2005, Gerry joined Genesee & Wyoming as Rail Link's Vice President Atlantic Short Lines. As Vice President Safety & Compliance, Gerry will lead G&W's inter-regional efforts relating to safety, employee training, environmental and rule compliance.

INDIANA DOT BUDGETS FOR TRACK REHABILITATION

The Indiana Department of Transportation has announced that it will be awarding more than \$1.7 million in Industrial Rail Service Fund (IRSF) track rehabilitation grants to eleven short line railroads located throughout the state.

These grants will go towards funding track upgrades necessary to improve rail service in communities and rural areas across Indiana. The IRSF monies helped leverage an additional \$ 2.1 million in private funds from the various railroads for the track improvement projects.

"These grants are an important step forward as we work to strengthen Indiana's smaller communities," said Lt. Governor Becky Skillman, who also serves as Secretary of Agriculture and Rural Development.

"Short line rail lines are often the primary means our industries and agri-businesses have to transport their goods in and out of rural areas. If we improve these lines then we improve the opportunities to grow and attract businesses to Indiana's smaller communities."

Short line railroads serve as critical links connecting many agricultural areas and smaller communities to higher density primary rail corridors. These corridors provide access to major cities, major rivers, and ocean ports. Track upgrade efforts are an ongoing challenge for many of the short line railroads as they work to improve rail conditions to better handle larger rail cars.

The grants are an effort to help bring more of the short line railroad track in the state to meet a 286,000-pound (286K) capacity. The 286K pound rail cars hold significantly more materials and goods, and are becoming standard on the nation's major railroads such as CSX and Norfolk Southern.

CLASS I FUEL SURCHARGE UPDATE

The rail surcharges applied by Class I railroads for the first quarter of 2006 are as follows:

Carrier	Jan '06	Feb '06	Mar '06
BNSF*	13.5%	12%	12.5%
CN	9.75%	10.0%	11.5%
CPR	16.4%	16.8%	13.5%
CSX	14.4%	14.8%	17.2%
KCS	14.4%	14.8%	17.2%
NS	14.4%	14.8%	17.2%
UP	13.5%	12%	12.5%

* Industrial Products only; Ag & Coal are mileage-based

Source: NITL Notice

WINCHESTER & WESTERN SEEKS FUNDING

While one Virginia short line railroad is trying to secure state and federal dollars to repair and upgrade its lines, an area delegate is looking at raising the fine for trains that block traffic. The Winchester & Western Railroad Co. is one of nine state short line railroads eligible during fiscal year 2007 for a portion of \$3 million in Rail Preservation Program matching grants managed by the Virginia Department of Rail and Public Transportation.

The Winchester-based rail line has applied for \$1.6 million in state funds to replace almost 27 miles of railroad ties, upgrade less than three miles of rails, repair two road crossings on U.S. 50, replace three switches, and realign five miles of roadway and rail. W&W Roadmaster Mike Glascock doesn't expect the 54-mile short line's plans to be fully funded by the grants. He said he'll know by the end of September how much money the rail line will get.

In fiscal year 2005, the railroad company completed about \$500,000 in projects and was given 70 percent of that amount, or \$350,000, in state funds, Glascock said. The railroad is required to pay for 30 percent of its project, per the state grant's specifications. This budget cycle, the company received less state money – about \$257,500.

"We replaced a lot of rail in the past," Glascock said during a telephone interview. "This year, it is going to be more ties and surfacing. We want to do more crossing work."

Delegate Clifford L. Athey, Jr., R-Front Royal, is doing a little crossing work of his own down in Richmond. He sponsored House Bill 1116, which would raise the maximum fine for non-passenger trains blocking roadways for more than five minutes from \$500 to \$2,500. Eight days ago, his bill was continued into 2007, when it will be discussed in the House of Delegates' Commerce and Labor Committee, according to the General Assembly's Legislative Information System.

Officials from W&W and CSX – the two rail companies whose lines run through Winchester and Frederick County – offered differing opinions on the legislation. “I think whoever is doing the switching movement has a responsibility to the public not to block [road crossings] too long,” Glascock said. “The public has to understand we have a job to do, too.”

But five minutes is plenty of time to make motorists wait, Glascock said. He prefers W&W conductors to pull up and clear crossings when they know their stopped train will be blocking an intersection for more than a few minutes. “That comes down to each individual trainman and how they work their train.”

W&W has an agreement with a group of businesses that are located across the street from the company's offices. “We made a deal with them we wouldn't switch during lunch time so people could get to work,” Glascock said.

CSX spokesman Robert Sullivan said his company wants to keep its trains moving through Frederick County and Winchester. “We work very hard to be good citizens. We work very hard to communicate with municipalities when there are issues. We do not like to block crossings, but I do not know that legislation is the answer.”

