ASLRRA’s Linda Bauer Darr Testifies at House T & I Subcommittee Meeting

ASLRRA President Linda Bauer Darr represented short line interests at a hearing today at 10 a.m., along with Mr. Edward Hamberger, President and Chief Executive Officer, Association of American Railroads, Mr. Charles “Wick” Moorman, Co-Chief Executive Officer, Amtrak. Mr. Tom DeJoseph, Senior Advisor of Industry Relations, Loram Maintenance of Way, and Mr. Larry Willis, President, Transportation Trades Department, AFL-CIO.

Darr shared with the committee the ways in which small business railroads are critical to our nation’s freight transportation infrastructure, and why the rural locations of short lines would make it difficult to attract the typical private investment streams, “By virtue of our locations, the majority of rehabilitation spending, both by the short lines and by their customers occurs in rural and small town America. These areas will not provide enough business to attract private equity for toll roads or mass transit projects. But these areas are deeply dependent on efficient, competitive short line freight service and the tax credit guarantees that private investment will be made in those areas.”

She also covered the benefits and the results of the 45G Tax credit for our industry, and acknowledged the support that this bill already has among the Subcommittee members - 28 of 34 Members are co-sponsors of H.R. 721, the stand-alone bill that would make the credit permanent, including the Chairman and Ranking Members of both the Subcommittee and the full T&I Committee. The tax credit also has 55 co-sponsors in the Senate (S. 407).

“The short line tax credit is a proven concept that absolutely facilitates additional infrastructure investments with no need for additional federal administrative resources. It allows those who understand their infrastructure needs the best, the railroads themselves, to decide where the next dollars of investment can be made efficiently and effectively. And it allows them to invest more of what they earn toward that end.” The 45G tax credit currently has 247 sponsors in the House and 55 in the Senate.

ASLRRA Connector Magazine Now Available

The Fall 2017 Edition of ASLRRA’s Connector Magazine is shipping to mailboxes soon! Access a Digital Version via the ASLRRA website at aslrra.org/magazine. This month’s magazine highlights the success of Military Veterans in our industry, Do’s and Don’ts for Railroads that Lease their Tracks, Highlights of new Tax Provisions for tangible property rules, coverage of ASLRRA’s Technology Summit and more!
Please tag @ASLRRRA, or send photos to ASLRRRA’s Amy Westerman, so we can share our member’s stories via social media.

**ASLRRRA’s Southern Region Meeting a Success!**

Two hundred short line railroad industry professionals gathered at the Charleston Marriott last week for the Southern Regional Meeting. Ed Hamberger, CEO of the Association of American Railroads and Deb Miller, Vice Chair of the Surface Transportation Board provided informative keynote addresses that gave participants insights into upcoming legislative and regulatory agendas. Both organizations will be working with ASLRRRA to address many significant issues in the coming months.

“Attendees had the benefit of hearing first-hand about the latest news on CSX service disruptions, candid comments from top speakers on what’s happening in Washington, DC including tax reform, infrastructure funding, policy regarding trucking competition, truck size and weight threat, PTC challenges and more,” said Linda Bauer Darr, President, ASLRRRA.

Professor Frank Hefner from the College of Charleston laid out a detailed economic forecast covering everything from politics to the stock market. Participants enjoyed in-depth roundtable discussions on topics including marketing, safety, and regulations.

Over thirty people attended a special breakout track focused specifically on operational issues within their railroads. The Short Line Safety Institute played out a hypothetical scenario, then asked attendees to interactively work in groups to discuss potential outcomes.

If you were not able to attend the Southern Region Meeting in Charleston, it’s not too late! You can still join us at upcoming regional meetings in Providence, October 23-25 or Kansas City, November 13-15.

**Legislative Update**

**BRACE Act Still Most Co-Sponsored Tax Legislation, Tax Reform Efforts Underway**

As the effort to produce tax reform legislation in Congress is now underway, ASLRRRA continues to promote the importance of the 45G short line railroad rehabilitation tax credit in supporting critical infrastructure maintenance and improvements.

There is stand-alone legislation in both the House (H.R.721) and the Senate (S.407) to make the credit permanent, and those pieces of legislation have received massive support in the form of Congressional co-sponsorships: 247 co-sponsors in the House, and 55 in the Senate. In the Senate, that is the single most heavily co-sponsored piece of tax legislation in this session of Congress!

Please visit [www.aslrra.org/BRACE](http://www.aslrra.org/BRACE) to learn more about this important tax and infrastructure legislation.

