Senator Chuck Schumer (D-N.Y.) spoke about the importance of the 45G short line infrastructure tax credit yesterday at Ontario Midland Railroad Corporation in Williamson, N.Y., urging his colleagues in the Senate to pass their version of the Building Rail Access for Customers and the Economy (BRACE) Act as part of any upcoming tax extenders package.

Schumer highlighted the negative impact of the expiration of the tax credit on railroads like Ontario Midland. He noted that the railroad’s plans to start a multimillion-dollar infrastructure project are at risk because of the loss of supplementary funding the tax credit would provide.

“Ontario Midland Railroad has fantastic plans to invest millions of dollars in infrastructure improvements beginning next year, to serve new clients with new services, grow its operations and the regional economy as a result, and, most importantly, boost public safety at rail crossings across the Rochester-Finger Lakes Region. However, the railroad depends on the 45G Tax Credit to offset the cost of these plans that are now at risk because this tax credit ran out of gas years ago and is now dormant,” said Senator Schumer in a press release.

The money provided by the 45G tax credit not only enables railroads to fix their own infrastructure, it enables economic growth by helping fund projects that would expand rail service to current customers and attract new ones. Schumer highlighted specific clients of Ontario Midland, like Fleischmann’s Vinegar, that need infrastructure improvements to optimize rail access and therefore economic growth.

Additionally, Schumer noted other railroads in the Rochester-Finger Lakes region that have been hurt by the lack of funding from 45G, including ASLRRRA members Finger Lakes Railway and Livonia Avon and Lakeville Railroad.

Schumer’s press release included a quote from ASLRRRA President Chuck Baker, who emphasized the importance of 45G for railroads and the subsequent impact those railroads have on the local economy.

“The Short Line 45G Tax Credit is critically important to New York State’s economy, from western New York to the Southern Tier, from the Finger Lakes to Long Island,” said Baker. “More than half of all freight rail miles in New York are operated by short line railroads, which on their own provide more than 1,000 skilled family-wage jobs in the state and support thousands more jobs at railroad supplier companies and in the communities they serve. In addition to job creation and retention, the short line 45G tax credit supports community growth as new businesses are attracted to rail-served locations. The entire short line railroad industry is grateful to Senator Schumer for his support of this legislation and we are eager to see his leadership help keep this credit in place.”
Seminars at Regional Meetings Offer In-Depth, Hands-On Training

The idea of a large industry meeting sometimes conjures visions of sitting all day in conference rooms, but ASLRRA offers opportunities for interactive training at its Eastern Region Meeting in Columbus, Ohio.

The Short Line Safety Institute is offering two hands-on hazardous materials training sessions. The safety tour takes place in the afternoon on Oct. 9, and includes a tour of safety train equipment and information on SLSI’s hazmat training program.

SLSI’s Hazardous Materials Training is a day-long program on Oct. 10. Participants will review five modules covering topics such as safety and spill response procedures.

Space is still available in both sessions.

Additionally, Federal Railroad Administration (FRA) representatives will offer a training seminar on FRA drug and alcohol testing and the role of a company’s drug and alcohol program manager and designated employer representative (DER). This seminar is offered in conjunction with the Eastern Region Meeting.

Following the Eastern Region Meeting from Oct. 9-11, ASLRRA will hold its Finance and Administration and General Counsel Symposium, which is geared toward short line professionals in the finance, human resources, accounting, administration and legal sectors.

Symposium sessions cover a variety of topics key to the personnel and management aspects of railroad operations, including cyber security. As with regional meetings, participants will also have multiple networking opportunities.

The Eastern Region Meeting itself offers other informative educational sessions for participants, including general sessions on Liquified natural gas and disaster preparedness, and breakout sessions discussing crisis communications and cyber security.

Follow the links above for more information or to register for the symposium or regional meeting.

More States Support Montana, North Dakota in PHMSA Application

Ten states recently submitted comments in support of an application for a preemption determination made by North Dakota and Montana to the Pipeline and Hazardous Materials Safety Administration (PHMSA) and U.S. Department of Transportation regarding a Washington state law governing crude oil shipments.

