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**RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL  
WASHINGTON, DC**

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**2014 ANNUAL REPORT  
August 18, 2015**

Pursuant to Section 726 of the ICC 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 the ICCTA, RSTAC submits its Annual Report for 2014.

**I. Membership**

The following people are the designated members of the 15 member Council for 2014, listed by category:

Small Railroad (Four Members): Michael Ogborn, OmniTRAX, Inc.; John McCreavy, SMS Railroad Services; John Levine, Pinsky Railroad Company; Henry Lampe, Chicago South Shore & South Bend Railroad

Small Shipper (Four Members): Tom Giovinazzi, Holcim US, Inc.; Howard Kaplan, U.S. Magnesium, LLC; Wayne Hurst, Agricultural Producer; Shelley Sahling-Zart, Lincoln Electric System

Large Railroad (Three Members): George Duggan, BNSF Railway; Michael Mohan, Canadian National Railway; John Friedmann, Norfolk Southern Railway

Large Shipper (Three Members): Robin Burns, Occidental Chemical Corporation; Robert Byrd, Nucor Corporation; Jeanne Sebring, International Paper

At-Large (One Member): Michael Christensen, Port of Long Beach

Ex-Officio Members: The Honorable Daniel Elliott, III, Chairman, Surface Transportation Board; The Honorable Ann Begeman, Commissioner, Surface Transportation Board; The Honorable Deb Miller, Commissioner; The Honorable Andrew Foxx, Secretary, U.S. Department of Transportation, represented by Scott Greene, Federal Railroad Administration

Council Officers for 2014: Tom Giovinazzi, Chairman; Michael Ogborn, Vice Chairman; Howard Kaplan, Secretary; and John Levine, Treasurer. The Executive Committee of the Council is composed of the Officers and the At-Large Member

## II. Council Meetings – The Counsel met four times in 2014.

- **February 25-26, 2014 at the STB in Washington, DC**

*Members Only Meetings*

- Chairman Giovinazzi gave opening remarks
- Financial and minutes from previous meeting presented and approved
- STB member Gabriel Meyer presented remarks on administrative matters, including rules concerning ethics and ex parte communications
- STB staff member Brian O'Boyle presented an overview of rate case issues, recent changes to standards used in rate reasonableness proceedings, and revenue adequacy
- Members of the Council's task force presented summaries of their work on rate reasonableness and equipment issues
- Presentation on crude oil rail transportation issues

*Members and Commissioners Meeting*

- Chairman Giovinazzi welcomed Board members and staff to the meeting
- STB Chairman Elliott and Vice Chairman Ann Begeman joined the meeting and gave opening remarks
- Member George Duggan provided a presentation on crude oil transportation by rail; GATX Executive VP Tom Ellman and Rail Supply Institute Associate Executive Director William Finn gave a presentation on tank cars; Karl Alexy from the FRA gave a presentation on the FRA's perspective on safety initiatives
- Members gave their reports from the field
- Member Robert Byrd gave a presentation on National Freight Policy coordination

- **May 20-21, 2014 at the STB in Washington, DC**

*Members Only Meetings*

- Vice Chairman Ogborn gave opening remarks
- Financial and minutes from previous meeting were presented and approved
- STB staff member Brian O'Boyle provided a summary explanation of the arbitration and mediation processes
- Member John McCreavy made a presentation from the equipment task force
- Member Robin Burns made a presentation from the rate reasonableness task force

### *Members and Commissioners Meetings*

- Vice Chairman Ogborn welcomed the Board members and staff to the meeting
- STB Chairman Elliott and Vice Chairman Ann Begeman joined the meeting; Chairman Elliot introduced newly confirmed Commissioner Deb Miller and each gave opening remarks
- The Members discussed the transportation of crude oil by rail
- Ex officio member Scott Greene gave an update on NFPC meetings
- Attendees discussed methods by which to make the STB arbitration and mediation processes move effective
- Members gave their reports from the field
- Members discussed status of PTC implementation and concerns about FCC requirements regarding communication towers issues

- **August 18-19, 2014 in Kansas City, Missouri**

### *Members Only Meetings*

- Chairman Giovinazzi gave opening remarks
- Financial and minutes from previous meeting presented and approved
- Member Robin Burns presented the final task force report on rate reasonableness and the Members discussed it and how to publish it

### *Members and Commissioners Meetings*

- STB Chairman Elliot, Vice Chairman Deb Miller, and Commissioner Ann Begeman joined the meeting and each gave opening remarks
- Members gave their reports from the field
- Field visit on August 19: Member George Duggan hosted a tour of the BNSF facilities in Kansas City

