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American Short Line and Regional Railroad Association

# VIEWS & NEWS

VOLUME 74

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APRIL 2, 2007

## Upcoming Events

2007 ASLRRRA Annual  
Convention  
April 22-24, 2007  
Baltimore, MD

Railroad Liability  
Seminar  
June 26-29, 2007  
Rockport, ME

NS Short Line  
Conference  
July 29-31, 2007  
Roanoke, VA

2007 ASLRRRA Eastern  
Region Meeting  
September 23-35, 2007  
Burlington, VT

Questions? Comments?  
E-Mail Us.

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Security Alert Level  
2 is in Effect

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## ASLRRA 2007 ANNUAL CONVENTION – PUTTING YOU IN RAILROADU



Just what, you ask, is RailroadU? And why should it be an important part of your company's educational program?

RailroadU is a series of seven educational tracks that ASLRRA's Annual Convention Planning Committee has brought together to take place this April 22-24, in Baltimore, Maryland. These tracks comprise more than 40 sessions covering the disciplinary fields of Engineering; Finance & Administration; Legal; Legislative; Marketing & Emerging Markets; Operating & Maintenance; and Technology. Designed to provide exceptional education for railroad professionals, we've also added sessions for those that are new to the industry or looking for a refresher and they are the **RR101**-designated sessions listed below. These sessions will provide you with basic skills that are fundamental to understanding the rail industry. For a complete listing of all of the tracks at a glance, [click here](#).

The Convention and its associated events will be held April 21-24, 2007, at the **Baltimore Marriott Waterfront**, located in the heart of the Inner Harbor. For further details on the convention, download the registration information by [clicking here](#). To register online, [click here](#). If you need help with your login information, call the ASLRRA at (202) 628-4500 for assistance.

### ANNUAL CONVENTION UPDATE

Our room blocks at the Baltimore Marriott Waterfront and Inner Harbor Courtyard by Marriott have sold out due to overwhelming demand, but we have arranged a new room block at the **Renaissance Baltimore Harborplace**, at 202 East Pratt Street, only four blocks from the Baltimore Marriott Waterfront. The special reduced group rate of \$189 is available by calling (410)-547-1200 or visiting the Renaissance website [here](#). Mention **ASLRRA** or **American Short Line** to receive the special rate. More tickets have also been obtained for the baseball game on Saturday night, April 21.

## FORMER ASLRRA GENERAL COUNSEL DORSEY PASSES AWAY



Former ASLRRA General Counsel Thomas C. Dorsey recently passed away at 69. Mr. Dorsey came to the American Short Line Railroad Association, as it was then, in November 1979 as vice president, general counsel and secretary. Prior to his career at the ASLRA, he had attended Duke University, graduating in 1962. After graduating from Duke, Mr. Dorsey had served as the principal assistant to the Commissioner of the Interstate Commerce Commission for eight years, had a private practice specializing in transportation issues for five years, and served the Association of American Railroads in many positions in their legal department. Mr. Dorsey retired from the ASLRA on January 1, 1994.

Mr. Dorsey was suffering from Advanced Dementia – Alzheimer’s. The funeral was held at Peterson Funeral Home in Frewsburg, NY. Donations in his name can be made to the Alzheimer’s Association at [www.alz.org](http://www.alz.org) or:

Alzheimer’s Association  
225 N. Michigan Ave., Floor 17  
Chicago, IL 60601-7633

## SAFETY AWARD WINNERS DECIDED

The ASLRRA Safety Awards for the 2006 calendar year have been decided. Among the highlights: four member railroads – the Delta Valley & Southern Railway Co., Hollis & Eastern Railroad Co., Louisville, New Albany & Corydon Railroad, and the Omaha Lincoln & Beatrice Railway Co. – received President’s Awards for going without an FRA reportable injury for the 32nd straight year, the Virginia Southern Railroad won the Most Improved Award, the Birmingham Southern Railroad Company won two President’s Awards, and Dale Virts of Montana Rail Link, Inc. was named the Safety Person of the Year. To view the entire list of award winners, click [here](#).

