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American Short Line and Regional Railroad Association

VIEWS & NEWS

VOLUME 74

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AUGUST 6, 2007

Upcoming Events

Kansas City Southern
Short Line Meeting
August 15-16, 2007
Kansas City, MO

Union Pacific Short Line
Workshop
August 26-28, 2007
Omaha, NE

ASLRRRA Central Pacific
Region Meeting
September 9-11, 2007
Portland, OR

ASLRRRA Eastern Region
Meeting
September 23-25, 2007
Burlington, VT

BNSF Short Line Meeting
October 14-16, 2007
Ft. Worth, TX

ASLRRRA Southern Region
Meeting
November 4-6, 2007
Myrtle Beach, SC

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

**Click the link below to visit
the ASLRRRA Classified Ads**



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Security Alert Level
2 is in Effect**

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ASLRRA WELCOMES NEW MEMBER

Recently the ASLRRA welcomed one new associate member. The new associate member is:

Central Sales and Service, Inc., 110 Industrial Ct., P.O. Box 649, Waverly, Tennessee 37185, (931) 196-1940, Fax (931) 296-1944, Website: www.centralsales-service.com, E-mail: ekcss@accessive.net, a custom extruder, molder and fabricator of rubber products, specializing in the design and production of gaskets, seals and molded parts, of which Ralph Deaver is President, Ed Kehrer is CFO, and Grey Collier is Management Systems Coordinator.

CENTRAL PACIFIC REGION MEETING SET FOR THE PACIFIC NORTHWEST

This year's Central Pacific Region Meeting will be held at the Hilton Portland & Executive Tower, overlooking the Willamette River in beautiful downtown Portland, Oregon. Be sure to register and reserve your rooms soon, as they are going quickly. Chaired by Jalene Forbis, the planning committee is preparing a meaty educational program containing such diverse topics as the relationship between the STB and short line and regional railroads, future safety initiatives coming from the FRA, an update on the tax credit renewal efforts, employing technology to reduce locomotive emissions, and how to interpret proposed hazardous materials rule changes. For more information on the Central Pacific Region Meeting, [click here](#).

To reserve your room, [click here](#) to access the ASLRRA Central Pacific Region Meeting reservation page, or call the hotel at (503) 226-1611 and mention the code **ASL to receive our group rate**. Act now as the cut-off date for hotel room reservations is **August 17**.

To register, visit our online registration feature on the ASLRRA Members website by [clicking here](#).

SHORT LINE TAX CREDIT RECEIVES SUPPORT FROM SHIPPERS, POLITICIANS

The short line railroad industry has passed two major milestones in its effort to extend the Section 45G short line rehabilitation tax credit. Over 100 House Members, and 30 Senators have sponsored the extension legislation (H.R. 1584/S. 881) and over 1,000 shippers and local economic development officials have endorsed the legislation. The existing short line tax credit expires at the end of 2007 and this legislation would extend the credit for an additional three years.

"These are significant numbers that demonstrate growing momentum for this legislation," said Richard Timmons, President of the American Short Line and Regional Railroad Association. "I am particularly encouraged by the fact that our co-sponsors are split almost evenly between Democrats and Republicans," said Timmons.

As of July 26 H.R. 1584 had 112 House co-sponsors. The sponsors come from 40 different states. In 12 states every member of the House Congressional delegation is a co-sponsor of the legislation. The companion Senate bill (S. 881) currently has 30 co-sponsors from 23 different states and seven states have both Senators in support.

Russ Harrison, owner of Harrison Gypsum in Lindsay, Oklahoma serves as the Chairman of a coalition of short line railroad customers and local economic development officials known as Saving Our Service (SOS) which was organized for the express purpose of supporting this legislation. "It is no secret that railroads and some in the shipping community do not see eye to eye on various approaches to rail related legislation," said Harrison. "There is, however, growing unanimity among railroad customers that the short line tax credit has contributed to more competitive, efficient and safer railroad service. The 1,000 customer facilities that have endorsed the tax credit extension range from the smallest family owned grain elevators to larger facilities owned by such

companies as International Paper, Kimberly-Clark, General Mills and Nucor Steel,” said Harrison.

