ASLRRRA Wishes its Members a Happy and Safe Fourth of July!

Brookfield Infrastructure, GIC to acquire ASLRRRA Member Genesee & Wyoming Inc. in Deal Worth Billions

Brookfield Infrastructure, GIC and Brookfield Infrastructure’s institutional partners will acquire ASLRRRA member Genesee & Wyoming Inc., according to a recent announcement. The deal, worth a reported $8.4 billion, will make G&W a privately held company.

“For our customers, employees, and Class I partners, the long-term investment horizon of Brookfield Infrastructure and GIC as seasoned infrastructure investors is perfectly aligned with the long lives of G&W railroad assets, which are integral to the local economies that we serve in North America and around the world,” said G&W Chairman and Chief Executive Officer Jack Hellmann. “They are also fully supportive of our business plan, which will continue to be focused on safety, customer service, and growing our footprint to provide more opportunity for our people. We also expect this transaction will allow us to further enhance our business as we benefit from Brookfield Infrastructure/GIC’s expertise in real estate and technology, as well as relationships with their rail-centric/complementary portfolio companies.”

The transaction should be concluded by the end of this year or early 2020, once all customary closing conditions, such as G&W stockholder and required regulatory approvals, are complete.

“ASLRRRA is pleased that G&W has found an owner with a long-term view on infrastructure and investing. G&W’s 100+ short line railroads in the U.S. provide hundreds of jobs in the communities they are located in, and service to thousands of shippers throughout small town and rural America, and we see that commitment only increasing. As with all short lines throughout the country, G&W will work every day to invest in infrastructure so that these small business railroads can continue to provide safe, efficient, and environmentally friendly service, keeping communities connected to the larger freight rail network and the U.S. and world economies,” said ASLRRRA President Chuck Baker. “We do not anticipate any change to G&W’s involvement in our Association as a result of the change in ownership from public markets to private long-term infrastructure investors.”

G&W owns or leases 120 short line freight railroads, operating in North America, Europe and Australia. The company’s subsidiaries and joint ventures also provide rail service at over 40 major ports, rail-ferry service, transload services, contract coal loading and industrial railcar switching and repair.

Brookfield Infrastructure Partners is a global infrastructure company that owns and operates assets in the utilities, transport, energy and data infrastructure sectors across North and South America, Asia Pacific and Europe. GIC is a global investment firm established in 1981 to manage Singapore’s foreign reserves.
ASLRRA joined the Association of American Railroads (AAR) in submitting comments regarding the Federal Railroad Administration’s final rule to remove civil penalties schedules and guidelines from the Code of Federal Regulations (CFR) and publish them directly on the FRA website.

The comments make no objection to the rule itself, but suggest four changes allowing the FRA to comply with good agency guidance principles. The first suggestion is for the FRA to have a specific URL dedicated to the civil penalties schedules, enabling the public to more easily find the information.

Second, ASLRRA and the AAR recommend the FRA notify the public of changes to any penalties in the schedules, such as through press releases, letters, or establishing a specific annual publication date. Third, the associations call on the FRA to allow for public feedback on significant proposed penalties schedules changes.

The last recommendation calls for the FRA to explain how it will maintain a civil penalties schedules website if a partial government shutdown disrupts maintenance of government websites.
Letter Calls for Extension to Comment Period for LNG Shipment Permit

Chair of the House Committee on Transportation and Infrastructure Peter DeFazio (D-Ore.), and Representative Tom Malinowski (D-N.J.) submitted a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA) on June 28 asking for a minimum 30-day extension to the public comment period on the special permit to allow shipment by rail of liquid natural gas (LNG) in Florida.

The current comment period is set to close July 8, which DeFazio and Malinowski argue is not enough time for stakeholders to learn more about the plan for Florida company Energy Transport Solutions to move LNG through the heavily populated area.

In their letter, the representatives noted the special permit presents a significant safety risk to people and infrastructure along the route, and deficiencies in public filings suggest the plan circumvented PHMSA’s normal review procedures.

GAO Study Looks at Potential Safety Issues Arising from Longer Freight Trains

A group of House lawmakers have released the results of a Government Accountability Office (GAO) study on the impact of train lengths, which notes the growing length of freight trains and makes recommendations for action to the Federal Railroad Administration (FRA).

Although short lines do not typically run trains of this length, we are assisting with the GAO suggestion to broadly share its research results.

Increased concerns regarding longer freight trains blocking grade crossings for more significant periods of time prompted members of Congress to request a GAO study on the safety impact of long trains.

While the average freight train has roughly 70 cars, some railroads operate trains with 200 or more cars that exceed two miles in length. The danger of such long trains includes the higher likelihood that pedestrians will attempt to cross tracks between stopped rail cars, and the risk of increased response time for emergency responders stuck waiting at a crossing.

Michigan Representative Tours Lake State Railway Facilities, Participates in Policy Discussion

On June 28, Representative Dan Kildee (D-MI, 5th District) toured ASLRRRA member Lake State Railway’s headquarters in Saginaw, Mich. and participated in a transportation policy discussion with representatives from the company and other organizations.

