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American Short Line and Regional Railroad Association

# VIEWS & NEWS

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**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  
J.W. Marriott  
Buckhead  
Atlanta, GA

Currently, Railroad  
Security Alert Level  
2 is in Effect

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**Questions? Comments?**  
**E-Mail Us.**

## **HURRICANE RITA UPDATE**

The American Short Line and Regional Railroad Association has 17 member railroads in regions of Texas and Louisiana affected by Hurricane Rita. Of these railroads, 14 received either no damage or only minor damage. However, three railroads were affected by heavy winds and rain – the Sabine River and Northern, the Timber Rock and the Louisiana and Delta. Next, we will be assessing the extent of damage among all railroads in the area. For more information, please look for our next Hurricane Rita member update.

### **TSA NAMES ROBERT JAMISON AS DEPUTY ADMINISTRATOR**

The Transportation Security Administration (TSA) has named Robert Jamison as Deputy Administrator for the agency. For the past three years, Jamison has served as Deputy Administrator of the Federal Transit Administration (FTA), an agency responsible for the management and oversight of roughly \$8 billion of annual federal investment in the nation's subway, light rail, and bus system infrastructure. He joins the TSA at a critical point, as it conducts a top to bottom internal assessment prompted by Homeland Security Secretary Chertoff's "Second Stage Review."

Jamison brings significant transportation, not-for-profit, and business experience to his new post. His portfolio includes work in the cargo, rail and transit sectors and more recently, he was involved in the Department of Transportation's efforts to evacuate victims of Hurricane Katrina from New Orleans. He has served in a number of key leadership positions, including Acting Administrator of the Federal Railroad Administration and Senior Operations Officer for the American Red Cross. Prior to that, he spent 12 years in management, both domestic and abroad, with United Parcel Service.

"Robert's experience in process management across different transportation environments will be invaluable to TSA. He led the development and implementation of the security risk management strategy at FTA and has shown the ability to work well with the other key players in the process," said Kip Hawley, Assistant Secretary of TSA.

At FTA, Jamison played a key leadership role in making FTA's major capital project assessment and oversight more rigorous and transparent. In addition, Jamison spearheaded the agency's transit security program and its \$4.5 billion Lower Manhattan transportation recovery operation, which was established in the wake of the terrorist attacks of September 11.

Jamison is expected to assume his post in the coming weeks.

### **REPAIRING RAILS IN THE GULF COAST**

Along the economically crucial rail corridor east of New Orleans, trees and shattered houses still sit in the middle of the railroad tracks, all courtesy of Hurricane Katrina.

Near Port Bienville, Miss., Katrina left another calling card: 10 shrimp boats, swept up by the storm surge and deposited almost on top of the rails. The stranded boats – one containing 100,000 pounds of shrimp, rotting in the Gulf Coast heat – make it impossible for trains to pass, blocking shipments in and out of an adjacent plastics plant.

Elsewhere along the corridor, boxcars and locomotives lie in woods and bayous, tossed aside like toys. In some places, the rails themselves are gone. In others, entire railroad bridges have disappeared, leaving behind only their concrete supports, rising above the muddy water like the fossils of lost dinosaurs.

The worst damage is between New Orleans and Pascagoula, Miss., and cleaning it up figures to be a huge task. One of the principal players will be Nicholasville, Ky. businessman Rick Corman, whose R.J. Corman Railroad Group recently won a major contract to repair and rebuild roughly 40 miles of CSX Transportation Inc. track between New Orleans and Bay St. Louis on the Mississippi coast, roughly halfway to Pascagoula. Corman has 90 days to reopen the line.

The sheer magnitude of that task is daunting, with mile upon mile of track that must be rebuilt – or hauled out of the mud and put back in the roadbed. But working conditions will be just as tough. In many places, repair crews will be toiling in marshes and swamps where snakes and alligators abound, and where any piece of heavy equipment that ventures off the roadbed risks sinking into the muck.

