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American Short Line and
Regional Railroad Association's

VIEWS & NEWS



VOLUME 79

NUMBER 3

February 17, 2010

Upcoming Events

Railroad Day on
Capitol Hill &
Legislative Dinner
February 25, 2010
Washington, DC

CSX Short Line
Workshop
March 7-9, 2010
Saint Augustine, FL

ASLRRRA Annual
Convention
May 1-4, 2010
Hilton Bonnet Creek
Orlando, FL

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ASLRRA WELCOMES MORE NEW MEMBERS

We are pleased to welcome the following new Railroad member:

YCR Corp.: YCR Corp. operates 22 miles of track in Washington and connects with BNSF. The railroad is located at 499 Railex Road, Wallula, WA 99323 and their main number is (509) 492-6084. Their fax number is (509) 275-7532. Please contact Rail Services Director Steve Hall at sh@yakimairail.com.

And we are also pleased to welcome the following new Associate member:

Collins Engineers, Inc.: Collins Engineers, Inc. provides a variety of services for short line railroads, including above and below water structural inspections; scour and hydraulic investigations; new or rehabilitation designs; construction phase services and asset management services. Collins Engineers is located at 123 North Wacker Drive, Suite 300, Chicago, IL 60606 and their main number is (312) 704-9300. Their website is www.collinsengr.com and their fax number is (312) 704-9320. Please contact Senior Vice President Jim Blanusha at jblanusha@collinsengr.com.

Are you aware of a company with different products or services than your own and interested in heightening their visibility to short line and regional railroads? Then let Cheryl Huyck know, so that she may acquaint them with the many benefits of becoming an ASLRRA associate member. Email Cheryl at chuyck@aslrta.org or phone her at (202) 585-3431.

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RAILROAD DAY ON CAPITOL HILL SET FOR FEBRUARY 25

The Annual Railroad Day on Capitol Hill event is scheduled for **Thursday, February 25, 2010 in Washington, DC**. The day will begin with registration and a continental breakfast at 6:30am at the Grand Hyatt and continue with meetings on Capitol Hill from 9am through 5pm. Breakfast and your day on Capitol Hill is free, but all attendees will need to register (see link below). Through the registration site, attendees will be able to sign up for meetings on Capitol Hill through representatives with Chambers, Conlon & Hartwell. The Legislative Reception and Dinner will go from 6pm to 9pm on the night of February 25 at the Grand Hyatt. **The fee for the dinner and reception is \$225.**

To register for Railroad Day on Capitol Hill and/or the Legislative Reception & Dinner that night, go to https://members.aslrta.org/mtg_list.asp.

The host hotel is the:

Grand Hyatt Washington

1000 H St. NW

Washington, DC 20001

<http://grandwashington.hyatt.com>

The room block at the **Grand Hyatt is now sold out**, but other rooms are available in the hotel for \$309 a night. The second room block at the Four Points by Sheraton, which is three blocks from the Grand Hyatt, is also sold out, but additional rooms are available at a rate of \$249 a night. To book a room at the Four Points by Sheraton call 888-627-8681.

Four Points by Sheraton Washington DC

1201 K St., NW

Washington, DC

202-289-7600

<http://www.fourpointsdc.com>

Additional hotels near the Grand Hyatt include:

Embassy Suites Convention Center, \$300 a night
Hilton Garden Inn Washington DC, \$269 per night
Crowne Plaza Hamilton, \$289 per night
Red Roof Inn, \$200 per night
Hampton Inn Convention Center, \$309 a night
Residence Inn, \$239 per night

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**ASLRRA 2010 CONNECTIONS BREAKOUT TRACK:
ENGINEERING & MAINTENANCE OF WAY**

In anticipation of ASLRRA's 2010 Annual Convention from May 1-4 in Orlando, FL, we will be running a series on the Breakout Tracks to be featured at the meeting. This issue of Views & News highlights the sessions in the Engineering & Maintenance of Way Breakout Track. Registration and room information will be available online soon. Visit www.aslrra.org for more information.

Track 101: SIGNALS: PTC for the Short Line and Regional Railroad- What Are the Applications, Issues and Concerns?

Aric Weingartner, GE Transportation

Don Channell, Safetran Systems

PTC is a top concern of small railroads today and many railroads have a whole host of questions about what this regulation means for them, including: What do short line and regional railroads need to do? What is the timeline? How should we approach the effort? And who can we look to for assistance? This session will address each of these questions and also explore at-grade crossings with PTC railroads, locomotive requirements to turn on PTC railroads, and highlights of the recent FRA mandate.

Track 102: GIS: Cool Technology, But How Does it Help a Small Railroad? Where's the Payoff For the Implementation Costs?

