

PRESIDENT'S Q&A

The 2015 edition of the Railway Tie Association Symposium & Technical Conference finished with the bang of the gavel in November. But the hard work of representing the wood tie industry is well underway, said Kenny Dailey of Stella-Jones Corp., RTA President for the coming year. Dailey took time from his busy schedule to discuss some of the biggest challenges and opportunities for the coming year facing both the industry and RTA. He also shared how he believes RTA members can make a positive impact.

Q There were many discussions about resource availability, legislative

issues and new technological developments on the horizon for the wood tie industry during the RTA Conference. What are some of the greatest challenges the wood tie industry is facing right now?

The rail industry remains a dynamic business and faces new challenges from their customers, for example coal and oil shippers over the past few years, government regulations and other market conditions that often make planning CapEx a real challenge.

Fortunately, the railroads have found very inventive ways to invest wisely and have exhibited a great deal of flexibility when the marketplace changes for good and also in less favorable conditions. Tie suppliers are generally concerned with how this may affect demand, yet railroads continue to invest heavily in infrastructure, so all rail suppliers have been beneficiaries of their forward-thinking investments.

Concerns for members would include overall U.S. and Canadian economic growth and possible interest rate hikes, plus the continued state of depressed oil prices. But, while any of those challenges could affect overall demand for ties in the coming months, RTA remains confident that with the tax credit for short lines, being approved, along with the Dec. 10th announcement that a five-year Surface Transportation Bill has been signed into law, growth for rail and infrastructure investment will continue. These positives add stability to the marketplace and are net positives for tie suppliers.

Tie disposal rules and other technological advancements may also provide a landscape of many opportunities for RTA members, so 2016, as usual, seems to be a year that shapes up as one where remaining nimble, and closely following the marketplace data RTA and others provide, should be high priorities for any tie supplier's business plan. Overall, though, RTA is planning for a very strong year of tie production and demand.

Q How can RTA members help overcome some of these challenges?

Fortunately, and due to railroads' continued progressive procurement stance, tie supply is fixing itself. In some areas of the country (mostly the Eastern half), we will see normalization of air-dry inventories sooner rather than later. In the West, that may take a little longer, but our sawmill base is stepping up to the plate and churning out ties as fast as possible based on availability of logs. We need good winter weather for this to play out as we now expect it to, but we remain hopeful that even if cold weather and precipitation patterns do have an impact on supply, it would only be minimal.

Q What are the greatest opportunities members of the tie industry should take advantage of right now?

There is nothing better than a customer-driven focus anytime you work on your business plan. I would suggest that for 2016 this would never be more true. Continued focus on efficiency of operation, quality control, innovation and looking for the next best thing for your customer will pay dividends for any rail supplier in the coming years. At Stella-Jones, our continued investment in the industry through supporting organizations such as RTA has also been important to maintaining a healthy marketplace. We encourage all RTA members to be similarly invested in helping the wood tie industry grow year-over-year.

Q What will be some of the major RTA initiatives over the next year from an educational, legislative or otherwise perspective?

RTA will continue to offer more and better educational opportunities. Our newly announced video modules that earn Personal Development Hours and are provided by the industry's leading engineering expert, the University of Delaware's Dr. Allan Zarembski, would be just one example of how RTA continues to enhance member education.

We are working on a new app and booklet for "must-know" tie information and tie grading. We'll be revising the TieGuide and updating the Spanish

translation of the **Kenny Dailey, RTA President** same in 2016, as well as improving the Tie Grading Seminar with more detailed info on grade vs. industrial grade ties. We also plan to redesign the SelecTie model as a web-based tool for modeling tie planning ROI. We have a lot on our plate and are looking toward a very robust program of services for 2016. Also, RTA has committed to having its own direct and separate voice in Washington, D.C., about which there will be more details coming at the first of the year.

Q Can you share any details of RTA's 2016 Conference?

The location for our event next year is the beautiful Hyatt Regency at Coconut Point in Bonita Springs, Fla., which is in the Naples/Fort Myers area. The dates are October 25-28, and we can promise another spectacular event for our 98th Annual Technical Conference.

I'd also like to note that our Annual Field Trip will be based out of Harrisburg, Pa., where three treating plants and other rail and sawmill supply facilities will be on the itinerary. Members need to plug in June 5-8 not only for committee meetings but also for this tremendous field-based learning opportunity on safety and manufacturing practices.

Our Tie Grading Seminar returns to the site of RTA's very first such event in Bangor, Wis. The dates for members to note on this event will either be the last week of July or first week of August, depending on hotel availability. ■



Kenny Dailey, RTA President

Attendees: Best-Ever RTA Conference

Great Job To All

The conference was excellent and a great job to all involved. You guys were awesome.

—Lee Fedor,
Stella-Jones

Enjoyed Catching Up With The RTA Team

Great to see you and the RTA team at the conference in Tucson. As usual, it was extremely well organized. Thank you.

—Jacques McKay,
Wood Products Industries Inc.

A Wonderful Conference

The conference in Tucson was absolutely wonderful and it was great to see you. I received the shirts you sent and they both fit great! I really appreciate your thoughtfulness—thank you so very much!

—Jerry Farley,
J.H. Baxter & Co.

Very Well Done

Many thanks to Debbie, Jim and Barbara for a fantastic job at the 2015 conference. It was very well done.

—Josh Wagner,
National Salvage Service Corp.

Your Efforts Are Appreciated

I just want Jim and Susan, Debbie, and Sam to know how much I have enjoyed attending this conference and all the other RTA Events over the years, and just how much I think of you all. You have done a wonderful job of managing and promoting the association and have always managed to make me feel welcome. I will miss being a part of the industry, but mostly I will miss the good friends I have made along the way.

—Joe Balich,
Amsted RPS

Had A Great Time In Tucson

We had a great time in Tucson. Please express our appreciation to all who planned and executed a fantastic convention. We also thought the comedian was very entertaining.

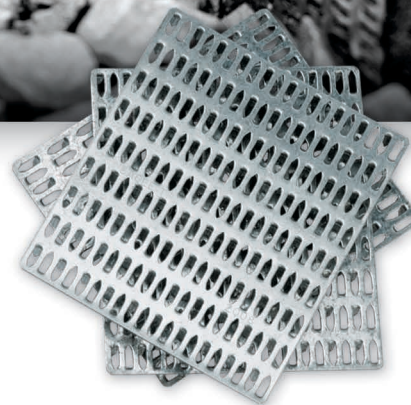
—Gary Hunter,
Union Pacific (ret.)

Great Setting

That was a wonderful convention last week. Jane and I thought it was one of the most relaxing events ever in a great setting. Good job to you and your staff.

—Bill Moss,
Mitek Industries Inc.

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