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American Short Line and Regional Railroad Association

VIEWS & NEWS

VOLUME 75

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Upcoming Events

2008 Railroad Liability
Conference
July 22-23-24
Kansas City, MO

2008 Southern Region
Meeting
September 14-15-16
Charlotte, NC

2008 Central-Pacific
Region Meeting
September 28-29-30
New Orleans, LA

2008 Eastern Region
Meeting
October 12-13-14
Williamsburg, VA

Questions? Comments?
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Click the link below to visit
the ASLRRA Classified Ads



Currently, Railroad
Security Alert Level
2 is in Effect

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ASLRRA WELCOMES MORE NEW MEMBERS

We welcome the following new railroad members:

Iron Bull Railroad: The Iron Bull operates 11 miles of line in Arizona, where they interchange with the Union Pacific. Based in Verde, AZ, they may be contacted at M: 19014 Tonto Verde Dr, Rio Verde AZ 85263, P: (541) 619-0110.

And we also welcome the following new associate members:

Austin & Texas Central: A tourist railroad, the Austin & Texas Central operates special train excursions through the Texas Hill Country every weekend year-round. Based in Austin, TX, they may be contacted at M: PO Box 1632, Austin TX 78767, P: (512) 260-3808, W: www.austinsteamtrain.org.

Herzog Transit Services/TransitAmerica: Herzog Transit Services/TransitAmerica provides safe, on-time, convenient and comfortable contract operation of passenger rail services, as well as providing effective inspection and preventive maintenance programs. Based in Irving, TX, they may be contacted at M: 203 N Britain Rd, Irving TX 75061, P: (972) 438-5755, E: rjsmith@herzogcompanies.com, W: www.herzogcompanies.com.

Inferential Systems Corporation: Inferential Systems specializes in computer software solutions for contract/agreement management in the railroad industry. Based in Calgary, AB, Canada, they may be contacted at M: 1904-10A St NW, Calgary AB T2T 3K1, P: (403) 816-0200, E: info@inferentialsystems.com, W: www.inferentialsystems.com.

M.J. Lee Construction Company: Experts in bridge construction and demolition, M.J. Lee Construction's major focus is bridge construction supplemented by their specialization in pile driving. Based in Tulsa, OK, they may be contacted at M: 5601 S 122nd E Ave, Tulsa OK 74146, P: (918) 437-9560, E: tasaxton@mjeeconstruction.com, W: www.mjeeconstruction.com.

National Railroad Safety Services Incorporated: National Railroad Safety Services specializes in providing railroad flagmen for construction projects that impact your railroad's right of way. Based in Cincinnati, OH, they may be contacted at 8878 Brookside Ave Suite 103, Cincinnati OH 45069, P: (513) 755-4910, E: tshepherd@nrssinc.net, W: www.nrssinc.net.

Tessco Technologies Incorporated: Tessco Technologies is a single source for wireless communications products and product knowledge, stocking over 30,000 products from approximately 400 different manufacturers. Based in Hunt Valley, MD, they may be contacted at M: 11126 McCormick Rd, Hunt Valley MD 21031, P: (410) 229-1344, E: frame@tessco.com, W: www.tessco.com.

URS Corporation: URS provides all aspects of infrastructure engineering services for railroad clients throughout North America. Based in Overland Park, KS, they may be contacted at M: 8300 College Blvd Suite 200, Overland Park KS, P: (913) 344-1096, E: dean_vakas@urscorp.com, W: www.urscorp.com.

There's no better way to start doing business with a short line or regional railroad, or to expand business already started, than by becoming an ASLRRA associate member! Do you have a business acquaintance in another line of work that you think would benefit by joining the association? If so, contact Cheryl Huyck, our membership consultant, and let her know. Reach Cheryl at P: (202) 585-3431, E: chuyck@aslrta.org. As we like to say, "members get it all!"

HARRIMAN AWARDS SHOWCASE SAFEST CLASS I's, SHORT LINES & REGIONALS

The safest Class I, regional and short line railroads were honored at the annual Harriman Memorial Awards, which were held May 14 in Washington, DC.

Norfolk Southern was awarded the gold in Category A, which is for railroads with more than 15 million annual employee-hours. It was the 19th year in a row that NS had taken top honors in that category. In Category B, which is

for railroads with between 4 million and 15 million employee-hours, the gold went to Kansas City Southern Railway.