GREENBRIER, WATCO TEAM UP

Greenbrier Management Services, a full service provider of railcar management services to railcar owners and a wholly owned subsidiary of The Greenbrier Companies, announced February 8 it is providing car hire payables and receivables processing services to Watco Companies.

GMS will process car hire payables on all rail equipment, trailers and containers that are interchanged onto Watco's network of 17 short line rail properties. GMS will also process the car hire receivables generated by Watco's fleet of railcars. The addition of Watco to the GMS roster of clients follows the successful commencement of payables processing for the Florida East Coast Railway, which went live on October 1, 2005.

The GMS car hire processing system is a robust, web-enabled, state-of-the-art proprietary product that integrates the processing of car hire payables and receivables data. The payables system allows customers to proactively manage their car hire payables expense by obtaining daily updates of car hire liability and by automating many facets of the process including special reclaims.

Jim Sharp, president of Greenbrier Leasing and Management Services, said, “We are excited that Watco has chosen our team and our product. This represents a significant step in the continued development of our services footprint. We are grateful for the confidence Watco has placed in GMS and we look forward to providing them with industry leading technology and service to support their current operations and future growth.”

Rick Baden, executive vice president and chief financial officer, Watco Companies, said, “Through extensive testing, GMS has demonstrated that their system processes accurately. Our people really like the web-accessible user interfaces. Furthermore, we have been impressed with the responsiveness of Greenbrier's customer services, the speed at which they are able to get solid resolution to issues, and their ability to customize their core system in order to fit to our specific operational needs at a reasonable cost. The speed with which the GMS system can be modified to incorporate special agreements specific to our railroads is a very attractive feature.”

For more information about Greenbrier Companies, visit their website at www.gbrx.com. For more information on Watco Companies, visit their website at www.watcocompanies.com.

RAILINC SHORT LINE AND REGIONAL TRAFFIC INDEX

This January, the number of carloads moved on short line and regional railroads increased by 1.9% in comparison to January of 2005. Coal remains the fastest growing commodity, showing a 49.9% increase. This index is compiled by Railinc as a service to the industry.

For more information on Railinc, please visit www.railinc.com.

Carloads, by commodity	Carloads Originated January '06	Carloads Originated January '05	% Change
	(Based on 484 railroads)	(Based on 471 railroads)	
Chemicals	34,453	31,656	8.8%
Coal	20,372	13,592	49.9%
Crushed Stone, Sand and Gravel	17,570	14,003	25.5%
Food and Kindred Products	13,882	11,413	21.6%
Grain	27,626	23,565	17.2%
Grain Mill Products	7,481	7,172	4.3%
Lumber and Wood Products	18,158	19,078	-4.8%
Metallic Ores	3,763	8,424	-55.3%
Metals and Products	23,849	25,363	-6.0%
Motor Vehicles and Equipment	8,623	7,432	16.0%
Nonmetallic Minerals	3,402	2,972	14.5%
Petroleum Products	1,717	1,381	24.3%
Pulp, Paper, and Allied Products	27,086	27,011	0.3%
Stone, Clay and Glass Products	15,144	14,361	5.5%
Trailer or Container	46,384	41,058	13.0%
Waste and Scrap Materials	11,525	9,335	23.5%
All Other Carloads	89,864	106,279	-15.4%
Total	370,899	364,095	1.9%

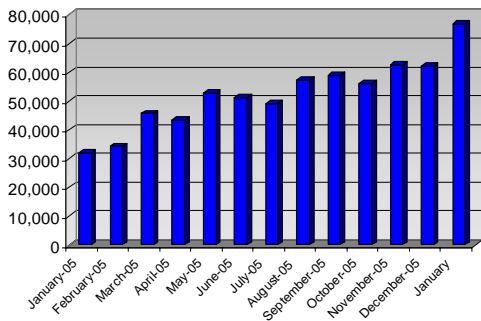
STEELROADS EVENT REPORTING- JANUARY 2006

Steelroads Event Reporting continues to grow as one of the industry's preferred methods of reporting rail events and providing shipment visibility. This January, the industry once again showed its support by recording a record number of events: well over 76,000! The number of short line and regional railroads reporting with Steelroads also reached an all-time high with 65 roads reporting.

