

Short Lines Make Long Connections

A Look Ahead With ASLRRRA's Top Executive By Kristen McIntosh



Darr

Short line railroads play an important role in the nation's transportation system, said Linda Bauer Darr, president of the American Short Line and Regional Railroad Association (ASLRRRA). "If the Class 1s are the heart and lungs of the nation's railroad anatomy, then the short lines are the hands. We reach out to farms, local communities, and shippers to connect them to the national rail, highway, and port infrastructure system," she said. "And those connections are provided in a safe, affordable, efficient and environmentally friendly fashion. Those connections create jobs and opportunities across the nation but particularly in rural areas that might be left behind without their short line connections."

Darr also said those professionals who operate the short lines deserve recognition for their commitment and entrepreneurial spirit. "I have also found a tremendous affection for short lines among people I meet, not only shippers but the man on the street. There is a romantic kind of attachment to the way things used to be and also a respect for the hard work railroaders do every day with little fanfare. It is very tangible, and I'm happy to be representing these hearty, committed entrepreneurs."

Darr offered insight on the important short line initiatives ASLRRRA undertook in 2015 and what lies ahead for the industry in 2016.

Q: What are some of the successes/achievements ASLRRRA experienced in 2015?

A: Short line and regional railroads were affected by the downturn in coal and other resources and commodities that impacted the entire rail network in 2015. So, from strictly a cash and carry perspective, it wasn't a great year. But, oh, what a year it was in Washington. We started the year facing a tsunami of pending regulation, looming impossible deadlines, and legislative uncertainty that threatened to change the face of this industry well into the future. And we finished the year very, very strong; we learned a lot in the process.

So here's a little bit about the pressure. The deadline for Positive Train Control (PTC): The heat really got turned up over the PTC deadline for implementation in the spring after the tragic Amtrak accident. When things like that happen, our political leaders feel a need to act quickly. And, at that time, the closest tool they had to respond with was the PTC deadline extension.

I believe everyone knew full well that the industry wasn't ready for primetime with PTC. Yet, that became the focus for many months, and we went right up to the brink of the December deadline before we saw relief.

In those months, we had to scramble to prepare in the event that the deadline wasn't extended. Now that's not a great way to run a business, but we had no choice. And it drained energy away from other critical safety efforts. There are so many other ways that this industry, particularly short lines, can contribute to a safer rail system.

In our view, there are two primary focus areas for short lines to keep in their sights to make rail transportation safer: people and track. That's what it really comes down to since broken rail and human factors issues are the most common cause of derailments. So you see us spending a lot of time on people and track.

The Short Line Safety Institute is all about people and ensuring that our people have the tools they need to build and maintain a strong safety culture on their railroads, and the 45G tax credit is all about rehabilitating our track. Luckily, by the end of the year we had secured additional funding for the Short

Line Safety Institute to keep up its work assessing the safety culture of our railroads. We had also secured a two-year extension for the 45G tax credit. Of course, we all know the story about how the PTC deadline extension played out. I will say the silver lining in all that PTC focus and urgency was that it gave us a clearer understanding of all the implications for short lines of installing a system on our lines.

There are insurance needs, the creation of a common Back of Server (at least that is our goal), training and roles, and responsibilities work to be done. We have a much clearer picture of what we have to do, but it is no less daunting a task today than it was before the deadline was extended. It remains an enormous concern and a primary focus.

The training rules were also a big part of our focus in 2015. The Railroad Safety Improvement Act of 2008 contained a simple directive to assure safety-sensitive workers learn and understand federal safety rules. The resulting rules appear to be much more prescriptive than that. And, of particular interest to our members, the final rule was published without meaningful small railroad relief. So, we filed a Motion for Reconsideration with FRA. But it was denied. So we filed a Petition for Review at the U.S. Court of Appeals for the District of Columbia.

For now, the court has allowed us to stay proceedings and engage in settlement talks with FRA. Those talks are going well, so we are hopeful to have some practical, helpful, targeted training packages that are accessible by small- and medium-sized railroads nationwide. We think that's good news but will keep our fingers crossed.

Finally, the truck size and weight debate came into full swing again in 2015, with the trucking industry mounting a big challenge in its quest to allow twin 53-foot trailers and 91,000-pound loads on our nation's highways. For short line railroads, both of those issues represent a strong potential for diversion of freight from rail to truck, particularly carload freight, which is our bread and butter. After a lot of back and forth and rallying the troops (our members) on several

occasions, we were able to contain that threat, at least for now.

So, yes, 2015 was quite a year!

Q: What issues will ASLRRRA focus its attention on in 2016?