Scott Rustand, VP-Real Estate Services, HDR Engineering

Michael Gilbrook, Sr. Professional Associate/National Technical Director for GIS, HDR Engineering

Everyone knows a geographic information system (GIS) can produce fantastic looking maps, but its real value is in helping managers make better decisions resulting in greater efficiency and profits. In this competitive world, railroads need to optimize their investments and use all available information to make the best decisions possible. In this presentation, you will be exposed to a number of GIS project examples related to:

- selecting optimal facility locations based on external market developments
- identify land ownership
- determining and meeting the rail transportation needs of rapidly developing regional economies
- optimizing community development in and around rail facilities
- managing maintenance of key structures and right of way assets
- preparing for or responding to an emergency situation
- communicating and analyzing geographic trends in populations for various disciplines in a way that tables and charts are unable to
- inventorying, managing, and optimizing your business' land and mineral assets
- maximizing your return on leases, permits and licenses
- identifying where taxes are erroneously assessed

Track 103: ENVIRONMENTAL: SPCC and SWPPP - Getting Your Facilities in Compliance by the November Deadline

Doug Blakeley, Shaw Group

This session will answer a variety of pressing questions about recent environmental regulations, including: What are the basic environmental requirements for short line and regional railroads? Which elements are absolutely necessary, and which should you have? What are the key elements of an Environmental / Release Emergency Plan for short line and regional railroads? Relatedly, what should be established and what should you know before an emergency? What should you do when an emergency occurs?

Track 104: BRIDGES: Bridge Ratings & Practices – The Mystery Solved! RR101

Donald L. McCammon, VP, HDR Engineering

Mike Keller, Railroad Project Engineer, HDR Engineering

The FRA is in the process of finalizing a regulation governing Bridge Safety Management. As part of this regulation development, the FRA is proposing that a current bridge rating be completed, documented, and up to date for current structural conditions for each railroad structure owned by a track owner. The proposed regulation provides a five-year time period to reach compliance with this provision. What are recommended practices that this provision invokes? What records, inspection practices and rating process are needed? What do we look for as a non-engineer and need to understand about bridge rating? Inquiring minds want to know.....

Track 105: CAPITAL PLANNING: Capital Planning for Short Lines: Case Studies

Three Panelists TBD

The panelists in the session will address a variety of issues associated with capital planning. What do you do with a line segment that has been losing traffic and money for several years and what are your options for moving forward? How do you deal with a primary customer that may soon lose its ability to manufacture product in the near future and what do you do with the infrastructure in the interim. What do you do with a line that carries little traffic and makes no money, but that may soon become home to a large manufacturing facility? If you stay awake at night wondering how to limp a marginal line along while waiting for the economy to tip the scale either way, then this session is for you.

Track 106: CAPITAL PLANNING: Managing Overwhelming Bridge Repairs with Limited Capital
David K. Franz, Regional Bridge Engineer, Osmose Railroad Services, Inc.

For most light density lines, years of deferred maintenance has led to seemingly unmanageable bridge maintenance capital requirements. Therefore it is imperative to develop a strategy to identify the critical inspections findings and prioritize the work to make sure the first capital dollar goes towards the worst condition. In this session, attendees will learn best tips for establishing such a strategy.

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MID-ATLANTIC STATES HIT WITH BACK-TO-BACK SNOWSTORMS

Since our last edition two weeks ago, the Middle Atlantic states were hit with back-to-back heavy snowfalls. The first of these occurred on Saturday, February 6, with regional snowfall totals averaging 20 to 30 inches, and the second on Wednesday, February 10, with totals averaging 10 to 20 inches. Many cities and states now have new records snowfalls totals for the winter season, despite the fact that Spring is still over four weeks away.

The snowfalls notably impacted rail operations throughout the region. Amtrak reduced the number of Acela Express and Northeast Regional trains operating on its Northeast Corridor line and for several days cancelled all long-distance trains operating south and west out of Washington, DC. Washington's commuter rail operators, MARC and VRE, also cancelled train service on several days. CSX and Norfolk Southern told customers to expect delays to their rail shipment of at least 24 to 48 hours, with the latter railroad temporarily halted most operations east of Harrisburg, PA during the worst of the storms.

A spot check of short line and regional railroads serving the region saw most of them halting operations during the worst of the snowfalls, but most were also up and running again within the next day or two. Among the first tasks of those returning to work was improving facility access, cleaning switches, and clearing away downed trees that had fallen across tracks.

The sheer quantity of fallen snow and continued subfreezing temperatures taxed the ability of many cities and counties to clear streets and provide services. In Washington, DC, the situation was such that the Federal Government took the unprecedented step of closing all federal offices in the city for four consecutive days. Recognizing the difficulty in safely commuting to and from work, ASLRRA temporarily closed its offices at 50 F Street, with employees checking their emails and voicemails remotely during this time for any business needs. ASLRRA offices are again open, but as we go to press, F Street has still not yet been plowed.

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PORTLAND & WESTERN ENGINEER SHOT TO DEATH AT WORK

Police are investigating the murder of a Portland & Western Railroad locomotive engineer, who was found shot to death beside the locomotive he was operating in the early morning hours of Saturday, February 7.

