



AMERICAN SHORT LINE AND REGIONAL RAILROADS

Connecting America's Communities
Strengthening America's Economy
Protecting America's Environment

“Short Lines Today”

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www.aslrra.org





Short Line Profile

- 572 Short Lines – Class II, III and Switching and Terminal Railroads
- Route Miles Total – **50K in 48 States**
- Short Line Average Route Mileage – **99**
- Total Short Line Freight Yards – **160**
- Carloads 2010 – **8M**
- Short Lines Interchange with All Class I Railroads
- Short Line Customers Served – **12,500**
- Class I Railroads “Harvest” 17% – 25% of Revenues from Short Lines



Short Line's Interchanging with Class I Railroads*

<u>Class I</u>	<u>Short Lines</u>
■ BNSF	178
■ CN	14
■ CP	7
■ CSX	246
■ KCS	10
■ NS	241
■ UP	214

* Some Short Lines Interchange with more than 1 Class I



Class II & III Carloads: 2006 - 2011

Class I's – Short Line Traffic Only

<u>Railroad</u>	<u>2006</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>
BNSF	1,320,000	1,060,000	1,120,222	854,857
CN	606,000	404,902	448,991	113,947
CSX	963,000	793,927	812,780	628,714
NS	1,020,000	811,709	988,022	817,196
UP	1,400,000	1,101,865	1,249,978	931,331

* Through September



Class I Short Line Traffic and Revenues for 2011

<u>Class I</u>	<u>Percentage of Carloads</u>	<u>Percentage of Revenue</u>
BNSF	12%	20%
CSX	17%	18.5%
NS	26%	26%
UP	17%	25%



Top 7 Short Line Commodities

December 2010 – December 2011

- ↑ Coal (2.08%)
- ↑ Food & Agriculture (2.03%)
- ↑ Steel & Metals (7.41%)
- ↑ Paper Products (2.20%)
- ↑ Lumber / Forest Products (10.18%)
- ↑ Chemical (10.62%)
- ↑ Mineral & Ores (7.98%)
- ↑ Automobiles / Components (25.47%)



Class II & III Safety Performance

2006 – 2010 (January – December)

Year	Employee Hours	Injuries	Fatalities	OSHA Rate
2006	38,116,609	696	2	3.70
2007	38,349,723	674	2	3.50
2008	38,480,371	680	5	3.60
2009	34,213,130	551	1	3.20
2010	34,778,969	521	8	3.10
2011*	32,629,131	475	1	2.90

* Through November 2011



Legislative and Regulatory



Short Line Focus for 2012

Legislative

- Short Line Tax Credit – 45G
- Truck Size & Weights

Regulatory

- FRA
- STB



Short Line Tax Credit – 45G

- **In Effect Since 2005** and Valued at **\$165M** Per Year
- **The Current Credit Expired in December 2011**
- **New Tax Credit** Extension Initiative for 2012 is Underway with **247 Congressional Co-Sponsors and 45 Senate Co-Sponsors**
- **The Goal** is to get the Extension in an “Extenders Package” of Many Other Tax Credits. Late this year is the earliest this may happen.
- **Senate Bill S672, The Short Line Tax Credit**, was Sponsored by Senators Rockefeller (WV) and Crapo (ID). Senator Camp (MI) Chairman Ways & Means was Original Sponsor

