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American Short Line and Regional Railroad Association

VIEWS & NEWS

VOLUME 75

NUMBER 16

SEPTEMBER 4, 2008

Upcoming Events

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

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ASLRRA WELCOMES MORE NEW MEMBERS

We welcome new railroad member, the **Appanoose County Community Railroad**. The APNC operates 35 miles of line in Iowa and interchanges with the BNSF Railway and the Iowa, Chicago & Eastern Railroad. They may be contacted at M: 1302 S 21st St, Centerville IA 52544, P: (641) 437-7029, F: (641) 437-0514.

We also welcome a rejoining railroad associate member, the **Lahaina, Kaanapali & Pacific Railroad**: The LKP is a tourist railroad, operating the steam locomotive-powered Sugar Cane Train in Hawaii. They may be contacted at M: 17 Kaka'alaneo Dr, Lahaina HI 96761, P: (402) 420-0505, F: (402) 420-0505, W: www.sugarcanetrain.com.

And finally, we welcome a new associate member, **Power Drives Incorporated**. Power Drives is a manufacturer of diesel engine block heaters for the locomotive industry. They may be contacted at M: 133 Hopkins St, Buffalo NY 14220, P: (800) 888-1373, F: (716) 824-4817, E: solutions@powerdrives.com, W: www.powerdrives.com.

HURRICANE GUSTAV CHALLENGES GULF SHORT LINES

Hurricane Gustav roared into Louisiana this past Monday, bringing with it powerful winds and rains that swept through that state and on into neighboring states. Federal, state and local authorities, having considerably heightened planning and coordination since 2005's devastating Hurricane Katrina, facilitated large-scale evacuations of cities and towns in the storm's path, including much of the population of New Orleans. Shortly after landfall, the hurricane was downgraded to a tropical storm and was much dissipated by mid-week, although tornado watches and warnings were continued in some areas in the storm's wake.

Reports from operating personnel indicated that most short lines traversed by the storm suffered less damage than originally anticipated, with railroads reporting mainly downed trees, inoperative signal and grade crossing warning systems, and washouts due to flooding in some locations. Most began repairs even before the storm clouds parted and were forecasting resumption of normal operations within the next several days. Each of these railroads began preparations for the hurricane days before its arrival that included securing tools and supplies, validating emergency contact information, and moving locomotives and cars away from low-lying areas. The Association of American Railroads helped the latter effort by requesting that Class I railroads work with their short line partners to try to hold interchange deliveries to them and, if at all possible, offer to move off their lines rail equipment that was potentially in harm's way. Additional to providing advance weather information and storm preparation advice to short lines, ASLRRA convened a series of daily conference calls to determine situational status, which included the participation of officials of the Federal Railroad Administration, so that further help could be arranged if needed.

Testament to the extra effort of short lines and the people who run them is a story from the Arkansas Southern Railroad. Reaching out to each of their employees as the storm subsided to see how they were doing, the railroad's management was unable to reach two of them. They then drove out to their homes and found the employees and their families okay, but their homes to be without power. The railroad then dispatched portable generators that they had at ready to these employees' homes to provide them with electricity until commercial power could be restored.

ASLRRA REGIONAL MEETINGS: DATES TO NOTE

ASLRRA's Fall Conferences are fast upon us and the business sessions promise to be informative and thought-provoking! Registration is set up online and can be accessed by clicking on this link:

https://members.aslrra.org/mtg_list.asp

Meeting locations, hotel info and important dates:

- **Southern Region Meeting**, September 14-15-16; [Charlotte Marriott City Center](#); Charlotte, North Carolina. Register by September 5 to be added to the registration list.
- **Central Pacific Region Meeting**, September 28-29-30; [Hotel Monteleone](#); New Orleans, Louisiana. Room rate is \$109 per night; To make your room reservations, call the [Hotel Monteleone](#) Reservations at (504) 523-3341 or their Group Reservations number at 1-800-217-2033 and mention our group name American Short Line or ASLRRA to obtain our group rate of \$109 single/double. The Hotel Monteleone is an historic hotel property centrally located in the heart of the French Quarter. Note: ASLRRA has added a block of rooms for Friday night for early arrivals planning to participate in the Saturday Habitat for Humanity building event. The cut-off date for room reservations is September 5. The early-bird registration fee cut-off date is September 12.
- **Eastern Region, Meeting**, October 12-13-14; [Williamsburg Lodge](#); Williamsburg, Virginia. Room rate is \$165 per night. To make room reservations, call the [Williamsburg Lodge](#) Hotel Group Reservations at (800) 261-9530 (M-F; 8:30am-5:00pm) and mention **Group Booking Code AMEK08Z** to obtain our reduced group rate of \$165 single/double. Online reservations may be made by clicking here: <https://resweb.passkey.com/go/amek08z>. The cut-off date for room reservations is September 12. The early-bird registration fee cut-off date is September 26.