The killing of Ronald Langlois, Age 44, occurred in Eugene, OR. Mr. Langlois has six years' service with the Portland & Western, joining them as a train conductor in 2003. He was later promoted to locomotive engineer.

Union Pacific, which also operates in Oregon, issued a special alert to its employees about the incident. Their advice, excerpted below, is also applicable and useful to all railroad operating employees:

“It is critical to remind all employees to remain vigilant and report such things as:

- All trespassers
- Abandoned vehicles
- Criminal activity
- Suspicious or unusual activity

Should you be aware of any of the above, contact your train dispatcher [and/or supervisor]. In the event of an emergency requiring immediate attention, dial 911.”

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FRA CORRECTS CONTINUOUS WELDED RAIL RULE

The Federal Railroad Administration has corrected two provisions of its new regulations covering continuous welded rail (CWR). These new regulations are effective February 22 for Class 3 railroads, and are already effective for Class 1 and 2 railroads.

The FRA has now changed the definition for “buckle-prone condition.” The earlier definition would have required remedial action any time the temperature of the rail was above the neutral temperature. The FRA has changed this definition to, “A condition that can result in the track being laterally displaced due to high compressive forces caused by critical rail temperature combined with insufficient track strength and/or train dynamics.” The FRA has also corrected an error in the definition of “adjusting/de-stressing” where “rail temperature” was used instead of “rail neutral temperature.”

To view these corrections, in the Federal Register, link to <http://www.nrcma.org/ps.home.cfm?ID=2399>.

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FIRST NARROWBAND DEADLINE SET FOR MID-YEAR

Summer 2010 will see the first deadline in the rail industry's multi-year transition to narrowband radio transmission. The first date is the industry's self-imposed deadline of July 1, 2010, after which time locomotives operated to or from an interchange, or in run-through service, must be equipped with narrowband-capable radios.

In order to modernize domestic use of the radio spectrum, the Federal Communications Commission (FCC) directed in 2003 that all except military two-way radio transmission would narrow from 25KHz bandwidth to 12.5KHz bandwidth in ten years' time. Since then, railroads throughout the country have begun equipping their locomotives for this transition, and ASLRRRA has since early 2007 been providing information and guidance to its member railroads about this change.

After July 1, 2010, the next date of narrowband importance will be January 1, 2011. On that date, the FCC will not permit any more radio licensing at 25KHz bandwidth and from then on only permit licensing at the 12.5KHz bandwidth. Also on or about that date, Class 1 railroads will begin a two-year transition to narrowband, with various divisions, geographical areas, etc. transitioning to 12.5KHz at select dates through January 1, 2013, after which time transmission at 25KHz will be prohibited by federal law. ASLRRRA continues to urge short line and regional railroads to keep in close contact with their Class 1 partners about their transition plans, to ensure a coordinated cutover to narrowband.

The Association will continue to provide information to our member railroads related to narrowband specifics, timetables, etc. Of special interest will be an educational breakout session at the ASLRRRA annual convention in Orlando this coming May featuring the national experts on rail industry narrowbanding – the only time this year that these individuals will be gathered at a public forum for the purpose of question and answer. For help with narrowband issues, please contact ASLRRRA's Dave Mears at dmears@aslrro.org or Steve Friedland – who represents ASLRRRA on the industry's Wireless Communication Committee, which is managing the narrowband change – at sfriedland@merail.com.

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DEADLINE APPROACHING FOR SUSAN C. MURRAY SCHOLARSHIP

Deadline only ten days away!!

As a reminder, the deadline is **February 26, 2010** for applying for the annual Susan C. Murray Memorial Women's Scholarship. The four-year college scholarship is named after Mrs. Murray – an executive at Commonwealth Business Media (now known as UBM Global Trade) who was instrumental in the creation and early success of the ASLRRRA's annual exhibition – who passed away in January, 2003. The Susan C. Murray Scholarship is awarded annually to a daughter or granddaughter of a railroader who holds a strong academic record, served as a participant and leader in extracurricular activities and possesses the drive to reach success in their chosen professions.

The ASLRRRA scholarship is open to daughters and granddaughters of ASLRRRA Railroad and Associate Members in good standing.

Past winners are:

- Amanda Dawn Simmons, granddaughter of Tommy Joe Alexander from Jefferson Warrior Railroad
- Dina McKenney, daughter of Rob McKenney from the former Georgia & Florida RailNet
- Kathryn Medlock, daughter of Mike Medlock from Klutts Equipment
- Marion Joy, daughter of Christine Joy from Union Switch & Signal (Now Ansaldo STS USA)
- Kristin Wegner, daughter of Mark Wegner from Twin Cities & Western Railroad
- Margot Sidman, daughter of Mark Sidman from Weiner Brodsky Sidman Kider PC.

Visit the ASLRRRA homepage www.aslrro.org under Upcoming Events for the application form. Please contact Kathy Keeney at kkeeney@ubmglobaltrade.com with any questions about the scholarship program.