The Short Line Tax Credit leverages private sector investment in rail infrastructure by providing a tax credit of 50 cents for every dollar spent on track improvements. If passed, this legislation will provide more clarity for our small business members so that they can plan and budget for track, grade crossing and bridge work in 2018 and beyond. For support in reaching out to your elected representatives, please contact our Washington team’s Fred Oelsner.
NY and NJ Congressmen Introduce Bill to Require Sleep Apnea Testing for Rail and Truck Operators

Members of Congress representing New York and New Jersey have introduced a bill that would require the U.S. Department of Transportation (USDOT) to mandate sleep apnea tests for commercial truckers and rail operators.

The legislation would reverse a recent decision by President Donald Trump’s administration to reverse the department’s proposed rule to require truck drivers and train operators to be tested for sleep apnea and, if diagnosed with the condition, receive treatment for it.

ASLRRRA will be following this bill closely.

Introducing the bill in the Senate were Cory Booker (D-N.J.), Robert Menendez (D-N.J.) Charles Schumer (D-N.Y.) and Kirsten Gillibrand (D-N.Y.). Introducing the bill in the House were U.S. Reps. Bill Pascrell Jr. (D-N.J.) and Albio Sires (D-N.J.).

The bill was introduced on the heels of the National Transportation Safety Board’s (NTSB) findings released last week that confirmed the engineer involved in the deadly 2016 crash of a New Jersey Transit train in Hoboken, New Jersey, was diagnosed with obstructive sleep apnea after the incident but not tested during an examination two months prior.

The NTSB report also confirmed that the operator of an MTA Long Island Rail Road (LIRR) train that crashed Jan. 4 at the Atlantic Terminal in Brooklyn, New York, was diagnosed with sleep apnea after the incident occurred.

“The recent findings released by NTSB on the Hoboken and LIRR crashes underscore just how shortsighted and reckless the Trump administration’s recent decision was to reverse the rule requiring sleep apnea testing and treatment,” said Booker, the top-ranking Democrat on the Senate subcommittee overseeing U.S. rail infrastructure. “It’s imperative that we take immediate steps to strengthen rail safety standards, and sleep apnea testing is a commonsense safety measure that could prevent crashes and save lives.”

In March 2016, President Barack Obama’s administration proposed a rule that would have expanded sleep apnea testing and treatment required for train operators and commercial truck drivers. Last month, the Trump administration announced the rule was withdrawn.

Grass Roots Visits

Congressman Kurt Schrader Joins NRC-REMSA Member Knife River Corporation for Sand and Gravel Pit Tour and Rail Policy Discussion

On September 22, 2017, Congressman Kurt Schrader (D-OR-5) joined representatives from Knife River Corporation and Portland and Western Railroad to tour Knife River’s Salem sand and gravel pit, learn about their extensive railway products and services, and discuss public policy priorities for the business and rail communities in greater Salem. The National Railroad Construction and Maintenance Association (NRC) and the Railway Engineering-Maintenance and Suppliers Association (REMSA) coordinated the event. The $5 billion maintenance of way industry supports over 35,000 jobs nationwide. Combined, the two groups represent 15 companies in Oregon. Both Knife River and Portland and Western Railroad are ASLRRRA members.
U.S. Representative Westerman Joins Ouachita Railroad Company for Tour, Rail Discussion

On September 20, 2017, Representative Bruce Westerman (R – AR04) joined representatives from ASLRRA member Ouachita Railroad Company (OUCH) for a tour and to discuss pressing rail issues.

Congressman Westerman focused his remarks on the important role short line railroads play in Arkansas’ economy. With 19 short line railroads, Arkansas’ 4th congressional district has the most short lines of any congressional district in the United States.

“Investment in rail infrastructure expands economic opportunity for manufacturers and other job creators,” said the Congressman. “Make no mistake – the investment made by the Ouachita Railroad Company and other short line railroads in Arkansas boosts our economy and employs Arkansans in good-paying jobs. I am proud that more short line railroads call the Fourth Congressional District of Arkansas home than any other district in America.”

The rail stakeholder group discussed the importance of the 45G short line tax credit to maintaining a reliable and safe freight network.

“The Ouachita Railroad is a stellar example of the work of the short line railroads in connecting small communities to the U.S. Economy through efficient rail service, and providing a boost to the economy in the broader regions that they serve,” said Linda Bauer Darr, President of ASLRRA. “The BRACE Act is a critical piece of the economic puzzle, allowing short lines to invest more of their own capital in rail improvements that provide ever-safer and more robust service capabilities for their customers.”

In Arkansas, 23 freight railroads operate and maintain 2,400 miles of track and support 3,400 jobs.

Grass Roots visits are a proven, effective way to tell the short line story to our representatives in Washington DC as well as in our state capitol. Please contact our Washington team’s Lindsey Collins for more information, and plan your invitation and visit today!

Regulatory Update

STB Issues NPRM to Waive Ex Parte Rules

The Surface Transportation Board (STB) has proposed to update its rules on ex parte communications in informal rulemaking proceedings, the agency announced last week.