“It’s going to be the biggest project we’ve ever taken on by far,” Corman said Friday. “It’s a major challenge for the company, but our people have the expertise to handle it.” When will the work start? “Five minutes ago,” Corman said.

Corman, who toured the area last week and has flown over the hurricane zone numerous times this month, called the hurricane damage “unbelievable.” What’s really amazing is that it goes on and on for 50 miles or more,” he said. “After you leave Biloxi, Miss., and start west, the farther you go, the worse it gets. There are places here that have been absolutely annihilated.”

Corman train derailment expert Gary Miller has worked many disasters before. But he says he’s staggered by Katrina’s devastation and the work ahead. “I’ve been doing this for 38 years, and I’ve never seen anything like it,” Miller said recently.

### **FRA QUESTIONS CONCERNING PROCESSOR-BASED SIGNAL AND TRAIN CONTROL SYSTEMS**

On March 7, 2005, FRA issued the “Standards for Development and Use of Processor-Based Signal and Train Control Systems” final rule (PTC Rule), which made changes to 49 C.F.R. parts 209, 234, and 236. 70 FR 11052. The final rule became effective on June 6, 2005. The PTC Rule contains performance standards for the development and use of processor-based signal and train control systems. It also contains provisions that cover processor-based highway-rail grade crossing active warning systems that utilize “new or novel technology” or that are “safety-critically” interconnected to a signal or train control system. The rule establishes requirements for notifying FRA prior to installation of these type products, and for necessary training and recordkeeping.

FRA has developed the following questions and answers to assist you in determining the applicability of these requirements to your railroad. These questions and answers are intended only as guidance and general in nature. Should you have a specific question about the applicability of the regulation to your operation, please contact Tom McFarlin, FRA’s Signal and Train Control Staff Director at (202) 493-6203, or Melissa Porter, Trial Attorney, FRA’s Office of Chief Counsel at (202) 493-6034.

- 1) Do you have maintenance responsibility for a signal or train control system (e.g., ABS, CTC/TCS, INT, ACS, etc.)?
  - If yes, does the signal or train control system contain any processor-based components that perform safety-critical functions?
    - If yes, at a minimum, you must comply with the requirements of 49 CFR § 236.18 “Software Management Control Plan” (SMCP). This section requires that railroads develop and adopt an SMCP before December 6, 2005, and implement that SMCP before June 6, 2008. A railroad planning to commence operations after June 6, 2005, is required to adopt an SMCP for their processor-based signal and train control systems prior to commencing operation, and shall implement that SMCP within 30 months of completing the plan.
    - If yes, you must comply with all of the provisions of 49 CFR part 236, subpart H, unless the system, subsystem, or component was in service (within the general railroad system of transportation in the United States) as of June 6, 2005, or you submitted notification to FRA by June 6, 2005, that the system, subsystem, or component was under development prior to March 7, 2005, and that it will be placed in service prior to March 7, 2008, pursuant to 49 CFR § 236.911. Any system, subsystem, or component to which 49 CFR part 236, subpart H does not apply must still comply with the requirements of 49 CFR part 236, subparts A-G.
  - If no, the signal or train control system must comply with 49 CFR 236, subpart A-G.

If you submitted notification to FRA by June 6, 2005, that your processor-based product was under development prior to March 7, 2005, and that it will be placed in service prior to March 7, 2008, FRA will respond to your notification letter to indicate whether the product is eligible for exclusion from 49 CFR part 236, subpart H.

- 2) Do you have maintenance responsibility for any highway-rail grade crossing active warning system (HGCWS)?
- If yes, does the HGCWS contain any processor-based components that perform safety-critical functions?
  - If yes, and it provides safety-critical data to any signal or train control system, whether or not governed by 49 CFR part 236, subpart H, you must, at a minimum, develop and adopt an SMCP pursuant to 49 CFR § 236.18, which must be fully implemented by March 7, 2008.
  - If yes, and the system does not contain “new or novel technology” or does not provide safety-critical data to a railroad signal (or train control) system, you may elect to qualify any existing product under 49 CFR part 236, subpart H. “New or novel technology” is defined as technology not previously recognized for use as of March 7, 2005.
  - If yes, and it does contain new or novel technology or does provide safety-critical data to a railroad signal (or train control) system that itself is governed by the requirements of 49 CFR part 236, subpart H, it too must comply with those requirements. 49 CFR part 236, subpart H.
  - If no, it must comply with 49 CFR part 234, subparts A-D.