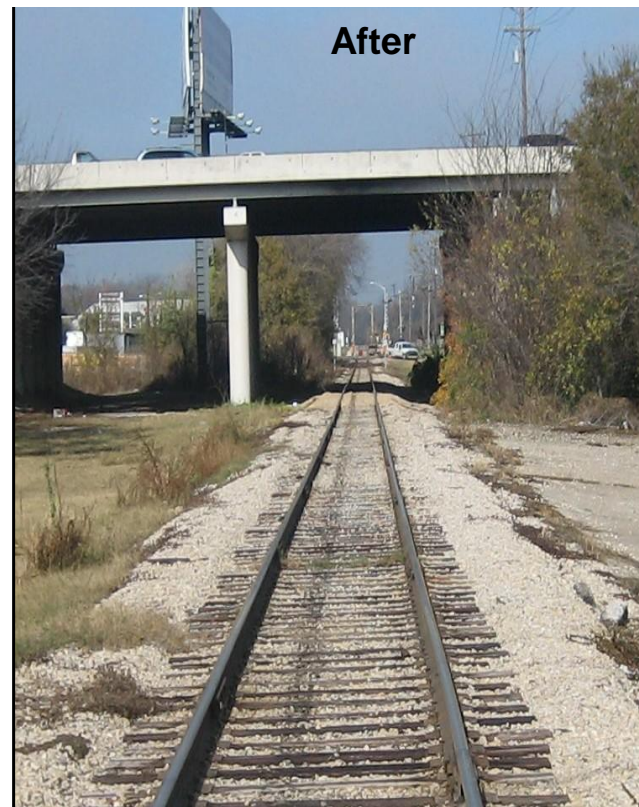
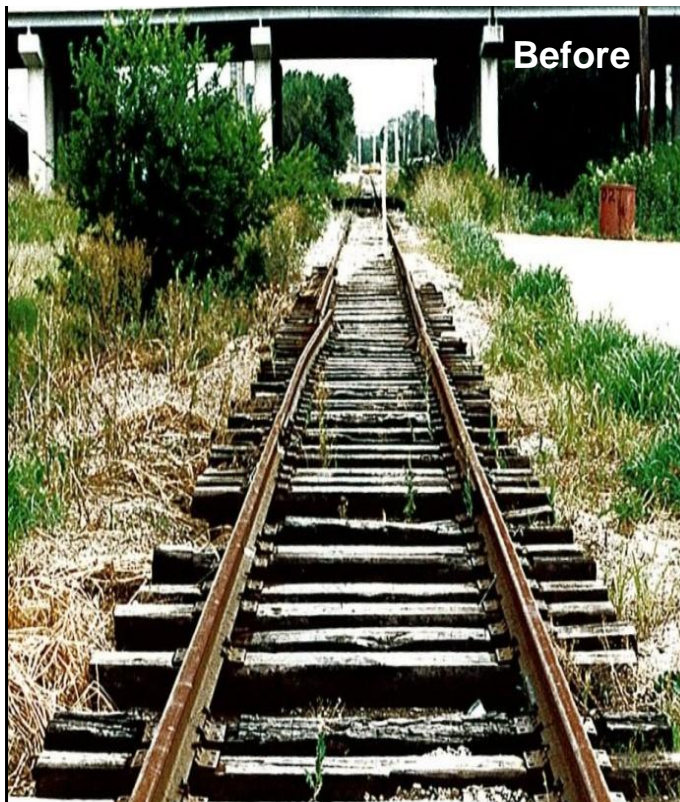


Short Line Tax Credit – 45G (cont'd)

Short Line Tax Credit

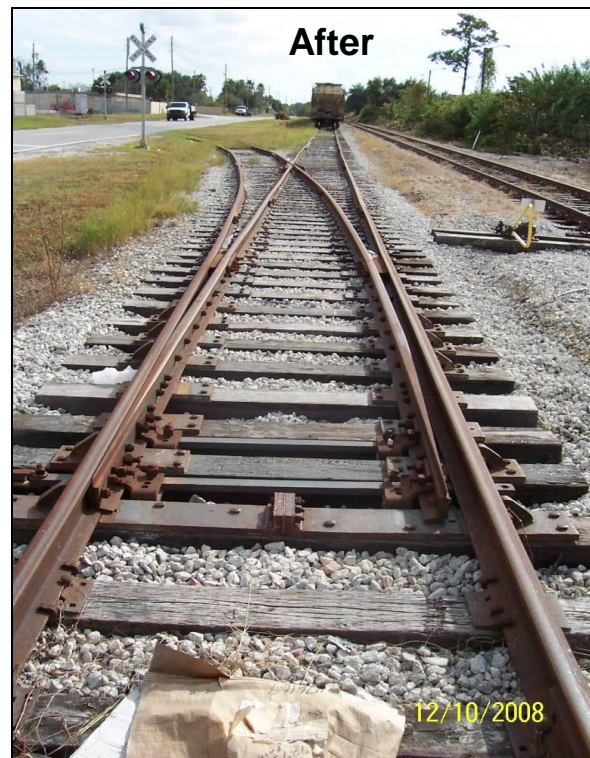
- **H.R. 721, the House Version**, was Sponsored by Congressmen Jenkins (KS), and Blumenauer (OR)
- **60 of 87 House Freshmen Republicans** have Sponsored the Bill

These are Examples of what is Possible . . .