## ADVISORY GROUP REVIEWS THE CONCEPT OF ORIGIN ROAD BILLING

The railroad industry's Revenue Systems Working Committee (RSWC) is reviewing the possibility of origin road-based billing by railroads. The Origin Road Billing Initiative Technical Advisory Group (TAG) was formed to further research the advantages and disadvantages of such a change. This initiative is only at the very earliest stages of consideration, with no action other than information gathering being undertaken at this time. Representing Class II railroads on the TAG is Debbie Ghioto of the Florida East Coast and representing Class III railroads in Lynn Gibson of the Columbus & Greenville. To review the most recent update on this initiative, click [here](#). Please direct any questions to Lynn Gibson ([lynn.gibson@cagy.com](mailto:lynn.gibson@cagy.com).)

## **FRA GRANTS RRIF LOANS TO DM&E, R.J. CORMAN GROUP**

The Dakota, Minnesota & Eastern Railroad Corp. and the R.J Corman Railroad Group recently gained approval from the Federal Railroad Administration (FRA) for Rehabilitation and Improvement Financing (RRIF) loans.

The DM&E received a \$48.3 million loan - the railroad's second under the RRIF program since 2003 - to upgrade 134 track miles between Wall, S.D., and Colony, Wyo., to accommodate heavier freight cars hauling grain, ethanol and minerals.

The project calls for replacing 60 miles of rail between Wall and Owanka, and Whitewood and the South Dakota-Wyoming state line; repairing bridges between Wasta and Owanka and near Belle Fourche; replacing 55 track switches; installing 84,000 crossties; building a 1.5-mile siding in Midland; and resurfacing 93 grade crossings.

Meanwhile, the FRA also approved a \$58.9 million RRIF loan for the R.J Corman Railroad Group. The company will use proceeds to rehabilitate 24 locomotives, purchase 200 new centerbeam flat cars and acquire 100 new coal hopper cars. RJ Corman also will use a portion of the loan to refinance debt incurred from purchasing railroad property, facilities, cars and heavy maintenance equipment.

Under the RRIF program, the FRA is authorized to provide \$35 billion (including \$7 billion set aside for regionals and short lines) in direct loans or loan guarantees to eligible railroads, state and local governments, and government-sponsored authorities to acquire, develop, improve or rehabilitate intermodal or rail facilities. Since 2002, the administration has approved 17 loans, including the two recent ones.

## **LIABILITY CONFERENCE TO BE HELD IN PINE TREE STATE**

The 2007 Railroad Liability Seminar will be held June 26-29 at the [Samoset Resort](#) in Rockport, Maine. To make hotel reservations, call (800) 341-1650. This seminar is attended by regional and short line railroad staff, as well as legal and insurance company representatives. Topics covered have included FELA Claims, Insurance Markets, FRA Issues, Fraudulent Claims, Hazmat Derailments, and Risk Management. The seminar will prove beneficial to Accounting Managers, Insurance and Legal Departments, and Risk & Claims Managers to name a few. To register and sponsor, click [here](#).

## **RSI, AAR TO SPONSOR QUALITY CONFERENCE**

The Railway Supply Institute and the Association of American Railroads will co-sponsor a Quality Conference on October 22 and 23, 2007 at the Crowne Plaza in Rosemont, Illinois. The theme of the conference is "Ensuring Quality in the Rail-Global Supply Chain." Featured sessions include business excellence, quality audits and document control. The keynote speaker is to be announced. For more information, contact Robyn Leach at [leach@railwaysupply.org](mailto:leach@railwaysupply.org) or visit the RSI website at [www.rsiweb.org](http://www.rsiweb.org).

## ASLRRA WELCOMES NEW MEMBERS

Recently the ASLRRA welcomed one new railroad member, and two new associate members. The new railroad member is:

**Chattahoochee Bay Railroad, Inc.**, 700 South Range St., Dothan, Alabama 36301, (334) 792-0970, of which Mike Doyle is the Operations Manager.