Great sponsorship opportunities are still available for all three meetings! Contact ASLRRA's Jenny McKinney at jmckinney@aslrra.org or 202-585-3449 for more details.

NEW DRUG RE-TESTING RULES DELAYED

The U.S. Department of Transportation has announced that they will delay, until November 1, implementation of new rules that, under certain conditions, would subject employees of all transportation modes to direct observation urine collection. The delay follows comments by several transportation organizations, including the ASLRRA, asking for reconsideration of the proposed rules, as well as a complaint against them filed in federal district court by BNSF and eight labor unions.

The proposed rules, which were first reported about in our August 5 edition, have been criticized for requiring that an employee be partially disrobed and directly observed when producing a urine sample, in instances where that employee is being re-rested after having previously failed a D&A test. In earlier remarks, a USDOT spokesman said that the rules needed to be changed because there was "ample evidence suggesting that [there are] more and more devices available in the market place designed to tamper with specimens."

In its comments, ASLRRA together with the Association of American Railroads (AAR) asked USDOT to consider whether the rules are truly warranted, owing to the fact that the railroad industry has one of the lowest rates of positive tests – less than one percent – where screening is done randomly.

SHORT LINES CONTINUE TARGETING TAX CREDIT EXTENSION

(Keith Hartwell of ASLRRRA's sister firm, Chambers, Conlon & Hartwell, here reports on efforts during the past month aimed at bringing about extension of the federal Short Line Tax Credit.)

Short line railroads used the August recess as an opportunity to push the short line tax credit with key senators on their home turf. We need an additional five Republican senators to switch their vote on the so-called "cloture motion," which will allow the tax extenders bill to come to the floor of the Senate. In pursuit of that goal, we scheduled August meetings or telephone conferences with ten Republican Senators and/or their senior staff:

- **Georgia** hosted the largest meeting with Senator Johnny Isakson and with the Chief of Staff to Senator Saxby Chambliss. Representatives from Georgia Midland, Georgia Northeastern, Great Walton, Hartwell Railroad, Heart of Georgia, Genesee & Wyoming, Sandersville Railroad and the Railway Tie Association were all in attendance.
- Five **Texas** short lines met with Senator Kay Bailey Hutchison's Regional Director. In attendance were the Blacklands Railroad, Fort Worth and Western, Ironhorse Resources, Rio Grande Pacific and the Wichita, Tillman & Jackson.
- In **Florida**, Pinsly and RailAmerica met with Senator Mel Martinez' Regional Director in the Pinsly offices and then took him on a hi-rail tour of tax credit-related projects on the Florida Central.
- In **Tennessee**, representatives from the Gulf & Ohio Railways met with Senator Bob Corker's Regional Director. In **Kansas**, WATCO representatives met with Senator Pat Roberts. In **Iowa**, Iowa Interstate met with Senator Chuck Grassley. In **Ohio**, the Wheeling & Lake Erie met with Senator George Voinovich's Legislative Assistant for Transportation. In **Arizona**, A&K met with Senator Jon Kyl.

In every case there was strong support for the short line tax credit extension as a stand-alone measure, but continued opposition to various extraneous items the larger tax extenders package in which the short line provision is traveling. The good news was that each of the senators felt that a compromise on the larger extender package was a strong possibility before the Congress adjourned for the year.

In every meeting, each of the railroads told a tax credit story. Space doesn't permit us to recount all of these. However, we have provided a link to the Rio Valley Switching Company presentation that was used at the Texas meeting and the Knoxville & Holston River Railroad presentation that was used in the Tennessee meeting. These were excellent presentations and, if you are scheduling a meeting with your Representative or Senator, you should feel free to use these as a template for your company's specific story. To view the Knoxville & Holston River Railroad presentation, [click here](#), and to view the Rio Valley Switching Company presentation, [click here](#). These presentations are also available at the bottom of the Co-Sponsor Alert page under the Legislative & Regulatory section. That page can be accessed by [clicking here](#).

These face to face meetings are a very important part of our legislative effort and we owe thanks to all those who took the time to pull them off in August.