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2010 ASLRRA MARKETING AWARDS COMPETITION

Don't Forget! Deadline is one week away!

The American Short Line and Regional Railroad Association is currently accepting entries for its Fifteenth Annual Marketing Awards Competition. All member railroads are invited and encouraged to participate. Eligibility and outcome will not be affected by either the size of a competing railroad's project or the size of its operations.

Since it was introduced fifteen years ago, submissions to the ASLRRA Marketing Awards Competition have increased each year. We have every reason to expect that this year will surpass all others, both in terms of the quality and quantity of entries. From among the received applications, a panel of six distinguished judges will have the difficult task of selecting three top marketing initiatives. Each winner will receive an engraved plaque at the ASLRRA Annual Convention in Orlando, Florida.

We encourage all member railroads to participate in this competition. Short line and regional railroads have some of the most innovative and successful marketing initiatives in today's industry. ASLRRA's Marketing Awards Competition is a prime opportunity to demonstrate this fact to your peers, while also proving to present and potential customers how effectively you operate.

All entries must be mailed and received by ASLRRA **before Friday, February 26, 2010**. Please send **six copies** of your submission to the following address:

ATTN: Jenny McKinney, Director – Marketing
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@aslrra.org.

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RAILWAY AGE TAKING NOMINATIONS FOR SHORT LINE/REGIONAL RAILROAD OF THE YEAR

The following article is from Railway Age Magazine and concerns the upcoming Short Line/Regional Railroad of the Year competition:

Railway Age is now accepting entries for its annual Short Line/Regional Railroad of the Year competition. Short lines and regionals—and there are more than 500 of them—are invited to submit entries describing outstanding achievement in one or a combination of areas.

“U.S. and Canadian short lines and regional railroads have done their part, and more, in keeping goods moving during an economic downturn that was the most severe in recent memory,” says Managing Editor Douglas John Bowen. “But in good years or bad, they also excel at numerous tasks, including turnaround situations, consistent excellence, innovation in operations or maintenance, marketing, customer service, enhanced productivity, community relations, and safety improvement. Add a growing emphasis on a sound economic/environmental business package mix, and you have a business sector that continues to innovate.”

Small roads in Mexico, the U.S., and Canada are eligible for an award (and railroads can even nominate themselves). The 2010 winners will be awarded specially designed plaques at the American Short Line and Regional Railroad Association Annual Convention in Orlando, Fla., at ASLRRA's gala dinner Tuesday, May 4. Articles describing their achievements will appear in Railway Age's April 2010 issue, which will be distributed at the show. Railway Age will work with the winners to publicize the awards in online and national media, as well as any in-house websites available.

“Award winners have ranged from large regionals to small short lines,” says Bowen, “and we’ve recognized and honored carriers ranging from 20 miles to nearly 2,000 miles. In most years, including last year, separate awards have been given for regional and short line carriers.”

Railway Age's 2009 Short Line Railroad of the Year Award honored Wilmington, Calif.-based Pacific Harbor Line, Inc.; the 2009 Regional Railroad of the Year Award recognized Milwaukee-based Wisconsin & Southern Railroad Co. W&S also took home 2001 Regional Railroad of the Year honors.

Submit your entries to: Douglas John Bowen, Managing Editor, Railway Age, 345 Hudson Street, 12th Floor, New York, N.Y., 10014. E-mail: dbowen@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. (Longer and shorter descriptions are admissible; 500 words is only a guideline.) Entry forms are not essential, but may be obtained from Bowen by fax or e-mail. The entry deadline is Friday, March 5, 2010, so please don't delay.

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PROGRESSIVE RAILROADING SOLICITS MAINTENANCE OF WAY SPENDING INPUT

Progressive Railroading Magazine's managing editor, Jeff Stagl, reports that his staff is in the midst of compiling data on freight and passenger railroads' 2010 maintenance-of-way programs. This information is for the magazine's ninth annual MOW survey, which will be published in their April 2010 edition.

Jeff says that he is particularly interested in gaining survey information from short line and regional railroads. He has prepared a survey form, which may be linked to at http://www.aslrra.org/images/news_file/2010_MOW_Survey_Short_Line.pdf. He will express his gratitude to those short lines and regionals that can complete the form and return it to him, either by email at jeff.stagl@radepress.com, or by fax at (414) 228-1134, and by March 19.

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CHLORINE INSTITUTE INVITES SHORT LINES FOR TRAINING

The Chlorine Institute has extended an invitation for an appropriate person from a short line or regional railroad to attend its CHLOREP Team Training Exercise at the Mississippi Fire Academy in Jackson, MS, to be held April 19-23. The CHLOREP Team Training Exercise is a state-of-the-art, five-day chlorine emergency response training seminar held every few years. The Exercise combines field and classroom training. It is primarily designed to train CHLOREP team members, but has value to any responder that might be presented with a chlorine response situation.