The new associate members are:

**Electro Motive Diesel**, 9301 W. 55th Street, La Grange, Illinois 60525, (708) 387-6000, website: [www.emdiesels.com](http://www.emdiesels.com), who design, manufacture, and sell diesel-electric locomotives for all commercial applications; and

**Reflexite Americas**, 315 South Street, New Britain, Connecticut 06051, (860) 223-9297, Fax (860) 832-9267, website: [www.reflexiteamericas.com](http://www.reflexiteamericas.com), e-mail: [americas@reflexite.com](mailto:americas@reflexite.com), providing retroreflective tapes, garment trims and sheeting to the marine, trucking, school bus, automotive, fleet-vehicle, off-highway equipment, construction workzone and rail industries, of which Nora Stearns is the marketing associate.

## CORRECTION

The Center for Transportation Research at the University of Tennessee will be holding a "**Timber & Steel Railroad Bridge Inspection, Maintenance and Safety**" workshop May 16-18, 2007 at Knoxville, Tennessee. This was incorrectly listed as a "Local Law Enforcement and Security Threats Involving Freight Railroad Operations" workshop. We apologize for this error.

For more information on the workshop, download the brochure [here](#) or contact Jenny Jones at 865-974-5255.

## PERSONNEL CHANGES

**Mitsui Rail Capital L.L.C.** (MRC) recently appointed **Mark Brecht** senior vice president; **Morihiro Aoki**, treasurer and secretary to succeed Brecht; and **Dana Koenig**, director of sales to succeed Brian Ottinger, who left the company to pursue other opportunities. Most recently VP, treasurer and secretary, Brecht joined MRC nine years ago. He has served in various coal car logistics management, fleet maintenance, rail-car acquisitions and business development positions. Brecht will continue to assume the responsibilities of the VP-sales and marketing until MRC fills the position. Aoki previously played a role in MRC's worldwide railroad projects and helped develop MRC Europe operations. Koenig joined MRC in 2004 as manager of customer services. She previously served in various rail-car and other positions at Union Pacific Railroad, Bombardier Capital Rail, ConAgra and Bunge.

**OmniTRAX, Inc.**, the manager of one of North America's largest privately owned network of short line and regional railroads and transportation companies, announced today the appointment of **John Fenton** as its Chief Operating Officer. Mr. Fenton has over 20 years experience in the railroad business and most recently was employed by solid waste giant Waste Management Inc., a Fortune 200 Company, as its Vice President of Service Design and Delivery. While at Waste Management, Mr. Fenton played major role in significantly improving the company's safety performance, as well as in the turn around of troubled operations in Canada and Florida. Mr. Fenton's railroad career includes holding positions as Vice President/General Manager for Canadian National and Vice President of Transportation for the Kansas City Southern. He also held management and operations positions with the Santa Fe Railway.

**RailAmerica Inc.** recently named **David Rohal, Charles Patterson** and **Paul Lundberg** vice presidents. They will report to Chief Executive Officer John Giles. Rohal previously served as Rail Link Region VP for Genesee & Wyoming Inc., where he was responsible for nine short lines. He also served CSX Transportation for 18 years in various corporate and operating positions, including field operations, planning, customer service and equipment management. Patterson previously held various marketing and sales positions at CSXT. He also served stints as chief commercial officer for Great Lakes Transportation and sales director for Canadian National Railway Co. Most recently general manager for the Massachusetts Bay Commuter Railroad Co., Lundberg previously served Great Lakes Transportation and the Chicago & North Western Railway in various positions.