ASLRRA has also submitted joint comments with the Association of American Railroads (AAR) and BNSF Railway Company backing North Dakota and Montana, arguing that federal law preempts Washington’s laws.
In their letter, the attorneys general from Oklahoma, Arkansas, Indiana, Louisiana, Nebraska, Ohio, South Dakota, Utah, West Virginia and Wyoming note that states cannot make their own laws governing hazardous materials transportation unless those laws are largely the same as federal statues and are not an obstacle to federal law compliance.

Washington’s laws classify crude oil differently from PHMSA, based on vapor pressure, which the ten states say “designates a new class of crude oil.” In contrast, federal law makes no such distinctions between types of crude oil.

By creating new categories for crude oil, which opponents argue results in a de facto ban on oil produced in states within the Bakken Shale Formation, the attorneys general say Washington sets a dangerous precedent that could encourage other states to create their own guidelines for hazardous material transportation.

Such a “patchwork of laws” would put other states at a disadvantage and have a negative impact on those states’ revenue and their ability to conduct business nationally and internationally, which is why the ten states urged PHMSA to rule in favor of the preemption designation.

**Railroad Retirement Board Announces Annual Mandated Reduction in Insurance Benefits**

The Railroad Retirement Board announced a 5.9 percent reduction to railroad unemployment and sickness insurance benefits starting Oct. 1, the start of the new fiscal year.

The reduction aligns with mandated cuts under the Budget Control Act of 2011 and a subsequent sequestration order. The amount will be in effect through Sept. 30, 2020.

With the 5.9 percent reduction, the maximum amount payable in a two-week period with 10 days of unemployment would be $733.98 instead of the current $780.

**Question and Answer Series Explains Impact of Non-Railroad Work on Retirement Benefits**

The September edition of the Railroad Retirement Board’s question and answer series discusses the effect on railroad retirement annuities and pensions from work not covered by railroad retirement or social security.

Employees eligible for a railroad retirement annuity may see a reduction in the tier I portion of their annuity if they receive a public pension based partially or fully on employment not covered by social security or railroad retirement. This does not apply in all cases, such as with a military service pension, payments from the Department of Veterans Affairs, and some benefits from foreign governments.

The document further explains how a noncovered service pension is applied to the tier I benefit and gives an example of how the reduction can affect an employee’s annuity rate.
Virginia Transportation Officials Seeking Comment on Various Initiatives

Virginia’s Commonwealth Transportation Board (CTB) is requesting public feedback on various transportation initiatives.

The CTB will host nine public meetings throughout the state in October and November. Representatives from the Office of Intermodal Planning and Investment (OIPI), the Virginia Department of Transportation (VDOT) and the Department of Rail and Public Transportation (DRPT) will focus on transportation projects, but also present general information and answer questions about the state’s multimodal transportation network.

Those unable to attend the meetings can also submit comments online, by email or by mail. View the link above for meeting dates and times, more information about Virginia transportation programs, and instructions for submitting comments.
ASLRRA Announcements

To further tell the short line story, ASLRRA will profile some of its members who are noteworthy movers and shakers in the railroad industry. These railroads’ savvy decision-making and ingenuity make their business achievements worth sharing.


While it might be a foregone conclusion that employees play a key role in the success of a service-providing small business, that idea cannot be overstated when talking about the growth seen by ASLRRA member Puget Sound & Pacific Railroad (PS&P), which was just getting started as the Pacific Northwest’s forest-product industry was in decline.

According to a profile of the railroad in the October issue of Trains magazine, when the 158-mile PS&P was founded in 1997, it had an annual carload of less than 8,000. However, the original owner, Park Sierra, knew that encouraging PS&P employees to take charge of the railroad and develop solid customer relationships would pay off. And it has.

With a diverse customer base and a drive to attract more shippers to rail, PS&P has grown its carloads to nearly 50,000 in 2018, increasing business 42 percent in just the past seven years. While timber products still comprise approximately 19 percent of the company’s annual traffic, most of PS&P’s business comes from agricultural company Ag Processing, Inc. and its soybean products.

Much of PS&P’s more recent growth came from the company’s decision to partner with the Port of Grays Harbor, a deep-water Pacific port that offers Washington state’s only direct ocean access without necessitating a lengthier trip via the Columbia River or Puget Sound. The time-saving benefits have made the port one of the West Coast’s largest auto-export facilities, another key part of PS&P’s business.