As background, CHLOREP is the chlorine emergency response mutual aid program wherein emergency response teams from chlorine plants throughout North America assist in the response to chlorine emergencies. CHLOREP is managed by The Chlorine Institute and is activated through CHEMTREC. The Institute has extended this invitation in the belief that it presents an excellent opportunity not only for advanced learning, but also for positive interaction between chemical industry and railroad emergency response personnel.

The Exercise registration fee is \$595 per person, and includes training facility costs, lunches, snacks, and coffee breaks. The Institute subsidizes the seminar as part of its chlorine safety mission.

Interested persons should send an email to Dave Mears at dmears@aslrra.org stating their background and interest. Dave will gather and assemble those emails for ASLRRRA General Superintendent Tom Streicher, who will select the ideal candidate.

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IN MEMORIAM

Jack Foster, former President of railcar leasing firm O. Jack Foster & Company, Inc., passed away peacefully at his home in Atlanta on January 21, 2010. A leader in the railroad industry for five decades, Mr. Foster served in the Air Force during the Korean War, flying 49 combat missions. Dave Perkins of Angelina & Neches River Railroad remembered Jack, saying, "I am saddened to learn of the passing of this remarkable man and wish to express my condolences to his family. Jack was a true gentlemen in all respects, his enthusiasm was contagious and it was my privilege to know and work with him."

Mr. Foster is survived by his beloved wife Kim Waller Foster, his son, Carter, of New York, his daughter, Susan, granddaughter Taylor Lambert, both of Atlanta, his sister, Lorene Yordi, of Ardmore, and numerous other relatives. In lieu of flowers the family asks that donations be made in his name to Hospice Atlanta: Office of Advancement, Visiting Nurse/Hospice Atlanta, 6610 Bay Circle, Suite C, Norcross, GA 30071.

www.vnhs.org/howyoucanhelp/donate.

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RRB ISSUES NEW TAX AND BENEFIT OVERVIEW

With the approach of tax time, the Railroad Retirement Board has released a series of questions and answers related to federal income tax and railroad retirement benefits. The RRB reminds that individuals with specific questions about retirement benefits should contact an RRB office and those with specific questions about federal income tax should contact an IRS office. This is the first of three parts; the second and third parts will be published in V&N's next two editions:

How are the annuities paid under the Railroad Retirement Act treated under the Federal income tax laws?

A railroad retirement annuity is a single payment comprised of one or more of the following components, depending on the annuitant's age, the type of annuity being paid, and eligibility requirements: a Social Security Equivalent Benefit (SSEB) portion of tier I, a Non-Social Security Equivalent Benefit (NSSEB) portion of tier I, a tier II benefit, a vested dual benefit, and a supplemental annuity.

In most cases, part of a railroad retirement annuity is treated like a social security benefit for Federal income tax purposes, while other parts of the annuity are treated like private pensions for tax purposes. Consequently, most annuitants are sent two tax statements from the RRB each January, even though they receive only a single annuity payment each month.

Which railroad retirement benefits are treated as social security benefits for Federal income tax purposes?

The SSEB portion of tier I (the part of a railroad retirement annuity equivalent to a social security benefit based on comparable earnings) is treated for Federal income tax purposes the same way as a social security benefit. The amount of these benefits that may be subject to Federal income tax, if any, depends on the beneficiary's income.

If taxable pensions, wages, interest, dividends, and other taxable income, plus tax-exempt interest income, plus half of the amount of the social security equivalent benefit payments exceed:

* \$25,000 for an individual, \$32,000 for a married couple filing jointly, and zero for a married individual who files separately but lived with his or her spouse any part of the year, up to 50 percent of these railroad retirement benefit payments may be considered taxable income;

* \$34,000 for an individual, \$44,000 for a married couple filing jointly, and zero for a married individual who files separately but lived with his or her spouse any part of the year, up to 85 percent of these benefits may be taxable income.

Which railroad retirement benefits are treated like private pensions for Federal income tax purposes?

The NSSEB portion of tier I, tier II benefits, vested dual benefits, and supplemental annuities are all treated like private pensions for Federal income tax purposes. In some cases, primarily those in which early retirement benefits are payable to retired employees and spouses between ages 60 and 62, some occupational disability benefits, and other categories of unique RRB entitlements, the entire annuity may be treated like a private pension. This is because social security benefits based on age and service are not payable before age 62, social security disability benefit entitlement requires total disability, and the Social Security Administration does not pay some categories of beneficiaries paid by the RRB.

What information is shown on the railroad retirement tax statements sent to annuitants in January?

One statement, the blue and white Form RRB-1099 for U.S. citizens or residents (or black and white Form RRB-1042S for nonresident aliens), shows the SSEB portion of tier I or special minimum guaranty payments made during the tax year, the amount of any such benefits that an annuitant may have repaid to the RRB during the tax year, and the net amount of these payments after subtracting the repaid amount. The amount of any offset for workers' compensation and the amount of Federal income tax withheld from these payments are also shown. Illustrations and explanations of items found on Form RRB-1099 and Form RRB-1042S can be found in IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits.