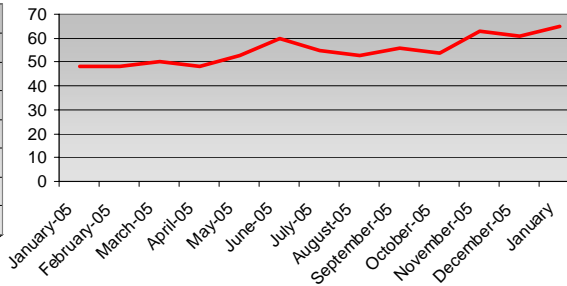
Using Steelroads Event Reporting, users are able to report such important events as interchanges, placements, releases, and more! The system is easy to use and completely free, making it a great way to increase customer satisfaction by providing additional shipment visibility.

Get started today by logging onto www.steelroads.com and clicking on *Become a Member*.

**Events Reported via Steelroads
2005-2006**



Number of Active Railroads



RMI RAILCONNECT INDEX OF SHORT LINE TRAFFIC

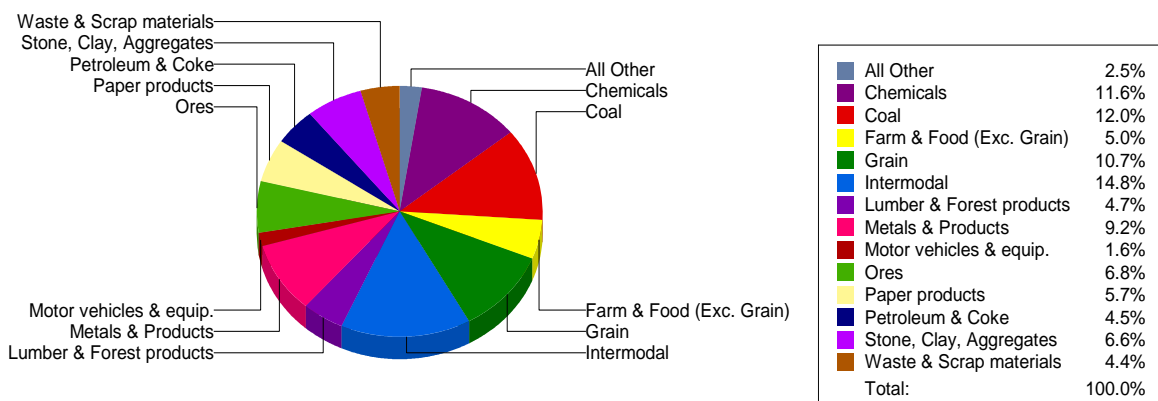
For the week ending: 1/28/2006

Number of Railroads: 212

	Current Week			Year-To-Date		
	2006	2005	% Change	2006	2005	% Change
Carloads Handled						
Coal	13,268	13,662	-2.88%	55,761	55,953	-0.34%
Grain	12,898	11,856	8.79%	49,706	44,763	11.04%
Farm & Food (Exc. Grain)	7,864	3,590	119.05%	23,413	14,290	63.84%
Ores	7,529	8,721	-13.67%	31,411	33,651	-6.66%
Stone, Clay, Aggregates	7,715	6,750	14.30%	30,662	25,944	18.19%
Lumber/Forest Prods.	5,961	5,394	10.51%	21,799	20,317	7.29%
Paper Products	6,450	6,562	-1.71%	26,496	25,764	2.84%
Waste & Scrap Materials	5,496	4,916	11.80%	20,251	19,753	2.52%
Chemicals	13,329	12,889	3.41%	54,061	52,846	2.30%
Petroleum & Coke	5,367	5,231	2.60%	20,772	19,011	9.26%
Metals & Products	11,232	10,431	7.68%	42,595	41,885	1.70%
Motor Vehicles & Equip.	2,081	2,184	-4.72%	7,472	7,037	1.70%
Intermodal	18,400	15,291	20.33%	68,902	60,174	14.50%
All Other	3,089	3,208	-3.71%	11,432	11,335	0.86%
Total	120,679	110,685	9.03%	464,733	432,723	7.40%

RailConnect Index

Year-To-Date



RAILROAD TRAFFIC

According to the AAR, U.S. carloads were down 1.2 percent in the week ending February 11 2006, with 331,206 cars originated, compared to 335,221 cars originated in 2005. Carloads for U.S. non-Class I's that submit data to the AAR were up 3.8 percent for the week and are down 10.4 percent for the year to date. U.S. intermodal traffic was up 3.6 percent for the week and is up 6.0 percent for the year to date. U.S. and Canadian intermodal traffic is up 4.2 percent for the year. Total volume is up 4.7 percent for the year, with an estimated total of 195.3 billion ton-miles.

For just the week ending February 4, 2006, U.S. carloads were up 4.1 percent and carloads for U.S. non-Class I's that submit data to the AAR were down 21.1 percent. Carloads were up 2.9 percent in the East and up 5.1 percent in the West. U.S. intermodal traffic was up 6.7 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