- **November 5-6, 2014 at the STB in Washington, DC**

### *Members Only Meetings*

- Chairman Giovinazzi gave opening remarks and thanks to John Levine and Henry Lampe for their service on the Council
- Financial and minutes from previous meeting presented and approved
- Council members nominated Mike Ogborn to be Chairman, Shelley Sahling-Zart to be Vice Chairman, and Howard Kaplan to be Secretary/Treasurer for the officers of the Council for 2015 and thereafter approved them to these positions
- Members discussed comments on PHMSA's recent rule making publication on the transportation of crude oil by rail and tank cars

- Members discussed points to be raised at visits to the Hill to include impact of speed restrictions on already compromised service issues; routing issues; impacts on number of cars to be added to the fleets; problems with rail car production capacity; concerns about whether the changes proposed by PHMSA would really improve safety; problems with the timing of PTC implementation; electronic braking issues, and locomotive requirements

#### *Members and Commissioners Meetings*

- Chairman Elliott and Commissioner Ann Begeman joined the meeting and each gave opening remarks
- Chairman Elliott welcomed new Member Michael Christensen, Port of Los Angeles, to the Council
- Ex officio member Scott Greene gave a report on the capital needs of Class II and III railroads
- Jim Vena, Executive Vice President and COO of CN presented on service issues and changes affecting rail operations in the Chicago area
- Members gave their reports from the field
- The following dates were set for meetings in 2015:
  - February 24-25 in Washington, DC
  - April 28-29 in Washington, DC
  - August 18-19 (field trip) at Los Angeles/Long Beach
  - November 4-5 in Washington, DC
- Discussion of suggested agenda items for the 2015 meetings

### **III. RSTAC Achievements in 2014**

- After substantial discussions and multiple drafts of Comments on Rate Cases before the STB, the Council gave its approval of the Comments and had them filed on the STB website and also provided copies to the Department of Transportation and Congress
- Members of the Council produced and presented PowerPoint presentations regarding an Equipment Review, the Short Line Safety Institute, BNSF service reports, transportation of crude oil by rail, the NFPC, and the National Freight Policy coordination
- The field trip to the BNSF facilities in Kansas City was very successful, offering the Members an in-depth look at the extensive and varied operations of the railroad and the importance of those operations to the national rail network

#### IV. Future Plans

- RSTAC will continue to pursue its charge by following the Mission Statement of the Council that states:
  - To work together as a council of rail advocates on a common goal to strengthen the national rail industry, improve service levels and foster mutually beneficial relationships between large and small railroads and shippers, across all commodity groups. To that end, we will address improvements regarding issues of capacity constraints and the evolution of the merchandise carload network, including the elements that impact them, and bring forth recommendations for improvement.
  - It will strive to meet this charge by:
    - Applying the diversity of the RSTAC Council to fairly and openly address small shipper/railroad concerns; being accessible to shippers; monitoring and discussing the issues; and providing knowledge and education where possible.
    - Encouraging shippers and railroads to improve communications toward a goal of improved customer satisfaction.
    - Focusing on discussion/problem-solving for issues that impact the access of shippers to a viable, healthy and stable rail transportation option to meet their shipping needs.
    - Consider recommendations regarding rail policy and the STB's role to create more effective oversight of the national rail system
- Review potential topics for 2015:
  - Updates on service issues including such items as car supply, car allocation processes, and similar items
  - Updates on regulatory and legislative matters
  - Invite representatives from the relevant committees in the Senate and House for them to report on legislative matters
  - Report on RIFF (what it is and what problems there are in accessing it)
  - Whether to prepare white paper on PHMSA proposed rules regarding tank cars and related issues
  - Report on STB reauthorization and how the Council can support it

- Consider how the Council can support the Board in such areas as creating a dashboard, moving dockets forward, and how it can have meaningful discussions about policy matters and trends with Board members present
- Discuss how the Council can assist the Board to become more metric driven and the need for regular metric reporting at the meetings; Short Line Association updates

The Council is made up of Members from diverse backgrounds and experiences but all share the common objective of improving the rail industry. The various perspectives of the Members allow the Council to bring new, fresh ideas to the challenges and opportunities facing shippers, railroads, and the public in the rail industry and give the Council a unique chance to provide the thoughtful advice and counsel to the STB, Congress, and DOT regarding policies, regulations, and oversight concerning the national rail network.

Additional RSTAC information is available at:  
**[http://www.stb.gov/stb/railshipper\\_council.html](http://www.stb.gov/stb/railshipper_council.html)**