The other statement, the green and white Form RRB-1099-R (for both U.S. citizens and nonresident aliens), shows the NSSEB portion of tier I, tier II, vested dual benefit, and supplemental annuity paid to the annuitant during the tax year, and may show an employee contribution amount. The NSSEB portion of tier I along with tier II are considered contributory pension amounts and are shown as a single combined amount in the Contributory Amount Paid box (Item 4) on the statement. The vested dual benefit and supplemental annuity are considered noncontributory pension amounts and are shown as separate items on the statement. The total gross paid amount shown on Form RRB-1099-R is the sum of the NSSEB portion of tier I, tier II, vested dual benefit and supplemental annuity payments. Also shown is the amount of Federal income tax withheld from these payments. The statement also shows the amount of any of these prior year benefits repaid by the annuitant to the RRB during the tax year. This amount is not subtracted from the gross amounts shown because its treatment depends on the years to which the repayment applies and its taxability in those years. To determine the year or years to which the repayment applies, annuitants should contact the RRB. Illustrations and explanations of items found on Form RRB-1099-R can be found in IRS Publication 575, Pension and Annuity Income.

If the annuitant is taxed as a nonresident alien of the United States, Form RRB-1042S and/or Form RRB-1099-R will show the rate of tax withholding (0 percent, 15 percent or 30 percent) and country of residence for income tax purposes. Nonresident aliens may receive more than one set of original tax statement Forms RRB-1042S and/or RRB-1099-R in a tax year if there was a change in the country of residence for income tax purposes, or a change in the rate of income tax applied to annuity payments. Nonresident aliens who resided in the United States for part of a tax year may receive a set of original U.S. citizen tax statement Forms RRB-1099 and/or RRB-1099-R and one or more sets of nonresident alien tax statement Forms RRB-1042S and/or RRB-1099-R.

The total Part B Medicare premiums deducted from the railroad retirement annuity may also be shown on either Form RRB-1099 (Form RRB-1042S for nonresident aliens) or Form RRB-1099-R. Medicare premiums deducted from social security benefits paid by the RRB, paid by a third party, or paid through direct billing are not shown on RRB-issued tax statements.

Copy B and/or Copy 2 of Form RRB-1099-R must be submitted with the annuitant's tax return. Annuitants should retain copy C of all statements for their records, especially if they may be required to verify their income in connection with other Government programs.

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MEETINGS AND CONFERENCES COMING UP

ASLRRRA's 2010 Regional Meetings have been scheduled! More details on each of the meetings will become available throughout the year. Check in with http://www.aslrra.org/meetings_seminars/index.cfm for more information!

February 25, 2010 Railroad Day on Capitol Hill: To be held at the Washington Grand Hyatt in Washington, DC. More information and registration available on ASLRRRA's website: http://www.aslrra.org/meetings_seminars/railroad_day_on_capitol_hill/index.cfm.

May 1-4, 2010 ASLRRRA Annual Convention: To be held at the Hilton Bonnet Creek in Orlando, FL. More information available on ASLRRRA's website: http://www.aslrra.org/meetings_seminars/index.cfm.

June 6-9, 2010 104th Annual Meeting of the American Railway Development Association (ARDA): To be held at the Westin Savannah Harbor Resort in Savannah, GA. ARDA is an association where the industrial and economic development, real estate, environmental, technology, and legal types (railroaders and consultants) of the rail sector meet and exchange knowledge and information. For more information, visit www.amraildev.com.

September 12-14, 2010 Eastern Region Meeting: To be held at the Renaissance Baltimore Harborplace Hotel in Baltimore, MD.

October 3-5, 2010 Central Pacific Region Meeting: To be held in Kansas City, MO.

November 7-9, 2010 Southern Region Meeting: To be held in Atlanta, GA.

March 2-3, 2010 15th Annual AAR Research Review: To be held at the Pueblo Marriott Convention Center in Pueblo, Colorado. The subject of the conference is "Meeting the Industry's Technology Goals." Register online at www.regonline.com/15thannualreview.

April 22, 2010 NRC Auction: To be hosted by Balfour Beatty Rail at their Washington, PA facility. More information will be forthcoming regarding details on the auction and travel/lodging recommendations. For more information, contact Balfour Beatty's Equipment Director Mark Meyer at mmeyer@bbri.com or (904) 378-7124.