HALF-PRICE SPECIAL ON NARS BRIDGE COURSE

The National Academy of Railroad Sciences (NARS), an ASLRRA preferred provider of railroad training, is offering a special rate for a bridge inspection class tentatively scheduled for October 27-31 at NARS's state-of-the-art training facility in Overland Park, KS. Normally costing \$1,000 per student, this class has now been discounted to \$500 for employees of ASLRRA member railroads.

This training will be a combination of classroom and hands-on. For further details about the class, including enrollment information, contact ASLRRA's Tom Streicher at E: tstreicher@aslrro.org, P: (202) 585-3434.

FIRST RADIO NARROWBANDING DEADLINE SET

Affirming the recommendations of its two subordinate committees dealing with wireless communications, the AAR Safety & Operations Management Committee (SOMC) has now set the first industry deadline related to the conversion of railroad radio transmissions to narrowband. At its August meeting, the Committee set July 1, 2010 as the date that locomotives operated at interchange or in run-through train service must be equipped with radios capable of transmitting at 12.5KHz. This action furthers the 2003 decision of the Federal Communications Commission that all non-military two-way radio transmissions narrow from 25KHz to 12.5KHz by January 1, 2013. After that date, transmissions at 25KHz will no longer be permitted.

The July 1, 2010 date for locomotive radios was established to allow the railroad industry a two-and-one-half year window to transition from 25KHz to 12.5KHz at all operating locations. The specifics of this transition will be on a still-to-be-defined geographical basis that will be timetabled with the assistance of the Transportation Technology Center's Spectrum Management Office in Pueblo CO, which manages railroad radio frequency assignments.

The Association, which earlier this year briefed its membership on narrowbanding with the publication of its first Technology Track newsletter, will continue to provide helpful information to member railroads to ensure a smooth transition toward the 2010 deadline, and beyond.

NEW FRA RISK REDUCTION PROGRAM DEBUTED

The Federal Railroad Administration, having sponsored several risk-reduction pilot projects (RRP), has said that it is now moving toward establishing RRP as a formal agency safety program. In a prepared statement, the FRA said that the RRP initiative will develop innovative methods, processes, and technologies to address the contributing risk factors that result in train accidents and employee injuries. The FRA gave the example that a conventional approach to preventing train derailments would be to search for any broken joint bars that connect two sections of track, but that a risk-based strategy will focus on identifying the precursors that indicate a joint bar might break followed by proper preventive maintenance before it fails.

In announcing the initiative, FRA Chief Administrator Joe Boardman said that the RRP framework will encourage the voluntary participation of railroads and labor on project that target specific risk categories, such as confidential close call reporting systems, peer-to-peer accident prevention strategies, and fatigue risk management programs.

ASLRRA S.A.F.E. PROGRAM HELPS SHORT LINE SAFETY

Do you want to maximize safe behavior on your railroad? Then consider a S.A.F.E. visit from ASLRRA.

Project S.A.F.E. (Safety Assessment & Facilities Evaluation) is an ASLRRA program designed to encourage and facilitate improvements to safety and operating protocols on ASLRRA member railroads. Under this initiative, a qualified ASLRRA representative will, for a nominal fee, visit your railroad to perform a multi-day evaluation of safety procedures, operating practices, and property security. A key aspect of the evaluation is an analysis of the company's safety culture as it relates to everyday job performance for all employees, including management.

A S.A.F.E. review will include discussions with management as to safe practices; observations of employees performing their duties on all shifts and at all locations; a review of current safety and operating rules published and in effect; an examination of all facilities; interviews with employees; and a review of records and files regarding injuries, accidents, and corrective action. This on-site evaluation will be followed up by a detailed written analysis of the visit, in which key points of the assessment and proposed improvements will be reiterated.

ASLRRA's General Superintendent Safety & Operating Practices Tom Streicher, esteemed for his more three decades of operating expertise and superior knowledge of safety, is standing by to conduct a S.A.F.E. review at your railroad. To arrange his services, contact him directly at E: tstreicher@aslrta.org, P: (202) 585-3434.

BNSF EXPANDS MILEAGE-BASED FUEL SURCHARGE

BNSF recently announced that it will extend its mileage-based fuel surcharge program to carload (Agricultural Products, Coal, Industrial Products and Automotive) customers who do not currently pay a mileage-based fuel surcharge beginning Jan. 15, 2009, and to intermodal customers beginning Feb. 18, 2009. Changes for carload customers will be phased in as current pricing authorities expire. BNSF established its mileage-based fuel surcharge program in 2006.

Tables reflecting the new strike price for automotive (conventional and articulated equipment), unit coal train and all other carload shipments are available on the BNSF Web site at <http://www.bnsf.com/tools/prices/fuelsurcharge/index.html>. Tables for intermodal customers are under development now and an advisory will be sent to intermodal customers when the new tables are posted on the BNSF Web site, www.bnsf.com.

