
RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL
Washington D.C.

ANNUAL REPORT
December 2005

Pursuant to Section 726 of the Interstate Commerce Commission Termination Act (ICCTA), the chair of the Surface Transportation Board (STB) in mid-1996 announced the formation of the Railroad-Shipper Transportation Advisory Council (“RSTAC”). As required by section 726(f)(4) of ICCTA, RSTAC hereby submits this Annual Report for 2005.

I. Membership

The following are the current designated members of the 15-member Council by category:

Small Railroad (4): Bob Bailey, Port Jersey Railroad; Peter Gilbertson, Anacostia & Pacific; Charles Marshall, Genesee & Wyoming Inc.; Rick Webb, Watco Companies, Inc.

Small Shipper (5): Dean Atkinson, Bobcat Company; David Brotherton, Bowater, Inc.; Sharon Clark, Perdue Farms Incorporated; George Price, Berg Steel Pipe Corporation; Connie Thede, Muscatine Power & Water

Large Railroad (3): Stevan Bobb, Burlington Northern Santa Fe; Karen Borlaug Phillips, Canadian National/Illinois Central; Dean Piacente, CSX Transportation

Large Shipper (2): Robert Pugh, Georgia Pacific; Mike Scherm, BP Solvay Polyethylene North America (Resigned in 2005 – leaving vacancy)

Public Member (1): James Brunkenhoefer, United Transportations Union

Ex officio members are The Honorable Roger Nober, Chairman of the Surface Transportation Board; The Honorable Douglas Buttrey, Vice Chairman of the Surface Transportation Board; The Honorable Francis Mulvey, Commissioner of the Surface Transportation Board; and The Honorable Norman Mineta, Secretary of Transportation, who is represented at Council meetings by William Gelston of the Federal Railroad Administration.

Current Council officers include - Bob Bailey, Chair; Robert Pugh, Vice Chair and Connie Thede, Secretary. The Executive Committee is composed of the Chair, Past-Chairs –Peter Gilbertson, Small Railroad Member, Sharon Clark, Small Shipper Member and –Stevan Bobb, Large Railroad Member and Public Interest Member – James Brunkenhoefer. Elections for new officers will be held at the February 2006 Council meeting.

The Council member changes throughout the year in 2005 were as follows: Mike Scherm, BP Solvay Polyethylene North America resigned in April of 2005; Sharon Clark, Purdue Farms, Inc, Stevan Bobb, BNSF Railway, and Peter Gilbertson, Anacostia & Pacific; all concluded their two, three year maximum terms on August 22, 2005, leaving four vacancies on the Council. The departing members of the Council were recognized for their dedicated service and contributions as members. The remaining members completed their first three year term on October 6, 2005, which will necessitate a number of new appointments by the STB Chair beginning in 2006.

II. Council Meetings

The Council met three times in 2005.

- A. At its January 25, 2005 meeting, members elected new officers for 2005 and invited guests from the AAR and ASLRRA for a lengthy discussion on the lack of data transparency, particularly when dealing with interline freight and to answer questions from the Council regarding why interline rail movement data is not always accurate and available to all parties in a transparent, standard format. Action items included: ASLRRA will provide a listing of non-reporting railroads so RSTAC can assist in communicating the importance of reporting accurate timely data; agreed to work with RSTAC member associations and request assistance and see if we could begin a pilot project to target 4-5 large accounts to provide examples; and that the Council would advise shippers/small railroads to channel data discrepancies through appropriate member of AAR Electronic Commerce Working Committee for resolution by the involved railroad and continue to work together to improve this situation. Other issues discussed included rail car capacity and car demand; shippers' inability to budget transportation costs; railcar maintenance fee increases and homeland security costs to the railroad.
- B. At its April 8, 2005 meeting, members continued discussions on the data transparency issue and the need to determine the magnitude of the problem. AAR believes the issue is getting resolved; RSTAC does not agree but does not feel that we should take the lead on this effort – it should be brought forward from the various shipper and railroad associations with specific examples and suggestions for improvement. Class I railroads have put forth considerable effort into improving their individual systems to assist their customers with this issue but the same type of information and capabilities need to be available to shippers in interline movements and those involving short line railroads. Other areas of discussion included hazardous materials, service levels, railcar shortages, fuel surcharges and continued increase in the level of shipper concerns.
- C. At its July 12, 2005 meeting, members continued discussions on the data transparency issue; the Fall Peak letters to the Class I railroads and ASLRRA; the Fall Shipper's Forum in St. Louis on 9/21; customer service; condemnation of private property for development purposes and Senate Bill S1256, rerouting of hazardous materials around high threat corridors.
- D. There was no fourth quarter RSTAC meeting held in 2005 due to scheduling conflicts and the STB Staggers Act hearings held in September.

III. Other Activities

RSTAC Chair, Sharon Clark, on behalf of the Council, sent a memorandum to the Class I Railroad Chief Executive Officers urging them as leaders of the railroad Industry to treat the development and supply of transparent interline movement information as a matter of urgent policy importance and inviting them to visit RSTAC to discuss further and to provide a timetable for the interline service management project to be completed

IV. Future Plans

- Continue to pursue small shipper/railroad concerns regarding Data Transparency
- Encourage improved communications between shippers and railroads toward a goal of improved customer service and ability for both to do a better job of planning for unexpected cost increases or capacity and car shortages instead of reacting.
- Bring forth issues for discussion that impact the access of shippers to a viable, healthy and stable rail transportation option to meet their shipping needs.
- Continue to pursue a balanced assessment of the issues including the frustrations of shippers and the realities of carriers.
- Consider recommendations regarding rail policy and the STB's role to create more effective oversight in a capacity-constrained environment

Additional RSTAC information is available at: http://www.stb.gov/rail_consumers/rail_shipper_council