Port of Grays Harbor Deputy Executive Director Leonard Barnes credits PS&P as having a crucial role in the port’s success. He notes the company’s excellent customer service and its drive to attract new businesses to the port as two important reasons for the port’s continued growth.

Outside the Port of Grays Harbor, PS&P has a contract with refuse company Waste Management to transport containerized municipal garbage from Washington to a landfill in Oregon, and does business with the U.S. Navy at its shipyard and submarine base in Bremerton and Bangor, Wash., respectively. The rest of the railroad’s shipments are made up of general freight, biodiesel, chemicals, animal feed and other products.

ASLRRA member Genesee & Wyoming bought PS&P in 2012, and remained committed to the company’s focus on acquiring and building strong customer relationships. It is that strategy, as well as a willingness to adapt and take on different projects and products, that has helped PS&P become an indispensable part of the Pacific Northwest’s supply chain.

ASLRRA’s Compliance Assessment Program Offers In-Person Evaluation of Members’ Operations

Beyond the many resources available to ASLRRA members online, the Association’s [compliance assessments program](https://www.aslrra.org/compliance-assessments) offers an opportunity for an expert, in-person review of a railroad member’s daily operations and compliance practices.

Members can schedule a compliance assessment with an ASLRRA representative, who will visit the railroad and observe company practices before issuing recommendations for improvement and providing sample program materials as needed.
Assessments can be adjusted to meet individual company needs. ASLRRA representatives are also able to examine documents and files to evaluate program, training and record keeping compliance; meet with management and field personnel to assess individual understanding of regulatory requirements; and conduct field observations to review rule compliance and safety performance.

The duration of the assessment and the assessment cost will vary based on individual railroad size and each railroad’s needs. For more information or to schedule a compliance assessment, please contact ASLRRA’s JR Gelnar at JRGelnar@aslrra.org or (202) 585-3436.

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**ASLRRA Out and About**

**Gelnar Represents ASLRRA at AREMA Committee Meeting at Railway Interchange**

ASLRRA’s Vice President of Safety and Compliance JR Gelnar represented ASLRRA at a Sept. 22 meeting for the American Railway Engineering and Maintenance-of-Way Association’s Committee 18 during the Railway Interchange conference in Minneapolis.

Committee 18 represents light density and short line railways. AREMA was one of the hosts of Railway Interchange, and held its 2019 AREMA Annual Conference in conjunction with Railway Interchange.

**ASLRRA’s Gitchell Attends Motor Carrier Safety Advisory Committee Meeting in D.C.**

ASLRRA Assistant Vice President of Legislative and Regulatory Policy Crystal Gitchell attended a meeting of the Federal Motor Carrier Safety Administration’s Motor Carrier Safety Advisory Committee Sept. 30 in Washington, D.C.

She has been working with the FMCSA on an hours-of-service waiver for railroad-owned Commercial Motor Vehicles in emergency situations.

Gitchell is also following the progress of autonomous vehicle projects in the industry.
ASLRRRA Webinars

Sign Up Today!! Electronic Data Interchange (EDI) 101 Railroad Communications - Oct. 3, 2019

Learn what Electronic Data Interchange (EDI) is and how many different message types are used. Follow the sequence of events for a single railcar to see when these kinds of communication are needed and why and when each carrier communicates with connecting roads.

JoAnne Miner, digital product manager at GE Transportation, will lead this webinar.

Maximizing Income Tax Savings Using Estate Tax - Oct. 16, 2019

William Kriesel, partner-in-charge at Bowers & Company CPAs, will discuss the impact of significantly increased estate tax exemption levels, as well as several ways estate planning should be changed to accomplish income tax savings by maximizing estate tax law opportunities.

Crossings: The Necessary Evil We Must Contend With - Oct. 23, 2019

Attorney Michael Barron of Fletcher and Sippel will focus on the risks and pitfalls of utility crossings and some tools railroads may have to deal with them. Barron will also discuss the current state and best practices of dealing with blocked crossing issues.

Click here for more ASLRRRA events.

Industry Events

Click here for a listing of industry events.

Views & News is published by American Short Line and Regional Railroad Association. Please contact Amy Krouse, editor, with questions or comments.