**Transportation Technology Center Inc. (TTCI) Vice President of Technology Keith Hawthorne** retired on March 30, ending a 35-year Association of American Railroads (AAR) and TTCI career. After joining the AAR in 1972 as a research engineer, Hawthorne became part of the association's research and test department at the Chicago Technical Center (CTC). He later was appointed the CTC's director of safety and applied technology, director of track train dynamics, technical director and assistant vice president. In 1992, Hawthorne became TTCI's senior AVP, a position he held until 1997. During his TTCI tenure, the track train dynamics program, designed to research and mitigate severe derailments, was successful, as was the safety resource team Hawthorne initiated at TTCI, AAR officials said in a prepared statement. "Keith visualized a safety program at TTCI led by the employees," the officials said. "The program concentrated primarily on identifying and correcting safety hazards, and is now part of OSHA's recommended practices for managing safety in the workplace."

### **CRANDIC HONORED BY U.S. NAVY**

The Cedar Rapids and Iowa City Railway Co. was recently honored by the U.S. Navy in acknowledgment of CRANDIC's mailing of packages to U.S. servicemen stationed overseas. At the request of PS2 William Loan, a flag was flown on a patrol boat on October 9, 2006. PS2 Loan's brother-in-law, Dwayne Schmidt, is a CRANDIC conductor and engineer.

### **FARMRAIL TO IMPLEMENT HANDHELD AEI READERS**

RMI and Industrial Networks (INet) recently implemented handheld Automatic Equipment Identification (AEI) readers for Farmrail System Inc. Using INet's RAILTRAC® Mobile™ portable AEI device and RMI's RailConnect® Transportation Management System, Farmrail crews will use the readers to record rail-car movement events in the field in near real-time.

"The railroad industry has set new standards for the timeliness in reporting car movement events to a level where most critical events now need to be reported within six hours," said Judy Petry, Farmrail's controller and chairman of an American Short Line and Regional Railroad Association committee that governs event reporting, in a prepared statement. "Because of delays in communicating completed work from the train crews to the clerks, the timeliness of event reporting was sometimes not as fast as we needed it to be. By equipping our crews with the [readers], we have eliminated these delays."

## N.C. BOARD OF TRANSPORTATION AWARDS GRANTS TO TEN ASLRRA MEMBERS

The North Carolina Board of Transportation recently awarded more than \$1.6 million in Short Line Infrastructure Assistance Program grants to 10 ASLRRA member short lines. The program provides funds to the state's 21 short lines to help pay for infrastructure improvements. "The investments we make to improve and maintain our rail infrastructure are incentive for industries to locate or expand in our state," said N.C. Transportation Secretary Lyndo Tippet in a prepared statement.

The state granted:

- \$499,000 to the Aberdeen Carolina & Western Railway for a \$999,800 track repair project between Charlotte and Oakboro (29.4 miles);
- \$384,000 to the Yadkin Valley Railroad for a \$768,000 track repair project near Rural Hall;
- \$294,400 to the Aberdeen & Rockfish Railroad for a \$588,800 track repair project between Laurinburg and Raeford (17.3 miles)
- \$233,720 to Nash County Railroad for a \$467,440 track repair project between Rocky Mount and Nashville;
- \$115,422 to the Laurinburg & Southern Railroad for a \$230,844 track repair project in the Laurinburg area (five miles);
- \$65,000 to Alexander Railroad for a new \$130,000 passing track to serve the Alexander Industrial park;
- \$55,000 to Caldwell County Railroad for a \$110,000 track and bridge repair project between Lenoir and Hickory;
- \$50,000 to Carolina Southern Railway for a \$100,000 track repair project between Chadbourn and Fair Bluff (14.5 miles);
- \$27,308 to the Wilmington Terminal Railroad for a \$54,616 track surfacing and repair project in the Wilmington area; and
- \$20,000 to the Atlantic & Western Railway for a \$40,000 track repair and upgrade project between Sanford and Cumnock (6.4 miles).