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MEMBERS IN THE NEWS

An **Electro-Motive Diesel** facility in LaGrange, IL recently received the Governor's Continuous Improvement Award for their continued achievements in protecting the environment through their operations. In its fourth year receiving the award, EMD is recognized for further decreasing their total annual waste output by thirteen percent... In further news from **Electro-Motive Diesel**, Marise Stewart was recently hired as their Director of Government and Industry Relations, having served most recently as Principal at DuffAssociates. Stewart will serve as EMD's principal point of contact with government agencies and officials... **Elkhart & Western Railroad** recently applied for regulatory permission to expand their line by leasing 23 miles of Indiana branch line from Norfolk Southern. The short line, owned by Pioneer Railcorp, will operate the Argos to Walkerton, IN route... **Lycoming Valley Railroad** will soon acquire their fourth utility pole distribution yard. Six acres of property owned by Pacific Wood Products will be leased to LVRR in Clinton County, PA to serve as a utility pole and gas pipeline crane mat distribution yard... The **New York, Susquehanna & Western Railway** will no

longer operate the annual Central New York Maple Festival passenger shuttle between Cortland and Marathon, NY. NYS&W spokeswoman Melanie Boyer commented, "We have enjoyed our years of partnership with the festival and wish them continued success. At this time, we must focus our energies on our freight service" ... **Montreal, Maine & Atlantic Railway** filed a "Notice of Intent" with the STB to abandon certain of its lines. MMA plans in the meantime to continue regular rail service and is working with the Maine Department of Transportation to offer a solution to allow continued operation on the lines... New York Governor Patterson has made available \$3.5 million to rebuild a rail connection in Long Island. The funding will allow to restoration of freight rail service to the Enterprise Industrial Park near Riverhead, NY. Once restored, it will be served by the **New York & Atlantic Railroad**, which provides local freight rail service on Long Island... **Paducah & Louisville Railway** recently pledged \$50,000 to West Kentucky Community and Technical College for a Community Scholarship Program over a five year period. Students currently enrolled in the eighth grade and planning to enroll at WKCTC in the fall of 2014 will be the first students eligible to receive CSP funding... **Watco Companies** recently replaced their fleet of SD50 locomotives with SD40-2s. The newly acquired diesels will replace the SD50s on the South Kansas & Oklahoma, Stillwater Central, and Austin Western railroads.

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OTHER INDUSTRY NEWS

BNSF recently debuted its prototype switching locomotive that is powered by hydrogen fuel cells. The locomotive will initially be used by BNSF at their yards and terminals in Southern California. BNSF CEO Matt Rose and California Governor Arnold Schwarzenegger attended ceremonies in Los Angeles marking the locomotive's start of service.....**The Chicago Region Environmental And Transportation Efficiency (CREATE) Project Office recently announced that it would build a flyover in Englewood, IL to grade-separate the Metra Rock Island District line and Norfolk Southern line that cross there.** A CREATE spokesman said that \$133 million in federal stimulus funding would be used for this project. The spokesman added that the flyover project is critical due to the number of trains that use the junction; presently each weekday, 78 Metra trains cross on the Rock Island District line, and 14 Amtrak trains and 40 NS freight trains cross on the NS line.....**The Obama Administration's proposed budget for Fiscal Year 2011 calls for the Federal Railroad Administration to charge for some of its rail safety inspection services.** The budget states that the "railroad safety user fee...[will] help offset the costs associated with railroad safety inspectors and their activities." The budget anticipates \$50 million in income from these fees in FY2011, all of which would go to the FRA, instead of to the general fund of the U.S. Treasury.....**The Railroad Retirement Board recently noted the 75th anniversary of the legislation that created it.** The RRB said that, since its 1935 start, it has paid \$281 billion to 2 million retired employees, 1.1 million spouses, and 2.4 million survivors. The board said that it would commemorate its anniversary with a series of activities and initiatives during the year, including use of a special logo on its documents and publications.....**The Surface Transportation Board recently released an updated study on rail rates and competitiveness.** The study, conducted by Christensen Associates, found that rail rates had, in general, increased steadily since 2004, with particularly steep increases in 2008. However, the study found that the rate increases were driven by fluctuating fuel prices and other costs, and did not appear to reflect a greater exercise of railroad market power over so-called captive shippers.....**The U.S. Department of Energy has withdrawn 116 water applications related to the earlier proposed construction of a 319-mile rail line that would serve Yucca Mountain in Nevada.** Media reports noted that this was the strongest sign yet that the project to store the nation's nuclear waste at Yucca Mountain would be abandoned, a cause championed by U.S. Senate Majority Leader Harry Reid (D-NV). Most of the water applications were to build temporary water wells along the line, which was to have run between Yucca Mountain and the existing rail line at Caliente, NV.....**On February 12, BNSF became a privately held company,** attendant with the vote the previous day by BNSF stockholders endorsing the purchase of outstanding BNSF stock by Warren Buffett's Berkshire Hathaway Company. Berkshire paid \$100 per share for the remaining 77.4 percent of BNSF stock it didn't already own. As part of the deal, Berkshire issued new shares and split its Class B shares 50-to-1.

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CLASS I RAIL TRAFFIC

For the week ending February 6, 2010, U.S. rail volume grant totaled 29.2 billion ton-miles, up 2.5 percent from the comparable period last year. U.S. carload rail traffic was up 1.4 percent, up 0.2 percent in the East and up 2.0 percent in the West. Notable traffic increases included metals and metal products up 50.8 percent and non-grain farm products up 32.0 percent; notable traffic decreases included crushed stone, sand and gravel down 12.7 percent and pulp and paper products down 10.3 percent. Also for the week, U.S. intermodal rail traffic was up 5.1 percent, Canadian carload rail traffic was up 9.3 percent, Canadian intermodal rail traffic was up 2.4 percent, Mexican carload rail traffic was up 11.4 percent, and Mexican intermodal rail traffic was up 19.5 percent.