In Category C, which is for railroads with less than 4 million employee-hours, the Iowa Interstate Railroad took the gold, the Elgin, Joliet & Eastern Railway took the silver, and the Florida East Coast Railway took the bronze. In Category S&T, which is for switching and terminal companies, the Terminal Railroad of St. Louis took the gold, the Union Railroad took the silver, and the Birmingham Southern Railroad took the bronze.

Special certificates of commendation were also awarded to railroads that showed the greatest improvement in safety between 2006 and 2007. Receiving this award in Category A was Amtrak, in Category B was the Long Island Rail Road, in Category C was the Wisconsin & Southern Railroad, and in Category S&T was the Union Railroad.

The Harriman Memorial Awards were founded by the late Mrs. Mary W. Harriman in memory of her husband, Edward H. Harriman, who headed and helped bring to prominence the Union Pacific Railroad. The awards are administered by the E.H. Harriman Memorial Award Institute, with support from the Mary W. Harriman Foundation.

At the May 14 awards ceremony, Association of American Railroads President Ed Hamberger noted that "...last year [2007], the train accident rate was the lowest in [railroad] history...So was the grade crossing accident rate. The total number of fatalities from all rail-related incidents was also the lowest in history. And the employee injury rate was the second lowest in history, missing the record set in 2006 by less than one percent."

NEW HAZMAT ROUTE ANALYSIS RULE NOW IN EFFECT

The U.S. Federal Railroad Administration reminds all railroads that Regulation HM-232E is now in effect. This regulation requires, in certain instances, a route analysis and alternate route analysis to be filed with the FRA.

The rule is applicable to any railroad handling traffic that is Hazmat Classification 1.1, 1.2 and 1.3 explosives; Poison Inhalation Hazard (PIH) including anhydrous ammonia, and any highway-route-controlled quantities of radioactive material. It requires that a route analysis and alternate route analysis be performed as described in the rule (see below) utilizing the 27 factors in the rule appendix. However, not all of these factors may be applicable.

Concerning the question, "We are a railroad with only one route, do we have to do a route analysis?," an FRA spokesman advises that the answer to this is "yes." Route analyses must be done, considering the 27 factors and also conferring with applicable jurisdictions, which even includes American Indian tribes with lands through which a railroad runs. The route analysis must include mitigation and remediation elements that consider the various venues along the route, with venues being defined as anywhere with a high concentration of persons in government buildings, schools, hospitals, nursing homes, stadiums, etc.

The specific text of the rule may be found at <http://hazmat.dot.gov/regs/rules/final/73fr/docs/73fr-20751.pdf>. Any questions should first be directed to ASLRRRA's Tom Streicher at P: (202) 585-3434, E: tstreicher@aslrria.org.

NORFOLK SOUTHERN, SHORT LINES PARTNER FOR EMPIRE LINK

Norfolk Southern Railway and 10 New York-based short lines recently announced the creation of a program to convert short-haul truck movements to rail. Known as the "Empire Link," the initiative allows the short lines to market the excess rail freight capacity on NS's Southern Tier main line between Binghamton and Silver Springs, NY, as well as on branch lines between Corning and Geneva, and between Waverly and Ludlowville.

"With the high price of diesel fuel, the Empire Link is an attractive option for shippers currently trucking freight in New York, Pennsylvania, and New Jersey," said David Lawson, NS's VP-Industrial Products. "The Empire Link provides our New York short line partners with the tools and resources to design and offer rail transportation services that are truck-competitive in lanes that are less than 500 miles."

"The recent collaboration of the American Short Line and Regional Railroad Association's Eastern Region Short line members and Norfolk Southern is one of the most creative business initiatives to come about in the last 15 years," said Rich Timmons, ASLRRRA president. "We expect positive results for shippers, communities, and big and small railroads alike. If the Empire Link performs as we anticipate, it could serve as a model for future Class I and short line business arrangements."

The 10 short lines participating in the Empire Link are the Bath and Hammondsport Railroad; Central New York Railroad Corp.; Finger Lakes Railway; Livonia, Avon and Lakeville Railroad; the New York, Susquehanna & Western Railway; Ontario Central Railroad; Owego & Harford Railway; Rochester and Southern Railroad; Wellsboro and Corning Railroad; and Western New York & Pennsylvania Railroad.