As railroad customers join in support of this effort they are providing testimony on the importance of this legislation. A sampling of that testimony shows how the tax credit is helping businesses increase market share, lower transportation costs and stimulate additional private investment. A cross section of that testimony appears on the ASLRRRA website (www.aslrra.org) and is attached to this release. The following is an example from a grain shipping business in North Dakota, the Minn-Dak Farmers Cooperative:

“Our sugar products are sold in markets far from North Dakota and those markets would be lost to us without our short line railroad connection. There is no truck alternative and the large Class I railroads no longer serve our area. The rehabilitation tax credit goes to the railroad, but let there be no mistake that companies such as mine and the family farmers that depend on us to buy their product are the ultimate beneficiaries. We could have the best agricultural policy in the world and it wouldn’t make any difference if we can’t get our product to market.”

H.R. 1584 was introduced March 20 by Representative Earl Pomeroy (D-North Dakota) and five original co-sponsors: Representatives Camp (R-Michigan); Moran (R-Kansas); Boyda (D-Kansas); Davis (D-Alabama); and Goode (R-Virginia). S. 881 was introduced March 14 by Senator Blanche Lincoln (D-Arkansas) and Senator Gordon Smith (R-Oregon). The legislation extends the short line tax credit for an additional three years for all Class II and III railroad track in service prior to January 1, 2007. The credit provides relief from the Alternative Minimum Tax which ASLRRRA estimates is eliminating up to one third of the value of the credit.

To view the current list of congressional co-sponsors of the tax credit legislation, [click here](#). To see the list of the shippers supporting the tax credit legislation, [click here](#).

ASLRRRA KICKS OFF BRIDGE COMMITTEE

The ASLRRRA, in an effort to stay on top of the heady task of maintaining bridges on Class II and III railroads, has started the ASLRRRA Bridge Committee. The purpose of the committee will be to set up a series of best practices pertaining to the maintenance and repair of railroad bridges. To view the Mission Statement of the ASLRRRA Bridge Committee, [click here](#). For more information on the committee, contact Tom Streicher (tstreicher@aslrra.org) at (202)-585-3434.

FRA REMOVES CENTURY-OLD NOTARIZATION REQUIREMENT FOR FORM 55

After almost 100 years of railroads being required to notarize Form FRA F 6180.55, the Railroad Injury and Illness Summary, this requirement has been dropped. To download a copy of the new form, [click here](#). If you have any questions about the new forms and how to obtain them, e-mail Stan Ellis at stan.ellis@dot.gov.

ASLRRRA SEEKING STORIES FOR HEROES IN OUR MIDST

We are looking for contributions for the next installment of the continuing series Heroes in our Midst. This series highlights the contributions of those employees involved in the rail industry who have also served in the military.

We would like to include stories from the membership at large in future editions of this newsletter, but we need your help if we’re to achieve this goal. We’re requesting stories about the military service of employees or their family members, and can include those from either railroad or associate members. The frequency with which these stories run depends on the response we get from you, and we’re hopeful that the submissions will be many. However, due to time and space constraints we will have to limit the stories to a maximum of one per issue.

We encourage all of our members to drop us a line with stories of military heroes in your presence, as they are truly serving each and every one of us with heroism. Please e-mail submissions to Dave Whorton at dwhorton@aslrra.org.

RAILROAD INDUSTRY DINNER TO BE HELD IN WASHINGTON

The Railroad Industry Dinner is returning to the docket in 2007. This year's black tie optional event is scheduled for Wednesday, September 26, 2007 at Union Station in Washington, D.C. The reception will kick off the dinner at 6:00pm with the dinner to follow at 7:00pm. For those invited to the AAR Associate Reception, that will begin at 5:30pm in the Columbus Club at Union Station.

A hotel block has already been set aside at the JW Marriott Hotel, 1331 Pennsylvania Avenue, NW, Washington, DC. <http://marriott.com/property/propertypage/WASJW>. Please call the hotel directly for your company's room reservations at, (800) 228-9290 or at, (202) 393-2000. Please mention the Railway Supply Institute for the room rates of \$299 single/double; \$319 for a Triple; \$339 for a Quad. Hospitality Suites are available for \$799. **The cut off date for room reservations is Tuesday, September 4, 2007.**

In addition, the annual meeting of RSI will take place on Wednesday, September 26 from 4-5pm in the Dirksen Room at the JW Marriott.

If you have any questions, please contact Nicole Brewin at, (202) 347-4664 or at, brewin@railwaysupply.org. To download the registration form, [click here](#).