### RMI RAILCONNECT INDEX OF SHORT LINE TRAFFIC

For the week ending: 3/27/2007

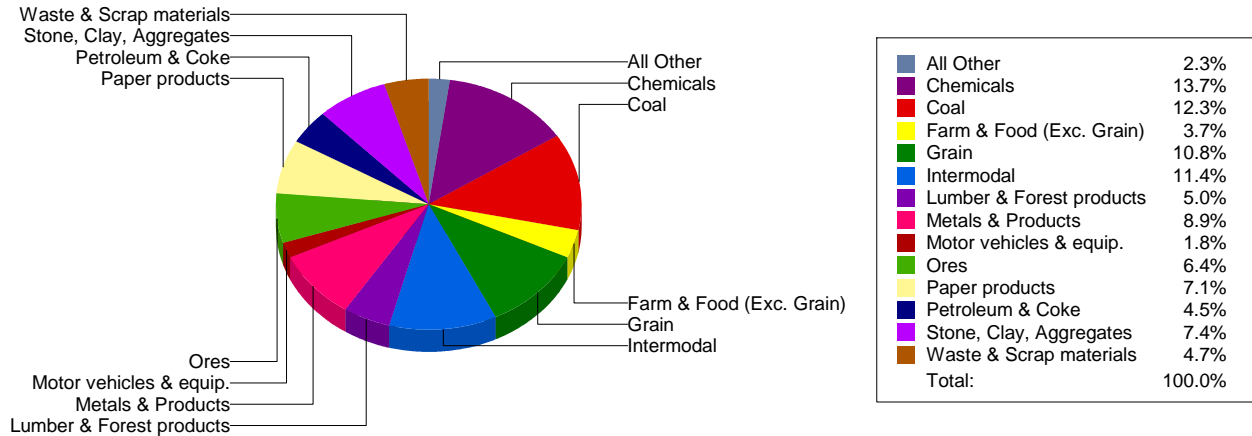
Week Number: 11

Number of Railroads: 308

	Current Week			Year-To-Date		
	2007	2006	% Change	2007	2006	% Change
<b>Carloads Handled</b>						
Coal	15,820	14,889	6.25%	161,719	175,742	-7.98%
Grain	12,965	13,680	-5.23%	141,927	152,216	-6.76%
Farm & Food (Exc. Grain)	4,570	4,868	-6.12%	48,858	53,421	-8.54%
Ores	7,991	7,580	5.42%	83,806	90,724	-7.63%
Stone, Clay, Aggregates	10,297	10,457	-1.53%	97,187	111,065	-12.50%
Lumber/Forest Prods.	6,410	8,170	-21.54%	66,201	87,305	-24.17%
Paper Products	8,303	8,482	-2.11%	92,612	98,798	-6.26%
Waste & Scrap Materials	6,499	6,127	6.07%	62,063	65,115	-4.69%
Chemicals	17,466	15,440	13.12%	179,760	169,637	5.97%
Petroleum & Coke	5,889	6,146	-4.18%	59,164	61,991	-4.56%
Metals & Products	11,686	11,866	-1.52%	117,528	128,617	-8.62%
Motor Vehicles & Equip.	2,620	2,604	0.61%	23,298	24,395	-4.50%
Intermodal	11,887	16,512	-28.01%	149,777	189,011	-20.76%
All Other	3,308	3,243	2.00%	29,635	35,297	-16.04%
<b>Total</b>	<b>125,711</b>	<b>130,064</b>	<b>-3.35%</b>	<b>1,313,535</b>	<b>1,443,334</b>	<b>-8.99%</b>

## RailConnect Index

Year-To-Date



### RAILROAD TRAFFIC

According to the AAR, U.S. carloads were down 2.7 percent in the week ending March 24, 2007, with 334,633 cars originated, compared to 343,752 cars originated in 2006. Carloads for U.S. non-Class I's that submit data to the AAR were down 23.9 percent for the week and 19.7 percent for the year to date. U.S. intermodal traffic was down 4.7 percent for the week but up 0.4 percent for the year to date. U.S. and Canadian intermodal traffic is down 2.2 percent for the year. Total volume is down 3.2 percent for the year, with an estimated total of 387.3 billion ton-miles, compared to 400.2 ton-miles in 2006.

### EMBARGO NOTICES AND REROUTE ORDERS

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

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