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

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**2016 ANNUAL REPORT  
MAY 15, 2017**

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 2016.

**I. Membership**

The following individuals are the appointed members of the 15-member RSTAC for 2016, listed by the category each represents:

Small Railroad (Four Voting Members):

John McCreavy, SMS Railroad Services  
Lawrence Malski, Pennsylvania Northeast Regional Railroad Authority  
Nathan Asplund, Red River Valley & Western Railroad Company<sup>1</sup>  
Michael Peters, Genesee & Wyoming Railroad Services, Inc.

Small Shipper (Four Voting 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 Non-voting Members):

Tom Williams, BNSF Railway<sup>2</sup>  
Michael Mohan, Canadian National Railway  
John Friedmann, Norfolk Southern Railway

Large Shipper (Three Non-voting Members):

Robin Burns, Occidental Chemical Corporation  
Robert Byrd, Nucor Corporation  
Jeanne Sebring, International Paper

At-Large (One Voting 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, Surface Transportation Board  
Scott Greene, Federal Railroad Administration, representing The Honorable Andrew Foxx,  
Secretary, U.S. Department of Transportation

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<sup>1</sup> Chairman Elliott appointed Nathan Asplund, President & CEO, Red River Valley & Western Railroad, to fill the unexpired term of Daniel Zink, Red River Valley & Western Railroad, who resigned from the RSTAC.

<sup>2</sup> Chairman Elliott appointed Tom Williams, Vice President, Industrial Products Sales, BNSF Railway Co., to fill the unexpired term of George Duggan, BNSF Railway, who resigned from the RSTAC.

RSTAC Officers for 2016 – effective after the January 2016 meeting:

Shelley Sahling-Zart, Chair

John McCreavy, Vice Chair

Howard Kaplan, Secretary/Treasurer

The RSTAC Executive Committee is comprised of the Officers and the At-Large Member.

**II. Council Meetings** – The Council met four times in 2016.

• **January 27-28, 2016 at the STB Offices in Washington, DC**

*Members Only Meeting*

- Chairman Mike Ogborn welcomed the RSTAC members and introduced new member Tom Williams, BNSF, who will fill the unexpired term of George Duggan.
- Reviewed and approved the previous meeting minutes.
- Reviewed and approved the financial report presented by Treasurer Howard Kaplan.
- Reviewed and approved the Chairman’s RSTAC Annual Report.

*Members and STB Commissioners Meeting*

- RSTAC Chairman Ogborn welcomed the STB Members and staff to the meeting.
- STB Chairman Daniel Elliott, Vice Chair Deb Miller, and Commissioner Ann Begeman each provided opening remarks.
- Chairman Elliott reported on congressional passage of the Surface Transportation Board Reauthorization Act of 2015 and the potential impact of changes from the Act, including expansion of the STB from 3 to 5 members. Quarterly status reports will be provided to Congress pursuant to the Act.
- Richard Sherman, a partner with Chambers, Colon, and Hartwell, provided a report on infrastructure funding.
- RSTAC members provided field reports highlighting various developments or metrics within their respective companies or industries.
- Received a presentation on the National Freight Strategic Plan from John Drake, Deputy Assistant Secretary for Transportation Policy, US Department of Transportation.
- Received a presentation on the Transportation Research Board’s (TRB) report “Modernizing Freight Rail Regulation” from Thomas R. Menzies, Jr., TRB Senior Director of Special Programs and director of the study.
- STB and RSTAC Members expressed their appreciation to RSTAC Chairman Mike Ogborn for his service and dedication to RSTAC as a Member and Chairman.

• **May 4-5, 2016 at the STB Offices in Washington, DC**

*Members Only Meeting*

- Chair Shelley Sahling-Zart provided a safety briefing and welcomed the RSTAC members. She introduced new members Nathan Asplund, Red River Valley & Western who will fill the unexpired term of Daniel Zink, and Michael Peters, Genesee & Wyoming Railroad Services.
- Reviewed and approved the previous meeting minutes.
- Reviewed and approved the financial report presented by Treasurer Howard Kaplan.