NATIONAL RAIL CONFERENCE COMING TO WINDY CITY

The 2007 National Rail Conference has been scheduled for October 17 and 18, 2007 at Union Station in Chicago. The keynote speaker will be a representative from CREATE, and other presentations will be given by representatives from the EPA, FRA, AAR, and Class I railroads. To see a tentative schedule, [click here](#). For more information on the National Rail Conference, contact Tom Streicher (tstreicher@aslrra.org) at (202)-585-3434.

PERSONNEL CHANGES

Cattron Group International (CGI) announced August 1 the assignment of **Chris Loeffler** as Senior Sales Engineer at the Sharpsville, Pa. headquarters. Loeffler's expanded duties include working closely with CGI's Field Sales Managers and Manufacturer's Representatives to provide timely and detailed responses to CGI's users, dealers, distributors and prospects. Joining Cattron in 2004 as part of the Beltpack acquisition, Loeffler began his career with Vectran and has functioned as Application Engineering Manager for Vectran, Beltpack, and CGI. He has over 20 years experience in the remote control industry, with a focus on complex applications and locomotive controls

The **Indiana Rail Road Co. (IRR)** recently named **Jacklyn Hardy** director of human resources and chief administrative officer. She will be responsible for labor relations, employee benefits administration, and workforce training and development. From 1992 to 2000, Hardy held various accounting, dispatching and human resources positions at Iowa Interstate Railroad Ltd, and then worked in the accounting office at the California Northern Railroad, which later was acquired by RailAmerica Inc. Hardy also served as assistant general manager for the short line holding company's San Joaquin Valley Railroad and general manager for the firm's Pacific Region.

Montreal, Maine & Atlantic Railway has appointed **Stephen Greene** as vice president Mechanical, effective July 30, based at MMA's Derby, Maine mechanical facility. He succeeds Mike McCluskey, who has taken another post at MMA. Mr. Greene has over 30 years of locomotive manufacturing and maintenance experience and began his career with General Electric in 1970. In 1989, he was appointed technical director and field service representative at Lincoln, Neb. before advancing to process technical advisor at GE's locomotive manufacturing plant at Erie, Pa. in 1994. Mr. Greene subsequently joined the Union Pacific Railroad in 1998 as manager of locomotive maintenance at Roseville, Calif. and Little Rock, Ark. In 2003, he became mechanical superintendent for the National Railroad Passenger Corporation (Amtrak) at Oakland, Calif., where he worked prior to joining OmniTRAX in 2005 as service area coordinator for the south Texas area.

Pinsly Railroad Company recently announced the appointment of **Tom Owen** as Vice President of Marketing and Sales. Tom will be located in Plymouth Florida where he will oversee the marketing and sales teams and their strategic direction for the Arkansas Midland Railroad, Florida Central, Midland and Northern Railroads, the Pioneer Valley Railroad and the Railroad Distribution Services in Arkansas, Florida and Massachusetts. Prior to joining Pinsly, Tom served for 5 years at RailAmerica in a variety of roles that included Commercial leadership, Acquisitions & Divestitures, Fleet Management, and Field Operations Support. Tom also served for 16 years at CSX Transportation and its predecessor railroads.

RAILWAY AGE WELCOMES BOWEN BACK INTO FOLD

Railway Age recently announced the return of Douglas John Bowen to the Simmons-Boardman Publishing Corp. Rail Group editorial staff as Managing Editor of Railway Age. Doug succeeded Marybeth Luczak, who left Simmons-Boardman effective August 1 to start a family.

Doug is returning to Simmons-Boardman after 16 years. Bowen last served Railway Age as Intermodal Editor from 1989 to 1991 as well as serving as Editor of Intermodal Age. Doug has worked in various editorial capacities for Inbound Logistics, High Speed Transport News, The Journal of Commerce, CNN/Money, and The Deal LLC. He began his journalism career as a reporter at The Asbury Park Press, a New Jersey daily newspaper. Doug holds a B.A. in History from Rutgers University. He resides in Hoboken, N.J., with wife Mary Ann and son Mark. He is also president of the New Jersey Association of Railroad Passengers.

CAROLINA COASTAL LEASES TRACK FROM NS

Carolina Coastal Railway (CLNA) has leased a rail line from Norfolk Southern from Raleigh to Plymouth, NC and commenced operations on June 30. The 142-mile route includes trackage rights operations over about 8 miles. It connects to CLNA's existing 17-mile line between Pinetown and Belhaven, NC. CLNA will interchange with NS at Chocowinity, NC, as well as in Raleigh (once an out-of-service segment is re-opened this fall). CLNA will also interchange with CSXT at both Greenville and Wilson, NC. The enlarged CLNA will be headquartered in Wilson.