PAN AM, NS ANNOUNCE PATRIOT CORRIDOR INTO MASSACHUSETTS

Norfolk Southern and Pan Am Railways, the latter the former Guilford Rail System, recently announced that they will form a joint venture railroad modeled on the “Meridian Speedway” joint enterprise already in effect between NS and Kansas City Southern Railway. The two railroads announced that they had agreed to create the “Patriot Corridor” between Albany, NY and the greater Boston, MA area that they said will offer improved track quality and customer service, higher train speed and reliability, and increased capacity. NS and PAR each will retain a half interest in the newly formed “Pan Am Southern.”

Under their agreement, PAR agreed to transfer its 155-mile mainline between Mechanicville, NY and Ayer, MA to the joint venture, along with 281 miles of secondary and branch lines (including trackage rights) in Connecticut, Massachusetts, New Hampshire, New York, and Vermont. PAR’s Springfield Terminal Railway will provide all rail services for the joint venture. NS will provide cash and transfer to the joint venture other property valued at \$140 million, \$87.5 million of which is expected to be spent during the next three years to improve the corridor, including for terminal expansions, and track and signal upgrades. NS and PAR, which will seek Surface Transportation Board approval for their transaction, also plan to build new automotive and intermodal terminals in the Albany, NY area.

In a prepared statement, NS Chair, President and CEO Wick Moorman commented that “the Patriot Corridor will create a new level of rail competition in upstate New York and New England by improving train speed, reliability, and capacity, as well as strengthening connections between the region’s short line and regional railroads and Norfolk Southern’s 22-state network.”

PA NATIONAL GUARD ENLISTS WESTERN NEW YORK & PENNSYLVANIA

The Western New York & Pennsylvania Railroad recently originated a notable move of military equipment for the Pennsylvania Army National Guard. A total of 263 combat vehicles were convoyed aboard about 60 Department of Defense flat cars at the WNY&P’s yard in Meadville, PA. The equipment was then moved by rail to Camp Shelby, MS, location of this year’s training maneuvers by the Guard’s First Battalion, 112th Infantry, 6th Stryker Brigade Combat Team.

Guard Captain John Boyko, who helped coordinate the shipment, noted that it was possibly the largest single move of military equipment ever conducted in northwestern Pennsylvania and possibly the state, and that it was also the first time he had participated in a move of Stryker combat vehicles by rail. Veteran railroaders also noted that it was the first time in recent memory that military vehicles had moved by rail to the site of maneuvers, as opposed to routing directly to a port of embarkation. Captain Boyko added that the equipment would likely stay down south through the fall as the Guard awaits orders to mobilize its forces for deployment in Iraq. The soldiers are expected to ship overseas sometime in the first quarter of 2009.

OFFICE CAR SPECIALS PROMOTE NEW BUSINESSES

Two ASLRRRA member railroads recently operated special business car trains to acquaint various interested parties with their railroads and with new facilities on their lines.

In Pennsylvania, the North Shore Railroad System recently operated its annual office car special, hosting guests from other railroads, shippers, suppliers, and local dignitaries. The train operated from Williamsport, PA to Bellefonte, PA and return, using the tracks of North Shore’s Lycoming Valley and Nittany & Bald Eagle Railroads. “This special train showcases customer growth and significant industrial development along our line...The train is one of the tools we utilize to explore mutual business interests,” said North Shore President Gary Shields. While on board, Gary recognized John Stahl of Koppers Incorporated’s Railroad Products and Services Division for his efforts in providing the North Shore “with quality ties and timbers for the continual improvement of our track network.”

In Oregon, the Portland & Western Railroad recently operated a special train to mark the opening of Cascade Grain's new ethanol plant on their line in Port Westward, OR. The train, which was powered by two P&W locomotives pulling a consist of several BNSF Railway office cars, picked up more than 70 local and regional dignitaries along the way before arriving at the plant for a banner-breaking ceremony (pictured below) and speeches by key participants involved with the plant's location and construction. "We're proud that our rail service will bolster the economy of Columbia County, said P&W President Bruce Carswell. To serve the plant, P&W will operate 110-car unit trains loaded inbound with up to 440,000 bushels of shelled corn. Annually, this plant will generate 10,000 inbound cars of corn and 4,000 outbound ethanol and animal feed cars. The plant is now the largest ethanol facility on the west coast and is capable of producing 113-million gallons of ethanol per year.