The board has proposed allowing such communications, subject to disclosure requirements, and clarifying when and how people may communicate with the board about other pending proceedings, according to an STB press release.

In two recent rulemaking proceedings, the board waived its rules on ex parte communications to allow individual board members or staff to participate in one-on-one meetings subject to disclosure requirements. The board found those meetings useful and that it can benefit from “direct and candid discussions with stakeholders,” STB officials said.

FRA Releases New Hours of Service Mobile Application

The Federal Railroad Administration (FRA) has now made their Hours of Service (HOS) App available for download in the iPhone app store. Those wishing to download the app, should search for “FRA HOS Manual.”

The HOS app was developed to provide users with clarification on HOS requirements found at 49 CFR Part 228, Hours of Service Recordkeeping, and FRA hours of service interpretations and policies.
This tool allows users to navigate through FRA guidance that exists addressing the complexity hours of service requirements, along with the diversity of railroad operations, it assists to provide comprehensive guidance and consolidates this information into one manual to ensure standardized application and compliance. Users can select from multiple railroad user groups: freight, passenger, dispatching or signal employees.

**FDA Releases Training Module for Carriers Subject to the Sanitary Transportation Rule**

The U.S. Food and Drug Administration (FDA) announced the availability of an online food safety training module for carriers engaged in the transportation of food by rail or motor vehicle in the United States. FDA is offering this training free of charge to help carriers meet the requirements of the FDA’s Sanitary Transportation of Human and Animal Food Rule (Sanitary Transportation Rule). For more information on the announcement and for information on how to access the training, please click here.

**Member News**

**Jean Banker Joins Mott MacDonald as Vice President, Transportation Delivery**

Jean Banker, an executive with 25 years’ experience in public service and transportation policy, has joined ASLRA member Mott MacDonald as Vice President, Transportation Delivery. She is based in Mott MacDonald’s San Francisco office.

“Jean Banker joins us at a time when our transportation business in the West is growing,” said Nick DeNichilo, President and CEO of Mott MacDonald in North America. “Her experience will provide valuable support for our aviation, coastal, and infrastructure advisory services, as well as all transportation efforts in the San Francisco Bay Area.”

**Pacific Harbor Line Showcases New Locomotive**

ASLRA member Pacific Harbor Line Inc. (PHL) and Progress Rail hosted Port of Long Beach and American Association of Port Authorities officials for a look at the EMD24B switcher locomotive that PHL will lease for use on its line.

Progress Rail’s EMD24B has been completing its California Air Resources Board verification testing with PHL, and the companies announced that as a result, PHL has confirmed it plans to lease the unit, according to a Progress Rail press release.

The unit, a Tier 4 that meets lower emissions standards set by the U.S. Environmental Protection Agency, will be operated in and around the port area once the verification testing has been fully completed.

“PHL is pleased to work with Progress Rail once again and looks forward to leasing the new EMD24B, not only for its performance, but also to continue to create awareness of the need for implementing greener technology in the ports,” said PHL President Otis Cliatt.

**OmniTRAX and Northern Ohio & Western Railroad Announce New Investment**

ASLRA member OmniTRAX Inc., two Ohio counties and the City of Tiffin Port Authority have slated a $900,000 maintenance project for the Northern Ohio & Western Railway (NOW) this fall.

The project brings the total investment in rail and crossings on the short line to $1.6 million over the past two years.
“The short line is a valuable asset to business in Seneca and Sandusky counties,” said port authority Chairman Jim Supance in a press release. “We are committed to continuing to invest in the rail and appreciate the partnership with OmniTRAX on day-to-day operations and projects like these.”

NOW operates on 25 miles of track southeast of Toledo, extending from Woodville to Tiffin, Ohio.

Texas North Western Railway Signs Tenant for Panhandle Logistics Park

The Texas Northwestern Railway (TXNW) has signed Crop Production Services (CPS) as the first tenant for the railroad’s new Panhandle Logistics Park near Sunray, Texas. The railroad is a subsidiary of TNW Corp. and CPS is a subsidiary of agricultural company Agrium Inc.

CPS plans to develop a multimillion-dollar facility that will serve as a retail location for agricultural products and services. Construction has begun, with completion slated for early 2018, according to a TNW press release.

Located about 50 miles north of Amarillo, Texas, the 580-acre logistics park is a hub for rail-car storage, warehousing, commercial development and transload and transportation services. It is served by the TXNW and BNSF Railway Co.

“We believe [CPS] will be the first of many companies that will choose to call Panhandle Logistics Park home,” said Clayton Kendall, corporate property manager for TNW.