Lake State Railway President and CEO John Rickoff and Vice President of Marketing and Sales Shasta Duffey led the tour, which included company facilities and one of its locomotives.
During the policy discussion, participants expressed support for the Building Rail Access for Customers and the Economy (BRACE) Act, which would enable railroads to maximize infrastructure investments. They also called for increased funding for the Better Utilizing Investment to Leverage Development (BUILD) and the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant programs. Additionally, the group thanked Kildee for his long-time support of the 45G short line railroad tax credit.

**CC&H Continues Push for Co-Sponsors Through Lawmaker Meetings**

Since last week, the House version of the bill, H.R.510, has added three new co-sponsors to bring the total number to 233, while the Senate version, S.203, remains at 51.

With the House voting on various other bills last week and Congress on vacation this week for the Fourth of July, adding a significant number of co-sponsors was not necessarily expected. Still, the Chambers, Conlon & Hartwell (CC&H) team hopes to gain the support of 60 Senators and 250 Representatives in the coming weeks.

**ASLRA Updates**

To further tell the short line story, ASLRA will profile some of the nominees for this year’s Business Development Awards. These railroads’ savvy decision-making and ingenuity make their business achievements worth sharing.

**Union County Industrial Railroad Uses a Community-Centered Approach to Build Business**

One company’s successful business plan might not work as well for another. Instead of looking to grandiose expansion strategies or complicated projects, ASLRA member Union County Industrial Railroad (UCIR) has significantly grown its business by emphasizing company-wide marketing efforts and cultivating strong relationships with its customers.

UCIR is heavily involved in national, regional and state railroad associations and local economic development groups, serving on various boards and committees. The railroad supports its customers by organizing train rides for them, assisting with their hiring efforts and co-hosting the Pennsylvania Distribution Open House. Additionally, UCIR fosters partnerships with other railroads and engages the community by donating passenger excursions to local community groups.

All of these efforts have enabled UCIR to grow its business, resulting in several significant achievements like the opening of both a manufacturing facility for roofing company GAF and the White Deer Gas propane terminal on UCIR lines.

UCIR increased its railcar volume 32 percent in 2018 compared to 2017, which was also 70 percent higher than the previous five-year average. Railcar volume is expected to further increase in 2019, showing that a grassroots approach to business can be equally effective in driving company success.
ASLRRA Hires New Accounting Manager

ASLRRA welcomes Julie Duriga, the Association’s new accounting manager. Duriga is a CPA, a former small business accounting firm owner, and a former executive recruiter. She will report to Dinah Idan-Binney, the Association’s vice president of finance.

Dates Confirmed for ASLRRA Annual Convention for 2021 and 2022:

We have just confirmed locations and dates for our 2021 and 2022 Connections Convention:

Phoenix, AZ
April 10-13, 2021

St. Louis, MO
April 30- May 3, 2022

Limited Spots Remain for ASLRRA and Iowa Northern Railway’s GCOR Training July 16-18

ASLRRA and member Iowa Northern Railway will provide in-depth training on General Code of Operating Rules (GCOR) July 16-18 at Iowa Northern’s training facility in Waterloo, Iowa.

The three-day training seminar is intended for railroads that have adopted the GCOR as operating rules and may be used to meet operating-rules training as required by 49 CFR Part 240, 242 and 214 Subpart C. The seminar will be taught by ASLRRA’s Vice President of Safety and Compliance JR Gelnar and Iowa Northern Railway’s Assistant General Manager Mark Vaughn.

Few spots remain for the seminar, so be sure to register to reserve a seat. Please visit the registration page for additional details and to access the online hotel registration link.

ASLRRA Webinars

How Short Line and Regional Railroads Can Shift to Digital - 7/31/2019

CloudMoyo’s Ashok Madhavan will outline the need for a cultural shift in railroads to adopt a safety-first approach and show how the railroad industry can leverage technology in an effort to build a strong safety culture.
Check Out ASLRRRA’s Top Rated On-Demand Webinars

ASLRRRA has a wealth of educational webinars available online at the click of a mouse. Visit the On-Demand Webinars resource library on the ASLRRRA website to access dozens of relevant and timely webinar recordings on a wide range of topics, including some of our most popular marketing and business development titles:

- Not in my Backyard: Responding/Reacting to NIMBYism in the Community
  Presented By: Janet Gilbert, Partner, Fletcher & Sippel LLC

- Using Social Media as a Business Development Tool
  Presented By: Stacey Mansfield, Director of Public Relations, Norfolk Southern

- A Practical Guide to the Railroad Industry Agreement (RIA)
  Presented By: Keith Borman, ASLRRRA SVP & General Counsel & Mike Ogborn, Ogborn Consultants

Find these popular recordings and dozens more covering finance, communications, human resources and technology by visiting ASLRRRA’s On-Demand Webinars resource library. On-Demand Webinars are available FREE to ASLRRRA members and by subscription to non-members.

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Industry Events

Click here for a listing of industry events.

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