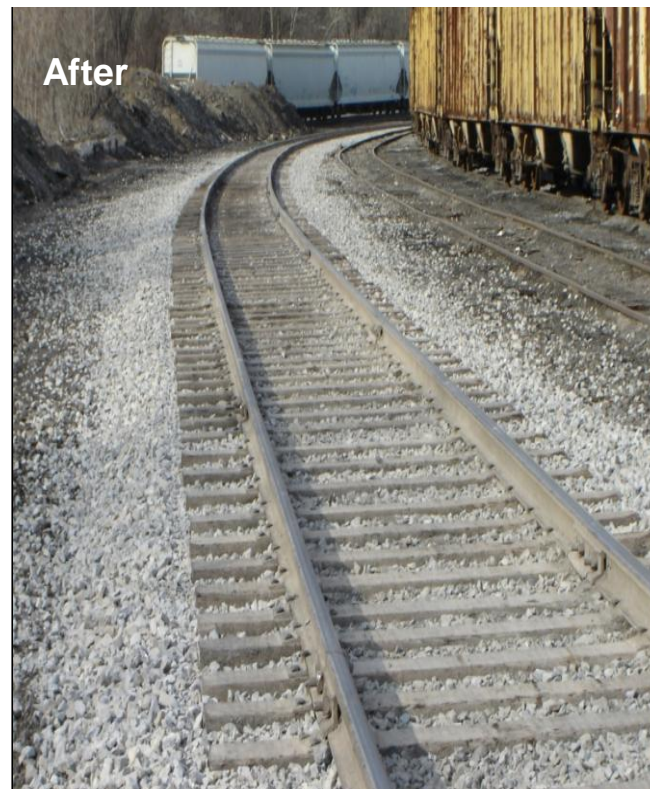
Project: Old Line Rebuild

Cost: \$3 million



Project: Rail and Tie Replacement

Cost: \$10 million



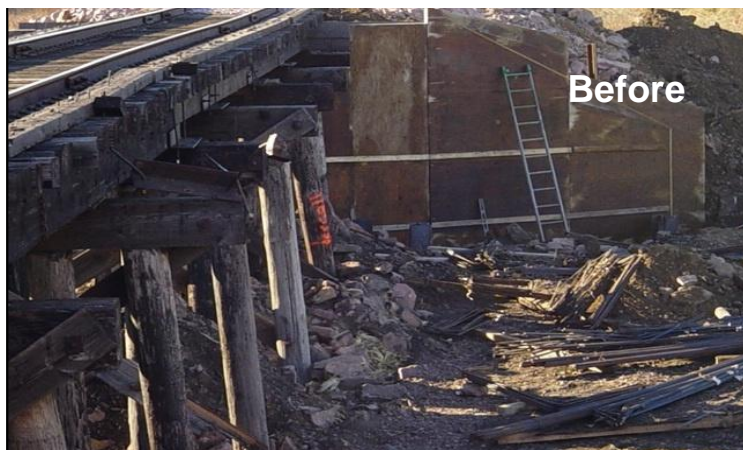
Project: Yard Improvement

Cost: \$82,000



Project: Track Upgrades at Transfer Facility

Cost: \$300,000



Project: Bridge Rehabilitation and Upgrade

Cost : \$3.5 million



Short Line Line Focus for 2012 (cont'd)

Legislative

■ Truck Size and Weights

- + **A long standing issue** (1990 – Present) between trucks and trains for increased truck size (combination trailers) and truck weight (80K lbs to 97K lbs and greater) has stalled in the House T & I Committee
- + For Short Lines this increased truck size initiative directly competes with rail freight a the core distance of 500 miles that is the Short Line sweet spot for freight traffic
- + **For this year the subject has been put to rest** as a result of a Feb. 2 House T & I vote calling for a 3 year U.S. DOT study instead of increased truck size weights
- + This is similar to a truck study in Senate legislation



Short Line Focus for 2012 (cont'd)

Regulatory (FRA, TSA, EPA, STB)

- **FRA RSAC Issues in 49 CFR**
 - + Part 213. Track Safety Standards
 - + Part 214. Roadway Worker Protection
 - + Part 219. Drug and Alcohol
 - + Part 220. Subpart C. Radio and Communication
 - + Part 225. Accident and Incident Reporting
 - + Part 237. Railroad Bridges Regulation



Short Line Focus for 2012 (cont'd)

