ASLRA Concludes Regional Meetings in Kansas City, Mo.

The ASLRA Central/Pacific Region Meeting hosted more than 260 attendees at the Intercontinental Kansas City at the Plaza Kansas City, Mo., November 13-15, 2017.

Attendees enjoyed hearing from Watco Companies’ CEO Rick Webb and Kansas City Southern’s Executive Vice President and Chief Marketing Officer Brian Hancock on the current state of the rail industry, its future, and how short lines and Class 1 railroads can build their businesses by working together. Other events included marketing and business development sessions, legislative and regulatory round table discussions, and presentations about creating strong safety cultures and today’s regulatory climate.

During the event, member meetings took place, where Joe Arbona, assistant vice president, government affairs, Genesee & Wyoming Railroad Services, Inc., Nick Chodorow, chief information officer, Belt Railway Company of Chicago, and Barry McClure, executive vice president, Ironhorse Resources, Inc. were elected to the Central Region Board, and Alan Matheson, assistant superintendent, Tacoma Rail, was elected to the Pacific Region Board.

In addition, the following companies were honored as President’s Award Winners for their outstanding safety performance in 2016:

Central Region
- Rapid City, Pierre & Eastern Railroad, Inc. - Most Hours of Injury-Free Operation
- Rapid City, Pierre & Eastern Railroad, Inc. - 500,000 or more Man-Hours Worked
- Missouri & Northern Arkansas Railroad Co. - 150,000 to 250,000 Man-Hours Worked
- Twin Cities & Western Railroad Co. - 50,000 to 150,000 Man-Hours Worked
- Rio Valley Switching Company - Less than 50,000 Man-Hours Worked

Pacific Region
- Central Oregon & Pacific Railroad - Most Hours of Injury-Free Operation
- Portland & Western Railroad - 500,000 or more Man-Hours Worked
- San Joaquin Valley Railroad Co. - 150,000 to 250,000 Man-Hours Worked
- Central Oregon & Pacific Railroad - 50,000 to 150,000 Man-Hours Worked
- Los Angeles Junction Railway Company - Less than 50,000 Man-Hours Worked

GAO Review Faults DOT for Vague Grant Selection Process

In a report released November 2, the U.S. Government Accountability Office (GAO) found inconsistencies with the U.S. Department of Transportation’s (DOT) selection process when awarding FASTLANE grants.

Through the FASTLANE - Fostering Advancement in Shipping and Transportation for the Long-term Achievement of National Efficiencies - grant program, the DOT awarded funding to 18 freight and highway projects in 2016, chosen from 218 applications.
When evaluating the grant process, GAO found that the DOT lacked well-defined procedures ensuring that all applications were evaluated the same way. Additionally, DOT’s review process did not follow all recommendations for grant-award practices. As a result, GAO could not ascertain the precise reasoning behind the 18 grants awarded.

In order to improve the grant process, the GAO made three recommendations to the DOT. These recommendations included developing an evaluation plan to outline specifically how review teams will complete the assessment process, to be dispersed prior to soliciting applications. Another recommendation was for the DOT to document all key decisions made as teams review applications and select grant recipients.

Under the Trump administration, FASTLANE has been renamed the Infrastructure for Rebuilding America program, or INFRA. It is a component of the Fixing America’s Surface Transportation (FAST) Act, enacted in 2015.

**New Signs and Symptoms Training Video Available**

Now available - a new Signs and Symptoms Training Video directly from the ASLRRA website. The training video addresses the requirements of Part 219.11(g), where supervisors of regulated employees must receive training in signs and symptoms of alcohol and drug influence, intoxication, and misuse. Supervisors trained with this interactive video and the complementary Reasonable Suspicion Guidance and Testing Manual, will meet the regulatory compliance guidelines.

The interactive video was produced as a collaborative effort among Class 1 and Short Line Railroads, Medical Services, and Associations including the ASLRRA. Thanks to this broad industry-wide collaboration, ASLRRA is able to offer the Training Video as a free download to all members. Simply follow this link to learn more and download your copy today! Please contact JRGelnar@aslrra.org with questions.

