Tellier’s Tale: Growing Stronger Together

RTA Joins ASLRA, AAR For Railroad Day On The Hill
CN Chief Discusses Mutual Benefits Of Supporting Short Lines
Formosan Termites Become An Issue For Railroads
OSHA Revises Recordkeeping Rules & Regulations
2001 RTA Convention Site Announced
Make Plans Now For Annual Tie Grading Seminar
Impressive List Of RTA Research Due In 2001-2002

CN Partners With Short Line Railroad To Upgrade Track For 286 Trains
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From RTA Reports

Rail supply interests, short line railroads, Class 1 railroads and rail labor representatives convened in Washington in March to make calls on Congress during Railroad Day on the Hill. RTA was represented by Tony Chambers of Burke-Parsons-Bowiby Corp., chairman of RTA's Committee for Legislative And Environmental Affairs Response (CLEAR), and RTA Executive Director Jim Gauntt.

Congressional visits were arranged by the Association of American Railroads (AAR) and the American Short Line and Regional Railroad Association (ASLRRRA) as part of a cooperative effort to influence legislation in three key areas: small railroad infrastructure funding, railroad retirement reform and railroad deregulation.

Because short line and regional railroad track comprises nearly one-third of the U.S. rail system, creating a more compatible and efficient national rail system that links shippers to destinations across the country will require a major upgrade of the small railroad infrastructure. And revenue available to small railroads serving small shippers is generally not sufficient to finance such upgrades.

Introduced into the House of Representatives by Jack Quinn (R-NY), Bob Clement (D-TN) and Spencer Bachus (R-AL), the Railroad Track Modernization Act of 2001 (H.R.1020) would authorize the secretary of transportation to establish a grant program for the rehabilitation, preservation or improvement of railroad track.

The bill authorizes general fund appropriations of $350 million for three years for the secretary of transportation to make capital grants for upgrading track (including roadbed and bridges) of Class 2 and Class 3 railroads to a standard of safety and efficiency, particularly for handling 286,000-pound rail cars. A public authority or a private company can own the track.

The maximum federal share of projects is 80 percent, the same as for FHWA highway projects and FTA transit projects.

The bill provides a cost-benefit analysis for track projects to be eligible for capital assistance.

The bill does not create a new program but expands upon 49 United States Code section 22301 (light density rail line pilot projects) created in TEA-21.

Grants would be made by the secretary of transportation for projects based on criteria in the bill. Inherently, such funds would also be subject to earmarking by Congress.

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HR 1020 is a key piece in the long-term success of short line railroads. It is of great significance to tie suppliers, as the necessary upgrades provided for in this legisla-

RTA Members: Please contact your U.S. Representatives and urge support of HR 1020. Contact RTA at (770) 460-5553, or visit www.house.gov for your congressional contact information.

The final legislative concern for railroads in 2001 is the issue of railroad deregulation.

Thanks to the Staggers Rail Act of 1980, which partially deregulated the railroad industry, America’s railroads have undergone a profound transformation, with productivity almost tripling. Safety has improved, with employee accident rates dropping more than 70 percent and train accident rates declining almost 70 percent. Prices have fallen by more than half in real terms, and competition today is rigorous. Most importantly, railroads now have the freedom to establish routes and rates based on market conditions.

The issue of reregulating the railroads has arisen in Congress, with proponents claiming that reregulation would mean lower rates for rail customers. In reality, however, because the railroads would no longer be able to generate the revenue required to maintain and improve their operating structure, reregulation would mean decreased safety, a deteriorating infrastructure, reduced service, declining market share and the loss of thousands of jobs. When the Staggers Act was passed, deregulation enabled the railroads to generate the revenues required to rebuild and maintain their vast infrastructure. According to industry estimates, over the next 20 years, railroads will need to invest more than $160 billion in capital to retain the share of the freight traffic they have today. Reregulation would make this investment impossible.

"RTA is very pleased to join forces with all the participants in Railroad Day on the Hill," Chambers said, challenging RTA members to become involved in the process since so much is at stake.§