### *Members and STB Commissioners Meeting*

- RSTAC Chair Sahling-Zart welcomed the STB Members and staff to the meeting.
- STB Chairman Daniel Elliott, Vice Chair Deb Miller, and Commissioner Ann Begeman each provided opening remarks.
- Chairman Elliott reported on activities related to implementation of the Surface Transportation Board Reauthorization Act of 2015. First quarter status reports were provided to Congress and are available on the STB web site. He noted several dockets that have been open related to the Act, but there was no discussion.
- Fred Miller, Staff Director, House Subcommittee on Railroads, Pipelines, and Hazardous Materials was invited to provide a congressional perspective of implementation of the STB Reauthorization Act as well as a general overview of House activity related to rail or transportation.
- Katherine Bourdon, Attorney Advisor to the STB, provided an overview of the history or rail mergers and the STB's role in those mergers.
- Scott Greene and Caitlyn Rayman from the Federal Railroad Administration, reported on the US Department of Transportation's Final Truck Size and Weight Study.
- RSTAC members provided field reports highlighting various developments or metrics within their respective companies or industries.
- Dan Keen, Assistant Vice President – Policy Analysis for the Association of American Railroads, provided a presentation and discussion regarding general railroad industrial activity.
- RSTAC railroad members provided status reports on implementation of positive train control (PTC) technology.
- General discussion regarding RSTAC's mission and updating information on the RSTAC web page on the STB web site.

### • **August 30-31, 2016 at the STB Offices in Washington, DC**

#### *Members Only Meeting*

- Chair Shelley Sahling-Zart welcomed the RSTAC.
- Reviewed and approved the previous meeting minutes.
- Reviewed and approved the financial report presented by Treasurer Howard Kaplan.
- STB staff members Gabe Miller and Katherine Bourdon provided an overview of the Competitive Switching Order.

#### *Members and STB Commissioners Meeting*

- RSTAC Chair Sahling-Zart provided a safety briefing and welcomed the STB Members and staff to the meeting.
- STB Chairman Daniel Elliott, Vice Chair Deb Miller, and Commissioner Ann Begeman each provided opening remarks.
- Chairman Elliott reported on activities related to implementation of the Surface Transportation Board Reauthorization Act of 2015. Second quarter status reports were provided to Congress and are available on the STB web site and several dockets have been opened and are pending before the STB pursuant to the Act.
- Received a presentation on Positive Train Control (PTC) from Mark Hartong, Federal Railroad Administration.
- RSTAC members provided field reports highlighting various developments or metrics within their respective companies or industries.

- RSTAC member Michael Christensen reported on port-related rail developments, general port activity and developments, and the re-opening of the Panama Canal.
- Patrick Fuchs, Professional Staff Member, Senate Committee on Commerce, Science and Transportation, provided a congressional perspective of implementation of the STB Reauthorization Act as well as a general overview of Senate activity related to rail or transportation.
- STB staff member Katherine Bourdon provided an overview of the STB's Rail Energy Transportation Advisory Committee (RETAC). The overview was requested by the RSTAC to better understand the role of both RSTAC and RETAC.
- Scott Benson, Manager of Resource & Transmission Planning, Lincoln Electric System, provided an overview of the Clean Power Plan Carbon Rules for Power Plants.
- Discussion of RSTAC Role and Mission Statement. The mission statement has not been changed since it was originally adopted. Members were asked to review the mission statement in light of changes in the industry over the past couple of decades and whether changes are warranted. Revisions to the mission statement were proposed for future discussion and consideration.