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**Legislative Update**

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

With the effort to produce tax reform legislation in Congress underway, the ASLRRA continues to promote the 45G short line railroad rehabilitation tax credit, which supports 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 significant support, with 250 co-sponsors in the House and 55 in the Senate. It is the most heavily co-sponsored piece of tax legislation in this session of Congress.

The credit was not extended in the first versions of the House or Senate tax reform bills. However, the bill’s champions in Congress continue to show strong support for 45G, and are advocating for its inclusion in both the House and Senate bills as they wind their way through the legislative process. ASLRRA is working to support their efforts in any way possible.

The short line railroad tax credit leverages private sector investment in rail infrastructure by providing a tax credit of 50 cents for every dollar spent on track improvements, capped at $3,500 per track mile. If extended, this credit will provide more clarity for ASLRRA’s 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. Also, please visit www.aslrra.org/BRACE to learn more about this important tax and infrastructure legislation.
Please tag @ASLRRA, or send photos to ASLRRA’s Amy Westerman, so we can share our members’ stories via social media.

**Regulatory Update**

**DOT Adds Four Prescription Opioids to its Drug-Testing Panel**

Effective Jan. 1, 2018, the U.S. Department of Transportation (DOT) will amend its drug-testing program regulations for safety-sensitive transportation employees, adding hydrocodone, hydromorphone, oxymorphone, and oxycodone to its drug-testing panel.

The decision was made not only to ensure DOT policy was consistent with the Department of Health and Human Services (HHS) Mandatory Guidelines, but also as a way to further promote transportation safety in light of the nationwide problem with opioid abuse.

While the four newly-added opioids are widely prescribed, they were not previously included on the list of substances for which safety-sensitive transportation employees are screened, in spite of incidents of post-accident screenings revealing opioid use.

**Member News**

**Iowa Interstate Restructures Leadership Team**

Enacting the final parts of its succession plan, Iowa Interstate Railroad, Ltd. has made multiple changes to its leadership team. The railroad promoted Al Satunas to chief operating officer, and named Joe Parsons general manager. Mike Stuver will succeed Satunas as chief transportation officer.

In his new position, Satunas will oversee the transportation, engineering, locomotive and mechanical departments. Stuver will take over management of system-wide freight movement.

Parsons’ role as general manager is a newly-created position, and his promotion coincided with the retirement of Iowa Interstate’s president Jerome Lipka.

Iowa Interstate also announced that it will create separate Iowa and Illinois divisions, appointing Derek Mead as Iowa division superintendent; Jim Keatts as Iowa division road foreman of engines; Darby Destromp as Illinois division superintendent; and Brandon Pregler as Illinois Division road foreman of engines.

**Shanley is New Executive Vice President at OmniTRAX**

OmniTRAX, Inc. named Reagan Shanley executive vice president of its industrial development group. Shanley will also join the Broe Real Estate Group (BREG) Management Committee.

OmniTRAX and BREG are both affiliates of The Broe Group. As a member of the BREG Management Committee, Shanley will help coordinate OmniTRAX and BREG development opportunities and support initiatives in BREG’s real estate investment management business.

Shanley has over 27 years of experience in the real estate investment industry. Before joining The Broe Group, he was senior vice president at Colony Northstar, Inc. in New York.

**MacGregor Promoted to Vice President of DPH and Patriot Rail**
Diversified Port Holdings (DPH) and Patriot Rail promoted Scott MacGregor to vice president of operations. He will oversee all of DPH’s port operations in Florida.

MacGregor has been with the company since 2006, starting as a superintendent and ultimately rising to a general management position at Seanois Stevedoring-Jacksonville (SSJ), which is a subsidiary of DPH and Patriot Rail.

Other personnel changes announced by DPH include Jose Santana being named general manager of SSJ, while Jessica Gibson will be SSJ’s terminal manager.

**Earl to Retire from Posts at GATX, Rail International**

James F. Earl, executive vice president of GATX Corporation and president of Rail International, will retire from his positions on March 1, 2018. N. Gokce Tezel will take Earl’s place. Currently, Tezel is vice president of GATX and senior vice president of business development at Rail International.