BOB GROSSMAN WEBCAST FEATURED ON PROGRESSIVE RAILROADING SITE

Retired Genesee & Wyoming vice-president and former ASLRRA board member Bob Grossman is featured in a new webcast interview on the Progressive Railroading website. Mr. Grossman was interviewed by Jeff Stagl, Editor of Progressive Railroading Magazine. In the interview, Mr. Grossman discusses the challenges and accomplishments associated with creating and nurturing state railroad associations, which he helped to establish in three states, Pennsylvania, New York, and Oregon. Listen to the interview by linking to <http://www.progressiverailroading.com/audio/details.asp?id=17658>

CORN AND SOYBEAN CROP OUTLOOK FAVORABLE

The U.S. Department of Agriculture has reported an improved outlook for the U.S. corn crop but lower prospects for the soybean crop. "While the weather in July turned almost ideal for corn throughout much of the Corn Belt, the soybean crop continued to struggle with later plantings and uneven stands, as reflected in the USDA's Crop Production Report for August," said a senior economist with the American Farm Bureau Federation.

The report indicated that, despite June's severe flooding in the Midwest, U.S. farmers are on pace to produce the second-largest corn crop and fourth-largest soybean crop in history. USDA forecasts U.S. corn production at 12.3 billion bushels, compared with a record 13.07 billion bushels last year. U.S. soybean production is forecast at 2.973 billion bushels, which is nevertheless 388 million bushels above last year's crop.

CONFERENCE UPDATE

Further information is now available about the FRA Fall 2008 Seminar that was scheduled to take place September 9-12 in South Padre Island TX, but was canceled due to damages caused by Hurricane Dolly, which traversed through South Padre Island earlier this hurricane season. Norma Torres, president and COO of the Brownsville & Rio Grande Railroad, the railroad that was to have hosted this seminar, has advised that the seminar has now been rescheduled to May 2009, again in South Padre Island. Ms. Torres said that flyers and emails to announce the specific dates next May the seminar will be conducted will soon be sent, and asks that her railroad be contact if there are any questions in the meantime. Ms. Torres may be emailed at E: ntorres@brgrr.com.

CORRECTIONS

In the August 19 edition, your editor misspelled the names of three individuals, two of whom he knows very well! The correct name of ASLRRA's Membership Consultant is of course Cheryl Huyck. Also and in the article about the Heart of Georgia Railroad, their president is correctly Brad Lafevers and the HOG locomotive engineer interviewed is correctly Bennie Givins.

MEMBERS IN THE NEWS

Please note the following news about ASLRRA members, here listed alphabetically by member:

American Motive Power recently named Frank Larkin its executive vice president. Mr. Larkin was most recently vice president and general manager of locomotive services for Progress rail Services.....**Farmrail** Controller Judy Petry was named "Outstanding [Railroad] woman Of The Year" by the League of Railway Industry Women (LRIW). Ms. Petry, who is also an ASLRRA board member, was recognized for achievements including being able to "grasp and analyze complex 'big-picture' issues affecting our industry." The award will be presented to Ms. Petry at LRIW's annual luncheon in Chicago IL this September 23.....**MeteorComm** announced that it has won a contract for the Higher Performance Data radio (HDPR) project being managed by the Transportation Technology Center of Pueblo CO. The HDPR project focuses on the development of a radio that can integrate voice and data needs. MeteorComm's Software Defined Radio (SDR) and network protocol, MBNet, will be used in the HPDR system to be tested.....**MG Rail**, which serves the Port of Indiana-Jeffersonville, recently began using two new hybrid locomotives that are anticipated to reduce rail diesel emissions at the port by 25 percent. MG Rail, the Ports of Indiana, and the Indiana Department of Environmental Management partnered to secure a \$200,000 grant through the Clean Ports USA Program to help purchase the new locomotives.....A regional coalition has been formed in Minnesota to help foster interest and funding to upgrade the **Minnesota Prairie Line**. The conclave, known the Minnesota Valley Regional Rail Coalition, hopes to upgrade the 94-mile line's infrastructure to permit most of its trains to travel up to 25mph by 2011.....**Railpower Technologies** announced that Virginia International Terminal, which serves the Port of Norfolk-Hampton Roads, has acquired two multi-genset, low emission, four-axle Class RP20BD locomotives and one hybrid Class GG20B locomotive from RailPower. The agreement between Railpower and VIT is a three-year lease with the commitment to purchase at its expiry.....**RailRunner** announced that it had received an investment of \$11.7 million through a private placement. RailRunner designs, manufacturers and markets an intermodal units that, with a special chassis attached, can be moved over the highway and, with special rail bogies attached, can also be moved on rail.....**IOEast** announced that six railroads have recently started using its RailDOCS Preventive Maintenance Management System (PMMS). The system provides preventive maintenance and government compliance logistics for the signal requirements of these railroads. For further details, link to the ASLRRA "Hot Tracks" page at http://www.aslrra.org/member_tools_services/Hot_Tracks/.....**Williams Venker & Sanders** announced that Theodore Williams has been named by "Super Lawyers, Corporate Counsel Edition" as one of the top attorneys in civil litigation defense in 2008. Mr. Williams is one of the founding partners of the firm, which specializes in legal matters that include commercial litigation, employment law and personal injury.