- **November 1-3, 2016, Charleston, SC**

*Meetings were held at dinner and aboard the bus en route to field trip plant sites.*

- Chair Shelley Sahling-Zart welcomed the STB Members and RSTAC Members.
- STB Chairman Elliott, Vice Chair Deb Miller, and Commissioner Ann Begeman each provided opening remarks.
- Reviewed and approved the previous meeting minutes.
- Reviewed and approved the financial report presented by Treasurer Howard Kaplan.
- Officers were elected for 2017 as follows:
  - John McCreavy, Chair
  - Michael Christensen, Vice Chair
  - Nate Asplund, Secretary/Treasurer
- Approved a dues increase for 2017. Dues in 2017 will be \$900 for large members and \$500 for small members.
- RSTAC members provided field reports highlighting various developments or metrics within their respective companies or industries.
- RSTAC member Jeanne Sebring and her company, International Paper, hosted a tour of the International Paper Mill in Eastover, SC.
- RSTAC member Robert Byrd and his company, Nucor Steel, hosted a tour of the Nucor Steel Berkeley plant in South Carolina.
- Both plant tours were extensive and very educational. The hospitality of International Paper and Nucor Steel was greatly appreciated.
- STB and RSTAC Members expressed their appreciation to Howard Kaplan and John Friedmann for their service and dedication to RSTAC as Members and to Kaplan for his service as RSTAC Secretary/Treasurer.

### III. RSTAC Achievements in 2016

- RSTAC worked with STB staff to bring the RSTAC web page on the STB's web site up to date as minutes of several meetings had not been posted and the list of RSTAC members had not been updated.
- RSTAC members developed or received a number of presentations that help provide a better understanding of the entire rail industry from both shipper and railroad perspectives. In addition, it has been very valuable to have the perspective of the ports through the input of the current at-large member.
- The RSTAC receives regular updates on the status and cost of efforts to implement PTC on rail lines by the statutory deadline.
- RSTAC received updates each meeting from STB Chairman Elliott regarding implementation of the Surface Transportation Board Reauthorization Act (S. 808).
- RSTAC has continued to encourage the STB to implement technology upgrades that will allow for better tracking of dockets and proceedings with the goal of making more information accessible to shippers and railroads.
- RSTAC and STB Members attended a field trip to an International Paper mill and a Nucor Steel plant in South Carolina. Both tours were very comprehensive and educational, and both companies have a strong emphasis on safety. They provided perspectives of the importance of rail to both operations, including logistics that are unique to each industry. The hospitality of both companies was greatly appreciated.
- No white papers were issue, nor resolutions adopted, in 2016.

### IV. Future Plans

- The current RSTAC Mission Statement provides:

“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 in the primary issues of capacity constraints and the evolution of merchandise carload network including the elements that impact them and bring forth recommendations for improvement.”
- RSTAC members strive to meet this mission 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 discussions and 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 of Mission Statement

In 2016 the RSTAC Members began the process of reviewing the RSTAC mission statement as there have been significant changes in the rail industry since the original mission statement was evaluated. For example, there is a much stronger focus on safety today than there was 20 years ago. The consensus is that the mission statement is still valid, but there some minor revisions may serve to make the RSTAC mission more comprehensive and robust.

In addition, 49 U.S. Code §1325(f)(1) provides that:

“The Council shall advise the Secretary, the Chairman, the Committee on Commerce, Science and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives with respect to rail transportation policy issues it considers significant, with particular attention to issues of importance to small shippers and small railroads, including car supply, rates, competition, and effective procedures for addressing legitimate shipper and other claims.”

Over the past couple of years, the RSTAC has made a concerted effort to communicate more regularly with the Senate Commerce Committee and the House Transportation and Infrastructure Committee. Staffs of the committees are regularly invited to the RSTAC meetings. RSTAC believes it is important to maintain these relationships moving forward.

- RSTAC will continue to monitor the implementation of the STB Reauthorization Act. There is particular interest in the expansion of the STB from 3 to 5 members. RSTAC is hopeful that an expanded STB will allow policy discussions among members that cannot happen today since a discussion between any two members constitutes a quorum and, therefore, a public meeting.
- RSTAC will continue to work with the STB Commissioners and staff to continue working on metrics to measure performance and ensure that dockets and policy matters progress in a reasonably expeditious manner.

Additional RSTAC information is available at:

[https://www.stb.gov/stb/rail/railshipper\\_council.html](https://www.stb.gov/stb/rail/railshipper_council.html)