A: The decline in carload traffic will be a focus. Carload traffic was down 6.1 percent in 2015 over 2014, so that is a big concern as it is the lifeblood of the short line industry. We will look at working closer with our Class 1 partners to insure that we aren't doing anything that can potentially lose that business in the short term as it is hard to regain from the trucking industry once its lost.

We will continue to engage in the truck size and weight debate in a year when we can ill afford further diversion of freight to the trucking industry. We will continue with a big focus on safety, safety, safety. We are an industry that is already safe, and our challenge is to work every day to make it even safer. We are gearing up for that challenge.

And the scope of PTC implementation issues is only just starting to truly come into perspective for us. It is clear that we will be spending a lot of time on efforts to prepare the short lines that must prepare to be in compliance. We are working on an insurance program and back office server support that we hope will provide assistance and make use of our collective buying power as an industry to meet a critical industry need.

Q: Please update us on the work and progress of the Short Line Safety Institute.

A: We were very pleased to welcome on board Ron Hynes as the executive director of the Short Line Safety Institute. Ron understands what makes railroads safe and will help us navigate the path forward along with his colleagues on a newly appointed Advisory Board of industry and subject matter experts.

Our assessment work is ongoing out in the field with individual railroads, and we are tweaking the process that originally focused solely on safety culture to insure that we are proactively addressing compliance issues when we see them.

Q: With Railroad Day On Capitol Hill coming up soon, what information could you share about the talking points for the meetings?

A: Railroad Day begins with a breakfast briefing/pep rally to get everyone prepared for their visits that day. Then, we converge on the Hill for more than 300 visits with members of Congress.

This year, our group will be focused on showcasing the rail industry as an innovator in safety, support of the 45G tax credit, opposition to truck size and weight increases, and preservation of a reasonable regulatory environment. The evening concludes with a big dinner with railroaders and Washington policymakers reflecting on the work we are doing to provide a safe and sustainable rail network.

Railroad Day on Capitol Hill has proven to be the single most effective way to get our message to Congress. The size of the event, the geographical diversity of the participants and the unified railroad industry message has focused Congress on our issues like never before.

Q: Please share any details about ASLRRRA's annual conference and regional meetings for the year.

A: April 3-6 at National Harbor. We have confirmed the FRA Administrator will speak. And we will also have political analyst Charlie Cook joining us to talk about the presidential elections. We will also have a first ever gala Chairman's Dinner that will include a silent auction in support of the ASLRRRA Political Action Committee. We are looking forward to a really fun evening and a great week on the front step of the nation's capitol. The regional meetings are planned for three great cities this year: Indianapolis, Louisville and Oklahoma City.

These meetings are very interactive and focused on the safety institute deliverable as well and marketing and regional grassroots initiatives so they are a hot ticket!

Q: What message would you like to share with RTA members? How can they best help ASLRRRA and its members achieve their goals for the year?

A: Due to their tremendous geographical reach, RTA members have been extraordinarily helpful in the past getting 45G co-sponsors. They can continue that good work by participating in this year's Railroad Day, where we collect the majority of our support for our legislative items. ■

RTA Efforts In Washington, D.C.

From Staff Reports

Navigating the political and bureaucratic waters in Washington, D.C., has never been easy. But for RTA the task has just gotten an injection of professional support.

Late last year, the RTA Executive Committee approved the move to engage the firm of Chambers, Conlon and Hartwell (CCH) as RTA's direct and independent voice in Washington.

As most readers know, CCH has represented the American Short Line and Regional Railroad Association for many years and is largely responsible for the strategy developed to make the 45G infrastructure investment tax credit a reality.

CCH has also worked side-by-side with RTA for years in other matters ranging from EPA's creosote re-registration process to, more recently, representing RTA members' interests in the hall of Congress during the final stages of the NHSM rule-making process.

"RTA's board felt it was time to formalize the relationship with CCH so that greater ties to legislators could be built on wood tie and hardwood related matters," said RTA Executive Director Jim Gauntt. Some ideas in the works include more direct tie related events and plant visitations with a goal of having key legislators attend the RTA conference to speak on issues of the day.

"Chambers, Conlon & Hartwell has worked closely with RTA over many years on legislation that is important to the entire railroad industry. We have decided to formalize that relationship so that CCH can be more directly involved with issues that impact the railroad tie industry," said Keith Hartwell, CCH president. "The many companies that make up the railroad tie industry are the kinds of small businesses that represent the very best in American entrepreneurship, and we look forward to helping tell their story to the Congress and to transportation policy makers through the federal government." ■