NEW ORLEANS PUBLIC BELT, PORT, CN INAUGURATE NEW INTERMODAL TERMINAL

The New Orleans Public Belt Railroad, together with the Port of New Orleans and Canadian National Railway, recently dedicated the Napoleon Intermodal Rail Yard, a new terminal that will handle intermodal transfer at the Port's Napoleon Avenue terminal.

The new terminal is situated on 26 acres and features four 1,700-foot-long tracks with concrete transfer pads. CN is the first Class 1 to serve the new facility, which NOPB switches. The new terminal is expected to handle about 350 to 400 containers weekly.

"The new rail yard represents an efficient way to connect our water and rail transportation network," said Port of New Orleans President and CEO Gary LaGrange in a prepared statement.

RMI OPENS NEW DATA CENTER

Short line and regional railroad information services provider RMI recently announced that they had opened a new state-of-the-art disaster recovery site, and had also now upgraded all production and backup servers. The recovery site and upgrades complete a \$2.5 million data center expansion project at its Atlanta, GA offices.

In a prepared statement, RMI said that over 400 of its customers were migrated to the new systems with minimal downtime. About the project, RMI CEO Pete Kleifgen commented, "This data center expansion represents a significant investment by RMI, and demonstrates the high level of commitment we have to providing our customers with the most technologically advanced and secure computing platform available...We are in this business for the long haul, and consider this type of investment an integral part of our [business] strategy."

STATES CHANNEL FUNDS FOR SHORT LINE IMPROVEMENTS

The states of Mississippi, New York, Ohio and Washington recently announced several funding grants for the benefit of short line and regional railroads in their respective states.

In Mississippi, a state spokesman recently announced that a \$1.6 million grant from the U.S. Department of Commerce's Economic Development Administration would go to the Hancock County Port & Harbor Commission to improve the railroad infrastructure of the Port Bienville Industrial Park. The park is served by the Port Bienville Railroad, which is owned by the commission.

In New York State, the state's Department of Transportation announced \$20 million in funding for projects that it said would upgrade critical rail infrastructure across the state. Short line and regional railroad projects being funded include \$875,000 to Batten Kill Railroad for critical substructure repairs to four bridges in Washington County; \$1.49 million to the Mohawk Adirondack & Northern Railroad for track rehabilitation in Utica and Rome, Oneida County and Lyons Falls, Lewis County; \$500,000 to the Livonia Avon & Lakeville Railroad for track rehabilitation in Livingston and Monroe counties; \$822,000 to the Finger Lakes Railway for track and bridge rehabilitation and improvements in Schuyler and Yates counties; \$1.1 million to the Arcade & Attica Railroad for rail rehabilitation in Wyoming County; \$1.5 million to Owego & Harford Railway for track and bridge improvements in Tioga and Cortland counties; \$725,000 to the Buffalo Southern Railroad for track rehabilitation and installation in Erie County; \$1.7 million to the New York & Atlantic Railroad for industrial rail terminal construction and yard restoration in at the Deer Park Yard in Suffolk County; \$1.5 million to the New York, Susquehanna & Western Railway for improvements at Binghamton Yard in Broome County, a grant being shared with Canadian Pacific Railway and Norfolk Southern Railway there; \$950,000 to the Falls Road Railroad to rehabilitate a bridge over the Erie Canal in Lockport, Niagara County; and \$1.5 million to the Clarendon & Pittsford Railroad for track and bridge rehabilitation in Washington County.

In Ohio, the Ohio Rail Development Commission recently approved state funds for several freight rail-related projects. These include a \$350,000 grant and \$350,000 loan package to the City of Jackson, OH to rehabilitate a city-owned rail line operated by US Rail and, also, a \$90,000 grant and \$90,000 matching grant for the Lancaster, OH Port Authority for a new spur off the Indiana & Ohio Railroad. The spur will serve a new U.S. Corrugated plant in Lancaster.

And in Washington State, the state's Department of Transportation announced a \$1.49 million grant to Tacoma Rail. The grant will be used to fund improvements on Tacoma Rail's Mountain Division, including the upgrading of four bridges, repairing rail, cross-ties and equipment at several crossings between Tacoma, WA and Morton, WA.

PERSONNEL CHANGES

Florida East Coast Railway recent announced the appointment of **Todd Biscan** as its AVP-Sales. Mr. Biscan was most recently FECR's AVP of sales for intermodal and highway services. He has been with FECR for the past 8 years has more than 20 years' experience altogether in the railroad industry.