Tezel joined GATX in 2000, holding various positions until he was promoted to his current roles in 2015. As senior vice president of business development, Tezel led the company’s business development efforts outside of North America.

**Ironhorse Purchases Land for Industrial Park in New Mexico**

Ironhorse Resources, Inc. plans to use its newly-acquired 1,244 acres in the Santa Teresa Rail Park in New Mexico to build customized rail solutions for companies interested in establishing themselves near the U.S.-Mexico border.

Santa Teresa Southern Railroad, which belongs to Ironhorse, will be the rail operator. The railroad is unit train capable and has a direct connection to the Union Pacific Railroad, whose intermodal and refueling terminal is next to Ironhorse’s new site. In addition to handling rail shipments of corn syrup and feed grains, Santa Teresa Southern Railroad transports scrap metal, windmill blades and other commodities.

In a press release, Ironhorse officials noted that Santa Teresa, located less than ten miles from Mexico’s border, is one of the fastest-growing industrial areas in the Southwest.

**Bowers & Company Wins Multiple Awards**

Bowers & Company CPAs, PLLC won a 2017 Central New York Best Places to Work Award on October 19. The company, which was a winner in the 51-150 employee category, earned the award because of its excellence in categories such as manager and team effectiveness and employee trust in senior leaders and co-workers.

Bowers & Company was also named a Centerstate CEO Economic Champion for 2017, which was awarded at the Economic Champions Luncheon presented by Fust Charles Chambers, LLP. The Economic Champion award recognizes companies whose capital investment, new hires, business expansion or new businesses help to strengthen the Central New York economy.

**GE Looks to Sell Transportation Division**

In an effort to streamline the company, GE announced that it would seek to sell or spin-off its transportation division within two years. GE CEO John Flannery made the announcement at an investor conference Monday.

According to a *Chicago Tribune* report, Flannery emphasized that GE was not “under duress” to make such a change, and a statement from GE stated that the company was exploring multiple options for the transportation business. The statement explained that possibilities for the division could include “creative approaches used to transition GE’s Consumer Finance business into Synchrony Financial or models like the Baker Hughes and GE Oil and Gas merger.”

Flannery also said that predictions of a protracted slowdown in the transportation industry contributed to GE’s decision. Instead, the company wants to focus on the its better-performing sections, such as aviation and health care, in order to increase profitability.
For over 100 years, GE’s transportation division has been at the forefront of passenger and freight locomotive construction. The division also supplies mining, marine and other industries. It moved from its previous headquarters in Erie, Pa. to Chicago in 2012 and currently employs approximately 10,000 people around the world.

**Anacostia Railroads Train First Responders**

Over 260 first responders in Indiana and Minnesota learned about railroad safety and emergency response techniques in September and October training sessions held by Anacostia’s Chicago South Shore and South Bend Railroad, Louisville & Indiana Railroad, and Northern Lines Railway.

Concepts covered in the training included rail safety and tank car design. Participants also learned what kinds of support railroads would provide in an emergency situation.

In addition to classroom learning, trainees received hands-on instruction, boarding trains and practicing leak abatement on tank cars. In one session held by the Louisville & Indiana Railroad, a Trauma Camp simulated a vehicle and train collision. Response teams were tasked with removing injured people from a crushed vehicle and providing simulated medical treatment.

**Save the Date for Railroad Day 2018**

Railroad Day is March 7, 2018! Take advantage of the chance to make your voice heard and advocate for those issues that matter to the railroad industry.

**Register Today!**

Please view and register for ASLRRA’s webinars by clicking here.

**Webinar: Sales and Use Tax: Preventing Future Issues**

On Nov. 28, 2017 prepare for Sales Tax Audits including current climate, what to look for, and how to prepare. During this webinar, we will be covering several aspects of Sales and Use Tax, including Sales Tax Nexus, Situs of Sale, Taxable versus Non-taxable Sales Exemptions, and Sales Tax Audits. Attendees will have an opportunity to participate in live Q&A at the conclusion of the webinar.

**Views and 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.