For the period January 1 through February 6, 2010, U.S. rail volume grant totaled 143.9 billion ton-miles, up 0.5 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 0.3 percent, U.S. intermodal rail traffic was up 3.0 percent, Canadian carload rail traffic was up 14.8 percent, Canadian intermodal rail traffic was up 3.4 percent, Mexican carload rail traffic was up 3.2 percent, and Mexican intermodal rail traffic was up 3.8 percent.

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RMI RAILCONNECT SHORT LINE TRAFFIC INDEX

The RMI Railconnect Index is waybill-based and totals shipments billed by non-Class I railroads using RMI billing products. For this report, this totals 340 such railroads. This index is calculated weekly. The **below data is as of the week ending January 30, 2010**, the 4th week of 2010. Special thanks to RMI's Cheri Denton for this valuable statistical information.

	Week Ending January 30			Year-To-Date		
	2010	2009	% Change	2010	2009	% Change
CARLOADS HANDLED						
Coal	11,226	11,645	-3.60%	41,870	51,553	-18.78%
Grain	14,340	11,458	25.15%	54,497	45,628	19.44%
Farm & Food (Exc. Grain)	4,696	4,571	2.73%	18,071	18,436	-1.98%
Ores	3,418	945	261.69%	11,917	4,777	149.47%
Stone, Clay, Aggregates	8,932	8,336	7.15%	34,366	33,955	-1.21%
Lumber/Forest Prods.	3,534	3,442	2.67%	13,202	12,787	3.25%
Paper Products	5,467	6,223	-12.15%	22,743	24,361	-6.64%
Waste & Scrap Materials	5,296	4,087	29.58%	18,210	16,898	7.76%
Chemicals	15,795	14,813	6.63%	63,875	60,902	4.88%
Petroleum & Coke	3,899	3,006	29.71%	15,677	15,571	-0.68%
Metals & Products	7,135	6,233	14.47%	27,120	25,416	6.70%
Motor Vehicles & Equip.	940	796	18.09%	3,463	2,643	31.03%
Intermodal	6,634	7,029	-5.62%	23,890	30,180	-20.84%
All Other	2,302	1,568	46.81%	9,398	5,424	54.83%
Total	93,614	84,152	11.24%	357,299	348,531	2.52%

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BE SURE TO CHECK OUT ASLRRRA HOT TRACKS

Every Wednesday, the ASLRRRA staff selects several current news stories in the short line industry to post on the Hot Tracks section of the association's website. Be sure to check out www.aslrra.org every week for the latest news on short line and regional railroads!

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FORWARD YOUR PRESS RELEASES TO ASLRRRA!

One of the many benefits afforded ASLRRRA members is the posting of press releases in the HOT TRACKS Section on the ASLRRRA web site www.aslrra.org. Please make sure to add the ASLRRRA to your press release distribution list and forward them to Eileen Keane at ekeane@aslrra.org. The press release should include a link back to the news listing on your company's website.

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FOLLOW ASLRRRA ON FACEBOOK & TWITTER!

Be sure to follow the latest ASLRRRA news and developments on Facebook and Twitter!

ASLRRRA maintains both its own and also a 2010 Annual Convention Facebook page. To follow either or both, log into www.facebook.com, signing up if you are a first-time Facebook user. Search on "American Short Line and Regional Railroad Association" to get to the ASLRRRA page and on "ASLRRRA Annual Convention" to get to the Convention page, then make sure to click on "Become A Fan." For further information contact ASLRRRA's Jenny McKinney at jmckinney@aslrra.org.

ASLRRRA also uses Twitter to tell – as do more than 40 million other Twitter users worldwide – "what we are doing." You can view the ASLRRRA Twitter page directly at www.twitter.com/aslrra. And if you sign up for a free Twitter ID at www.twitter.com or if you already have one, you can customize it to automatically receive ASLRRRA updates, including on a mobile device, such as a Blackberry or iPhone, as well as on a conventional mobile phones capable of receiving text messages. For further information, contact ASLRRRA's Dave Mears at dmears@aslrra.org.

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HELPFUL LINKS

To use the Railinc Embargo & Permit System, including open & prepay station (OPSL) notes, link to <https://aarembargo.railinc.com/epdb/public.do> **Note: all embargo offers were required by Railinc to re-subscribe by December 1. If you have not yet done so, please contact ASLRRRA's Steve Sullivan at sullivan@aslrra.org as soon as possible.**

To reach the Railinc homepage, link to www.railinc.com.

To reach the ASLRRRA public website, link to www.aslrra.org. To reach its members'-only website, link to members.aslrra.org.

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