FLORIDA EAST COAST GETS APPROVAL FOR FORTRESS ACQUISITION

Over 98 percent of all shareholders have given the thumbs up to Fortress Investment Group L.L.C.'s proposal to acquire Florida East Coast Industries Inc. (FECI). Recently, the shareholders overwhelmingly voted in favor of the transaction, under which a company formed by certain private equity funds managed by Fortress affiliates will acquire FECI for \$62.50 per share in cash.

FECI — which owns the 351-mile Florida East Coast Railway L.L.C. and real estate developer Flagler Development — also has settled a class action lawsuit with shareholders who were dissatisfied with the acquisition agreement's terms and disclosures.

MINNESOTA COMMERCIAL LINE AFFECTED BY BRIDGE COLLAPSE

The Interstate Highway 35W bridge over the Mississippi River that collapsed and fell into the river in Minneapolis last week also fell onto and affected operations on a rail line operated by the Minnesota Commercial Line. MCL President John Gohmann said that no trains had been in the area for a couple of days. The bridge collapsed on top of three cars of plastic pellets on a team/reload/lease track. A fourth car may also be damaged, but the three cars of plastic pellets actually stopped the bridge section from falling further directly to the ground. Gohmann said Minnesota Commercial personnel were at the scene last night, and the railroad had a standby locomotive on call in case it needed to move any cars to help access and recovery.

OHIO RAIL COMMISSION COMPLETES DRAFT FOR PASSENGER, FREIGHT UPGRADES

The State of Ohio has completed the final draft of a plan to create a network of fast, frequent passenger trains and expand capacity for freight trains. The report by the Ohio Rail Development Commission details the proposed Ohio hub system, including the addition of three new routes to the master plan. The draft is available for public viewing at www.ohiohub.com.

According to the plan, the economic impact of building the hub system would:

- Create 16,700 permanent jobs;
- Raise the region's income by over \$1 billion over the life of the project;
- Generate more than \$3 billion in development activity near stations;
- Increase land values and create the potential for communities to develop new retail, office, and residential developments near the passenger rail stations;
- Create a potential benefit for freight-rail operations in the range of \$3 to \$6 billion;
- Generate an annual fuel savings of approximately 9.4 million gallons of fuel.

The next steps will be to identify funding to begin the process of establishing an environmental impact statement and working with Ohio's Congressional delegation on federal legislation to create a federal matching funds program for passenger rail development and expand rail corridor capacity for freight.

PACIFIC HARBOR LINE CELEBRATES ARRIVAL OF LOW EMISSION LOCOMOTIVES

On July 11, with elected officials, port authority representatives, and railroad personnel gathered, the Pacific Harbor Line (PHL) celebrated a major step towards the elimination of locomotive emissions. On that day, PHL officially welcomed the advent of the first of sixteen "green" locomotives. To view the entire story, as well as photos of the event, [click here](#).

PORT BIENVILLE RAILROAD LOOKS TO EXPAND

A \$3.5-million feasibility study will determine if the Port Bienville Railroad will take its rail line to the next level. The PBR services more than a dozen industries located at the Port of Hancock County. Officials say the study will look at whether the line should be extended north to tie in with Norfolk Southern Railroad. Hancock County Port and Harbor Commission Executive Director Jack Zink says the feasibility study will look at the cost effectiveness as well as the environmental impact of extending the rail northward.

Most hurricane repairs to the Port Bienville Short Line Rail Road went relatively quickly. However, officials say getting trains moving in and out of the port took much longer. Zink said, "Within two months, the Port Bienville Short Line Railroad here within Hancock County was operational. However, because of the impact Katrina had on CSX Transportation and their entire infrastructure, we were unable to move products in and out by rail until CSX was up and operational."