Regulatory

- **FRA RSAC Issues in 49 CFR**
 - + Part 240. Engineer Certification
 - + Part 242. Conductor Certification
 - + Medical Standards
 - + Hours of Service Waiver Petition
 - + Risk Reduction Program
 - + Safety Training
 - + Fatigue Management



Short Line Focus for 2012 (cont'd)

Regulatory

■ Surface Transportation Board

- + Ex Parte 704 Exemptions
- + Ex Parte 705 Competition in the Rail Industry
- + Ex Parte 711 Petition for Rulemaking to Adopt Revised Competitive Switching Rules



Resources



Potential Resources

- **Short Line Tax Credit**
 - + Valued at \$165M per year
 - + Expect legislation this year to extend the Tax Credit
- **Railroad Rehabilitation and Improvement Financing (RRIF)**
 - + Potentially powerful US DOT program whose value has never been realized - \$35B authorized of which \$7B is allocated to Short Lines
 - + 22 Loans in 15 years
 - + DOT and the FRA have been ineffective in managing and promoting this program
- **TIGER Grants**
 - + Tiger I 2009 Grants totaled \$1.5B – \$269M for rail related projects
 - + Tiger II 2010 Grants totaled \$600M – \$166M for rail related projects
 - + Tiger III 2011 Grants totaled \$511M – \$134M for railed related projects
 - + Tiger IV 2012 Grants \$500M – TBD



Potential Resources (cont'd)

- **State Programs**

- + Valuable for Short Lines in states that have grant or loan programs
- + Recession pressures have impacted many of these programs
- + Refunding is important as the economy recovers

- **Stimulus**

- + No awards to Short Lines

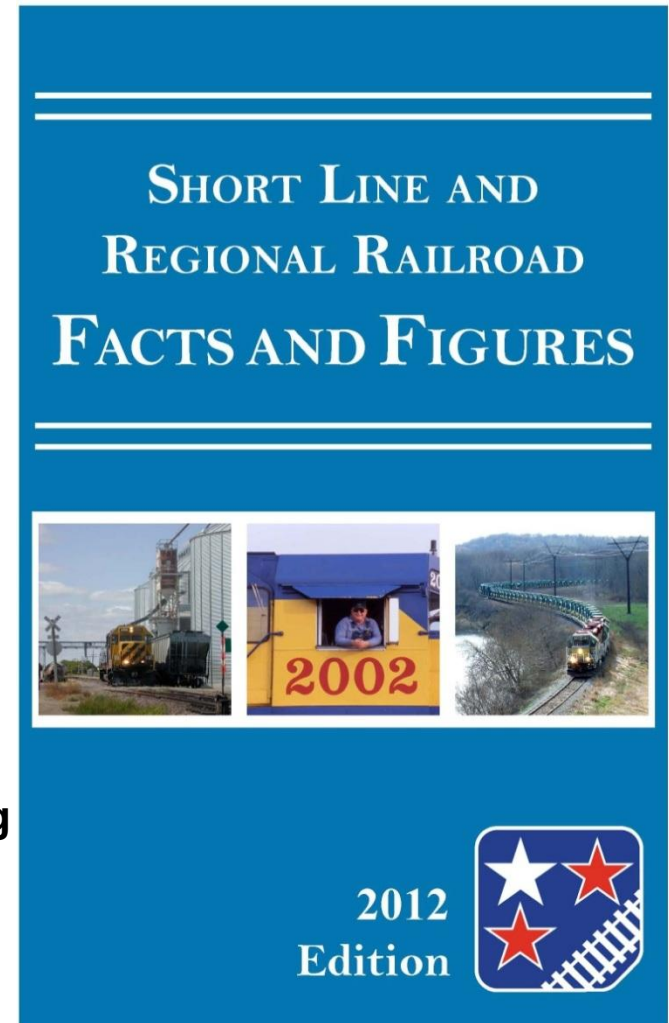
- **Commercial Loans**

- + High interest rates and short payback times are always challenges for Short Lines



Short Line & Regional Railroad Facts & Figures

- **All New Booklet**
 - Increased Data and Analysis
- **Available In Two Ways**
 - Electronically
 - Book Format
- **Cost**
 - \$25 for member companies
 - \$50 for non-member companies
- **Book will be available by February 24, 2012**
- **E-mail Your Requests to dwhorton@aslrra.org**





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