Iowa Interstate has announced the appointment of **Jerome Lipka** as its Chief Financial Officer. Mr. Lipka was most recently CFO of the Arkansas & Missouri Railroad, and earlier held notable positions in the accounting and auditing departments of the Chicago & North Western Railway and BNSF Railway.

RailAmerica recently announced the appointment of **Clyde Preslar** as its Chief Financial Officer. Mr. Preslar was most recently EVP and CFO for Cott Corporation and, prior to that, was VP and CFO of Lance Incorporated.

The Bush Administration has nominated **Husein Cumber** to be a commissioner of the U.S. Surface Transportation Board. Mr. Cumber is currently Deputy Chief of Staff at the U.S. Department of Transportation and was earlier a VP at Florida East Coast Industries, the parent company of the Florida East Coast Railway. If confirmed by the U.S. Senate, Mr. Cumber will commence a five-year term beginning next January and succeed Commissioner Douglas Buttrey.

RMI RAILCONNECT SHORT LINE TRAFFIC INDEX

The RMI Railconnect Index is waybill-based and totals shipments billed by non-Class 1 railroads using RMI billing products. For this report, this totals 331 such railroads. This index is calculated weekly and the below data is as of

the week ending May 17, 2008, the 20th week of this year.

	Week Ending May 17			Year-To-Date		
	2008	2007	% Change	2008	2007	% Change
CARLOADS HANDLED						
Coal	13,846	11,426	+21.18%	300,937	276,051	+9.02%
Grain	14,251	12,954	+10.01%	291,589	264,225	+10.36%
Farm & Food (Exc. Grain)	5,485	4,735	+15.84%	107,460	96,552	+11.30%
Ores	3,479	2,924	+18.98%	60,805	51,495	+18.08%
Stone, Clay, Aggregates	12,721	12,502	+1.75%	206,253	207,405	-0.56%
Lumber/Forest Prods.	5,058	6,547	-22.74%	96,933	124,813	-22.34%
Paper Products	7,408	8,043	-7.90%	155,235	170,082	-8.73%
Waste & Scrap Materials	7,122	6,467	+10.13%	129,218	126,283	+2.32%
Chemicals	17,652	16,302	+8.28%	345,893	336,002	+2.94%
Petroleum & Coke	5,980	5,818	+2.78%	120,130	110,159	+9.05%
Metals & Products	11,964	11,404	+4.91%	239,430	220,342	+8.66%
Motor Vehicles & Equip.	2,151	1,997	+7.71%	39,565	40,448	-2.18%
Intermodal	13,340	15,247	-12.51%	263,224	288,620	-8.80%
All Other	3,181	3,084	+3.15%	60,271	61,840	-2.54%
Total	123,638	119,450	+3.51%	2,416,943	2,374,317	+1.80%

CLASS I RAIL TRAFFIC

The Association of American Railroads reports that, for the month of May, 2008 and compared with May, 2007, U.S. rail traffic was up 0.5 percent. Notable traffic increases for the month included grain up 16.9 percent, chemicals up 5.2 percent, and coal up 2.6 percent; notable traffic decreases for the month included coke down 31.1 percent, motor vehicles and equipment down 19.1 percent, and crushed stone, sand and gravel down 5.7 percent. Also for the month, U.S. intermodal rail traffic was down 0.9 percent, Canadian carload rail traffic was down 4.7 percent, Canadian intermodal rail traffic was up 5.2 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 4.2 percent, and KCSM's intermodal rail traffic was up 4.2 percent.

For the first five months this year, U.S. rail volume grand totaled 740.1 billion ton-miles, up 2.2 percent from the first five months last year. Also for this period, U.S. carload rail traffic was up 1.0 percent, U.S. intermodal rail traffic was down 3.1 percent, Canadian carload rail traffic was down 3.8 percent, Canadian intermodal rail traffic was up 4.5 percent, KCSM's carload rail traffic was up 3.8 percent, and KCSM's intermodal rail traffic was up 11.5 percent.

NEW EMBARGO AND OPSL LINK

We are pleased to provide our readers with a new link to the AAR Embargo System and Open & Prepay Station List (OPSL) and Permit System. This new link was sent to us by V&N Reader Charlie Duckworth of the Union Pacific Railroad, who with others recently spearheaded the industry project to modernize and enhance these systems.

This new link is <https://aarembargo.railinc.com/epdb/public.do>.

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Views & News is published by...

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