RMI RAILCONNECT INDEX OF SHORT LINE TRAFFIC

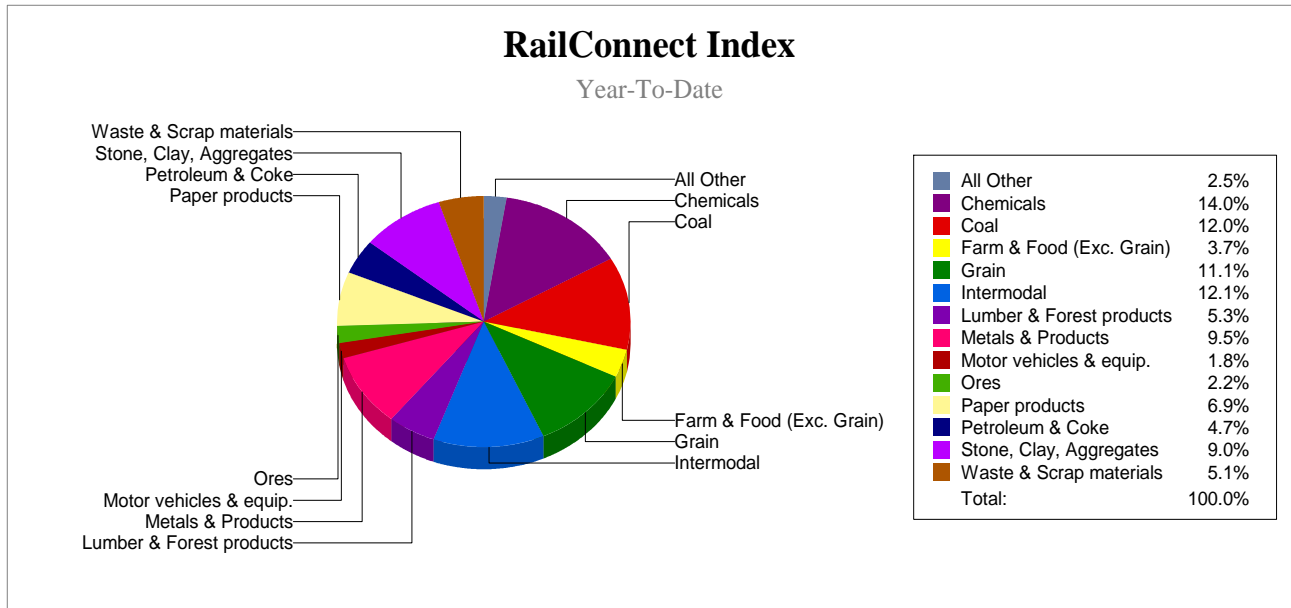
For the week ending: 7/21/2007

Week Number: 29

Number of Railroads: 300*

	Current Week			Year-To-Date		
	2007	2006	% Change	2007	2006	% Change
Carloads Handled						
Coal	15,307	14,128	8.35%	411,422	422,056	-2.52%
Grain	16,184	13,214	22.48%	378,540	388,253	-2.50%
Farm & Food (Exc. Grain)	4,495	4,354	3.24%	127,980	134,363	-4.75%
Ores	2,066	3,075	-32.81%	75,254	85,285	-11.76%
Stone, Clay, Aggregates	11,669	12,258	-4.81%	306,683	326,615	-6.10%
Lumber/Forest Prods.	6,293	7,032	-10.51%	180,849	221,255	-18.26%
Paper Products	8,090	8,559	-5.48%	235,413	255,454	-7.85%
Waste & Scrap Materials	5,969	6,575	-9.22%	173,482	178,625	-2.88%
Chemicals	16,505	15,483	6.60%	479,215	443,665	8.01%
Petroleum & Coke	6,109	6,016	1.55%	160,429	169,152	-5.16%
Metals & Products	11,659	11,346	2.76%	325,481	350,561	-7.15%
Motor Vehicles & Equip.	1,623	2,086	-22.20%	61,951	66,356	-6.64%
Intermodal	14,694	17,937	-18.08%	413,991	513,786	-19.42%
All Other	3,087	3,465	-10.91%	85,776	98,397	-12.83%
Total	123,750	125,528	-1.42%	3,416,466	3,653,823	-6.50%

* Railroads using RMI products to waybill rail shipments.



RAILROAD TRAFFIC

According to the AAR, U.S. carloads were down 0.9 percent in the week ending July 28, 2007, with 336,072 cars originated, compared to 339,095 cars originated in 2006. U.S. intermodal traffic was down 3.1 percent for the week and 1.5 percent for the year to date. U.S. and Canadian intermodal traffic is down 0.9 percent compared to 2006. Total volume is down 2.7 percent for the year, with an estimated total of 988.5 billion ton-miles, compared to 1,016.0 billion ton-miles in 2006.

EMBARGO NOTICES AND REROUTE ORDERS

A complete listing of embargo notices is available at aarembargo.railinc.com.

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