### **TACOMA RAIL ON TRACK ONLINE**

In the not so distant past Tacoma Rail communicated with its customers not by e-mail, but by fax- sending out hundreds of pages each day on topics ranging from rail car locations to which cars need repairs.

The one-page Web site for the city-owned rail line received maybe one hit a week. And the organization’s technology department? Nonexistent.

Fast forward three years. Now the city’s smallest public utility is in negotiations with two rail-related software companies that are so impressed with software developed by Tacoma Rail that they are considering a partnership to market the technology to other businesses or buying it for themselves.

So what happened?

Starting in the late 1990s business at Tacoma Rail picked up, in large part because of the wave of trade coming through the Port of Tacoma. The rail line handled 52,000 rail-car loads in 1998. This year, at least 120,000 car loads are expected.

In the midst of all that growth, the organization decided to find a way to accommodate the influx of rail cars, said Paula Henry, the railroad’s assistant superintendent. “We needed to enhance our technology to prepare for the future,” Henry said. And they needed someone to figure out what that was.

Enter Dan McCabe, Tacoma Rail’s supervisor of business and technology. Tacoma Rail hired the 27-year-old University Place native shortly after he graduated from Western Washington University in 2002. He started by revamping the Web site, adding features such as an online report that shows all the cars the rail line has on hand.

“Then I started asking our customers, ‘What do you need from me?’” McCabe said. “They didn’t even know what they could ask for at first.”

But the ideas started trickling in. Maybe the rail line could e-mail reports of cars that needed repairs, instead of faxing them. Maybe customers could use a search engine on the Web site to find the exact location of their rail cars.

Henry now touts a single-spaced, two-page long list of the technology improvements Tacoma Rail has made in the past three years. The improvements include:

- Real-time graphs that show customers how much of the track capacity is being used at any terminal.
- A history of rail-car inventory.
- Search engines that let customers look for single or multiple rail cars.
- Automatic e-mails alerting customers to which cars need wheels changed or repaired.

Paul McNeill, supervisor of field maintenance operations for the TTX Co. in Tacoma, said the Web-based programs and e-mail alerts have made a huge difference in how he does business. TTX inspects and repairs rail cars. McNeill frequently uses the inventory reports, which are customized so that he can click on a facility and see what cars are there.

E-mail notices alerting him of rail cars that need wheel changes shortened a process that used to require several phone calls and sometimes hours of sifting through online lists down to minutes.

“Every 12 hours, (Dan) e-mails me a report. The information is all there and I can pull it out, find all the bad cars and repair them without any problem at all,” McNeill said.

The technology- especially the online customer tools that track Tacoma Rail’s performance, analyze the track capacity and measure how often cars are on time- has caught the attention of two rail-related software companies. Henry declined to identify the companies, saying only that representatives will be flying to Tacoma in the next couple of weeks to meet with Tacoma Rail. It’s likely the rail line will make money off this venture. “I think they recognize that the tools we’ve created could benefit other types of industries,” she said.

As for McCabe, he used to think he’d be using his computer science degree developing software for a software company. Now he’s a trained locomotive engineer and spends his days devising ways to improve one of the West’s oldest industries.

“It’s something new every day,” he said. “It’s not just computers. It’s how to integrate computers with the railroad and how to make it more efficient.”