North Judson, Railroad Operator Reach Settlement Agreement

The Town of North Judson and the Chesapeake and Indiana Railroad Company, Inc., a subsidiary of ASLRRRA member Indiana Boxcar Company, have reached a settlement agreement that will end months of pending litigation, ensure continued transportation of regional grain to market, and resume Hoosier Valley Rail Museum excursions from North Judson to LaCrosse.

The agreement centers around 32.97 miles of track that runs through LaPorte, Porter and Stark counties. CSX sold the rail to the Town of North Judson under the specifications of the Interstate Commerce Commission Termination Act. Federal regulations required the Town to select a railroad operator to manage and maintain the rail line. CKIN was selected via a formal bid process in 2004 and has operated the line to date.

In the settlement agreement, CKIN is named as the operator of the railroad asset for the next 10 years, with two five-year automatic renewals included as part of the agreement.

“All the whole, this is good for the town, our operations, and the museum - but it is particularly good for the farmers in the region that need that stability of railroad access and smooth operation to get tremendous amounts of grain to major markets each year,” said Powell Felix, president of the Indiana Boxcar Company.

Special Opportunity: CyberSecurity Training From Transportation Security Administration

The Transportation Security Administration, in collaboration with Department of Transportation and United States Coast Guard, will be hosting a FREE cybersecurity workshop for Transportation Sector stakeholders on Wednesday November 1, 2017 in Arlington, VA.

The full-day agenda will be headlined by a joint government/industry cyber incident response table-top exercise, and will conclude with a discussion of strategic priorities and objectives that the working group will seek to address in the coming year. The workshop will focus on cyber risk awareness and provide participants the opportunity to discuss transportation related cyber risk management strategies for the future. Click here for questions.
Register Today!

Please view and register for ASLRA's webinars by clicking here.

Webinar: An Introduction to Economic Indicators for Railroaders

On October 10, please join our expert panel for an Introduction to Economic Indicators for Railroaders: Where to Find Them and What They're Saying Today. There are lots of economic indicators out there. This webinar will introduce you to several of the most important ones from a railroad's point of view. We'll discuss where the indicators come from, what they measure, and what they're saying about the economy today.

Webinar: Registered Apprenticeship: What Is It & Why Should You Do It

On October 12, find out how thousands of employers across the U.S. and among our global competitors use the Registered Apprenticeship training model to recruit, train, and retain workers with the right skills. This webinar will introduce you to the "earn and learn" training model of a Registered Apprenticeship, outline the benefits of implementing an Apprenticeship Program within your organization and guide your company through the next steps in developing a Registered Apprenticeship Program. Join Fastport’s National Apprenticeship Executive Director, David Harrison, for this informative webinar.

Webinar: The Effect of the Obama Investment Tax on Real Estate

On October 17, join David Ayoub, Partner, Bowers & Company to answer the question - What effects has the Obamacare 3.8% Net Investment Income Tax had on you and your Owner/Shareholders? Do you own real estate? Does an owner rent real estate to the railroad? Does an owner own other operating entities in separate entities? Is there a way to plan to avoid the 3.8% tax on real estate? Do Shareholders loan money to the Company, and is that interest income subject to 3.8%? The webinar will explore ways to help mitigate the effects of the Net Investment Income Tax. Attendees will have an opportunity to participate in live Q&A at the conclusion of the webinar.

Registration is Open!

ASLRA’s Eastern Region Meeting

Registration is open for ASLRA’s Eastern Region Meeting, this year at the Omni Providence Hotel in Providence, RI on October 23 - 25, 2017. Register today!

ASLRA’s Central/Pacific Region Meeting

Registration is open for ASLRA’s Central/Pacific Region Meeting, this year at the Intercontinental Kansas City at the Plaza in Kansas City, MO on November 13-15, 2017. Please click here to register today!

General Counsel Symposium/Finance & Administration Seminar

Registration is open for ASLRA’s General Counsel Symposium/Finance & Administration Seminar this year at the Intercontinental Kansas City at the Plaza in Kansas City, MO on November 15-17, 2017. Please click here to register today!

Sponsorships Still Available for Eastern & Central/Pacific Meetings

Want to stand out from the crowd and make a lasting impression? Consider becoming an event sponsor for our Eastern Regional meeting later this month in Providence or our Central/Pacific meeting next month in Kansas City. Event sponsors receive numerous benefits including a table top space at the meeting, company logo placements, promotional flyer in the registration packets, advance attendee list and banner placement in Hall of Sponsors.
Event sponsorships start at $1500. Group sponsorships for $400 are also available but do not include the portfolio of benefits listed above.

Please contact Kathy Keeney, ASLRRA’s Vice President of Member Engagement & Sales, for more information on (202) 585-3439 or kkeeney@aslrra.org.

Views & News is published by the American Short Line and Regional Railroad Association. Please contact Amy Krouse, Editor, akrouse@aslrra.org, with member news, questions or comments.