CLASS I RAIL TRAFFIC

For the week ending August 23, 2008, U.S. rail volume grand totaled 35.1 billion ton-miles, up 0.3 percent from the comparable week last year. U.S. carload rail traffic totaled 334, 821 carloads, down 0.6 percent; traffic was down 3.3 percent in the East, but up 1.3 percent in the West. Notable traffic increases included metallic ores up 47.9 percent and waste and scrap materials up 12.1 percent; notable traffic decreases included coke down 34.2 percent and motor vehicles and equipment down 31.4 percent. Also for the week, U.S. intermodal traffic totaled 230,437 units, down 3.1 percent, Canadian carload rail traffic was down 5.9 percent, Canadian intermodal rail traffic was up 4.7 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 8.9 percent, and KCSM's intermodal rail traffic was up 5.6 percent.

For the period January 1 through August 23, 2008, U.S. rail volume grand totaled 1.146 trillion ton-miles, up 1.5 percent from the comparable period last year. U.S. carload rail traffic totaled 11,056,960 carloads, up 0.3 percent, and U.S. intermodal rail traffic totaled 7,588,231 units, down 2.9 percent. Also for this period, Canadian carload rail traffic was down 4.2 percent, Canadian intermodal rail traffic was up 4.1 percent, KCSM's carload rail traffic was down 3.6 percent, and KCSM's intermodal rail traffic was up 8.4 percent.

(NOTE: Concerning the above, please note that Canadian carload and intermodal rail traffic includes the U.S. operations of the two Class I railroads headquartered in Canada, Canadian National and Canadian Pacific.)

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 337 such railroads. This index is calculated weekly and the below data is as of the week ending August 16, 2008, the 33rd week of this year.

	Week Ending August 16			Year-To-Date		
	2008	2007	% Change	2008	2007	% Change
CARLOADS HANDLED						
Coal	16,095	16,804	-4.22%	498,924	479,655	4.02%
Grain	17,401	15,573	11.74%	483,774	452,971	6.80%
Farm & Food (Exc. Grain)	5,157	5,057	1.98%	173,841	160,714	8.17%
Ores	3,320	2,367	40.26%	101,767	86,001	18.33%
Stone, Clay, Aggregates	12,630	12,909	-2.16%	367,691	368,456	-0.21%
Lumber/Forest Prods.	5,523	5,946	-7.11%	166,580	203,950	-18.32%
Paper Products	7,802	8,243	-5.35%	256,639	277,501	-7.52%
Waste & Scrap Materials	7,215	6,386	12.98%	220,948	207,292	6.59%
Chemicals	17,814	16,967	4.99%	570,823	553,989	3.04%
Petroleum & Coke	5,971	5,389	10.80%	198,235	183,653	7.94%
Metals & Products	11,536	10,321	11.77%	395,838	366,433	8.02%
Motor Vehicles & Equip.	1,752	2,090	-15.69%	65,844	63,701	3.36%
Intermodal	11,995	14,156	-15.27%	418,466	485,966	-13.89%
All Other	3,388	3,277	3.39%	100,336	103,897	-3.43%
Total	127,609	125,485	1.69%	4,019,706	3,994,179	0.64%

HELPFUL LINKS

To use the Railinc Embargo & Permit System, including open & prepay station (OPSL) notes, link to <https://aarembargo.railinc.com/epdb/public.do>

Members wanting to review ASLRRA recommended emergency preparations may link to <http://members.aslrra.org>, enter email and password, click on the word “Documents” at the top of the page, then click on “ASLRRA Emergency Plans” on the left side. Contact ASLRRA’s Dave Whorton at E: dwhorton@aslrra.org, P: (202) 585-3430 if you need further assistance.

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