### **IT’S NOT TOO LATE TO SIGN THE AMENDMENT TO THE RAILWAY INDUSTRY AGREEMENT!**

Since the Amendment to the Railroad Industry Agreement was introduced at the beginning of 2005, over 320 short line railroads have signed on to receive its benefits. In addition, all of the class I railroads have ratified it and are encouraging their short line partners to do the same. For those railroads that just haven’t gotten around to it, it’s easy! Just download and sign [Acceptance Agreement](#) and fax, [email](#) or snail mail it to Kathy Cassidy. If you haven’t signed on because you are unsure whether or not it will benefit your railroad, then give a call to your ASLRRRA Regional Representative on the Railroad Industry Working Group to get answers to your concerns and hear how the amended RIA has already broadened the marketing opportunities for short lines across the nation in their working relationships with virtually every class I partner. Here is a list of the ASLRRRA representatives who are ready to talk to you about how the agreement is working for short lines:

Gene Blabey	Eastern Region	845-794-6418
Tom Collard	Eastern Region	609-871-7432
Dave Eyer mann	Central Region	972-816-6245
Sandy Franger	Southern Region	561-226-1722
Brad Lafevers	Southern Region	229-924-7662

Reilly McCarren	Central Region	847-452-8900
Mike Ogborn	Pacific Region	303-398-4500

### **SALE OF SANTA MARIA VALLEY RAILROAD**

The Santa Maria Valley Railroad was established in 1911 and has been owned by the family of Captain G. Allan Hancock since 1925. In its many years of operation the SMV has played an important role in the economy of the Santa Maria Valley. Many industries have relied on the SMV to transport their goods and many families have relied on the railroad for their livelihood.

After much careful consideration, the family of Captain Hancock and the Board of Directors of the Santa Maria Valley Railroad have decided to sell the operating assets of the railroad to allow them to concentrate on their property management and property development business in Santa Maria.

The Hancock family and the Board of Directors hope to sell the SMV to a buyer who will continue to operate the railroad as a going concern. It is their strong desire to see the SMV continue to operate and provide quality service for many years to come.

The Hancock family and the Board of Directors want to thank their loyal employees and customers who have contributed to the successful operation of the Railroad for so many years.

It is expected that a buyer will be identified in the coming months and that an agreement will be signed sometime in 2006.

Pending the closing of the transaction the SMV will continue uninterrupted service to our customers.

### **TENNESSEE SHORT LINE UP FOR SALE**

Tennessee's Caney Fork & Western Railroad is for sale. This line runs from the CSX at Tullahoma, TN to Sparta, TN, approximately 60 miles. Closing is planned for early November, 2005. The sale broker is seeking an experienced short line railroad operator with other profitable properties presently in operation. Qualified parties are invited to send an e-mail to Roy Blanchard, [rblanchard@rblanchard.com](mailto:rblanchard@rblanchard.com), stating qualifications.

### **COMPUTER TRAINING NOW AVAILABLE THROUGH NARS**

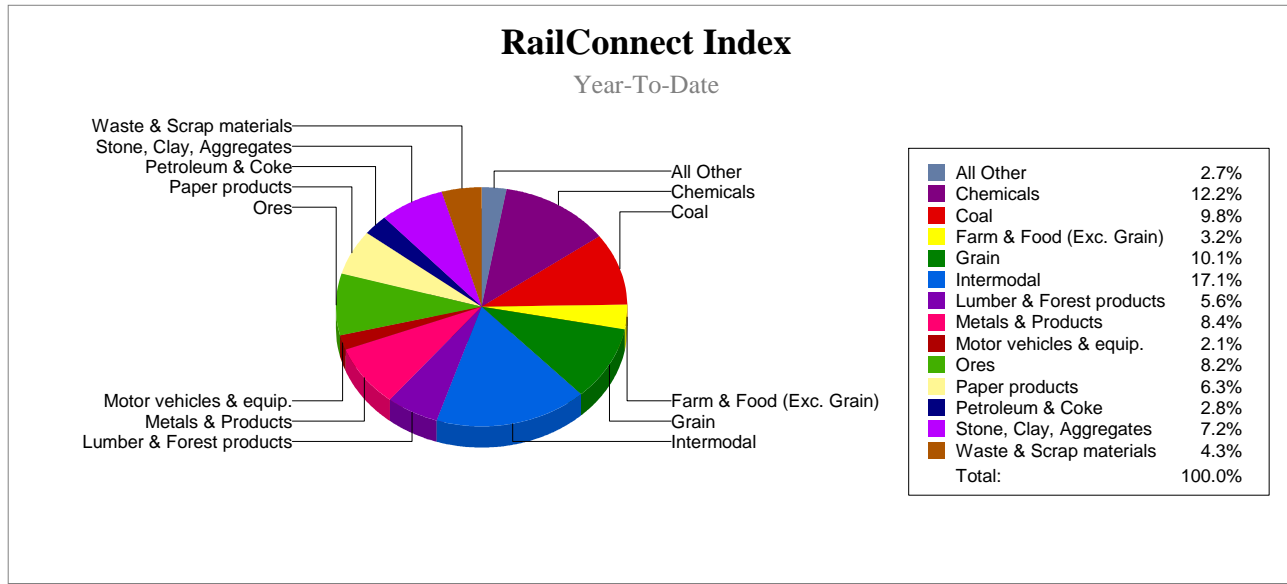
NARS has recently announced that railroads can now sign up for employee computer training. For more information, please [e-mail](#) or call Jeffrey Abbott from NARS at (913) 319-3900, or visit the NARS [website](#).

### **RMI RAILCONNECT INDEX OF SHORT LINE TRAFFIC**

For the week ending: 8/27/2005  
Number of Railroads: 212

	Current Week			Year-To-Date		
	2005	2004	% Change	2005	2004	% Change
<b>Carloads Handled</b>						
Coal	10,201	10,926	-6.64%	344,650	332,639	3.61%
Grain	9,899	9,062	9.24%	355,165	349,704	1.56%
Farm & Food (Exc. Grain)	3,375	3,454	-2.29%	114,226	100,675	13.46%
Ores	7,257	8,582	-15.44%	286,719	268,142	6.93%
Stone, Clay, Aggregates	8,031	8,474	-5.23%	254,537	207,368	22.75%
Lumber & Forest Products	5,120	5,582	-8.28%	196,676	178,676	10.07%

Paper Products	6,217	5,985	3.88%	219,926	200,105	9.91%
Waste & Scrap Materials	3,657	4,748	-22.98%	152,573	138,055	10.52%
Chemicals	12,784	11,800	8.34%	430,108	382,756	12.37%
Petroleum & Coke	3,149	2,410	30.66%	98,708	75,456	30.82%
Metals & Products	7,579	8,546	-11.32%	296,120	244,236	21.24%
Motor Vehicles & Equipment	1,662	2,226	-25.34%	72,746	75,126	-3.17%
Intermodal	17,008	12,964	31.19%	599,810	479,856	25.00%
All Other	2,370	3,029	-21.76%	94,531	106,644	-11.36%
<b>Total</b>	<b>98,309</b>	<b>97,788</b>	<b>0.53%</b>	<b>3,516,495</b>	<b>3,139,438</b>	<b>12.01%</b>



## RAILROAD TRAFFIC

According to the AAR, U.S. carloads were up 3.4 percent in the week ending September 17, 2005, with 350,841 cars originated, compared to 339,268 cars originated in 2004. Carloads for U.S. Non-Class I's that submit data to the AAR were up 10.1 percent for the week and are up 8.9 percent for the year to date. U.S. intermodal traffic was up 6.9 percent for the week and is up 6.3 percent for the year to date. U.S. and Canadian intermodal traffic is up 5.7 percent for the year. Total volume is up 2.4 percent for the year, with an estimated total of 1,184.3 billion ton-miles.

For just the week ending September 10, 2005, U.S. carloads were up 5.9 percent and carloads for U.S. Non-Class I's that submit data to the AAR were up 38.8 percent. Carloads were up 11.8 percent in the East and were up 1.8 percent in the West. U.S. intermodal traffic was up 8.5 percent for the week.

## EMBARGO NOTICES & REROUTE ORDERS

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