

**RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL**  
Washington DC

**MINUTES OF JULY 12, 2005 MEETING OF THE  
RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL**

The Railroad Shipper Transportation Advisory Council (the "Council"), pursuant to notice, held a meeting on July 12, 2005, in the Hearing Room of the Surface Transportation Board, 1925 K Street, NW, Washington DC. The meeting was called to order at 9 am.

The following members were present: Bob Bailey, Port Jersey Railroad; Connie Thede, Muscatine Power & Water; Bill Gelston, Federal Railroad Administration; James Brunkenhoefer, United Transportations Union; Sharon Clark, Perdue Farms Incorporated; David Brotherton, Bowater Inc.; Karen Phillips, Canadian National/Illinois Central; Rick Webb, Watco Companies; Charles Marshall, Genesee & Wyoming Inc; Peter Gilbertson, Chicago South Shore & South Bend Railroad; and Chairman Roger Nober, and Commissioner Francis Mulvey, Surface Transportation Board;

The following members were absent: Robert Pugh, Georgia Pacific; Stevan Bobb, BNSF Railway, George Price, Berg Steel Pipe Corp, Dean Atkinson, Bobcat; Dean Piacente, CSX Transportation, Vice Chairman Doug Buttrey and Mike Scherm, BP Solvay Polyethylene North America who has submitted his resignation to the Council.

**I. Council Business**

- A motion was made to accept the April 8, 2005 minutes. Minor changes were discussed and the minutes were approved with changes, seconded, and approved to post on the STB website.
- Financial update: Connie Thede provided the members with copies of the bank statement from the new account at Central State Bank showing a current balance and account activities. Checks will be written after the meeting to cover the cost of dinner on 7/10 and lunch for today's meeting, leaving a small balance. Although it is already mid year, discussion was held relative to the need to charge member dues again to replenish our account to cover expenses. The Council authorized Connie Thede to mail out invoices to the members in accordance with the dues schedule previously established for various classifications of members. Thereafter, dues will be requested as necessary to maintain a reasonable account balance to cover Council expenses.

**II. Data Transparency Update:**

- Although AAR previously requested that RSTAC to take the lead on gathering information it was determined that RSTAC should not undertake this effort and would be more appropriate to be done by various shipper organizations like NITL – Council members were going to attend NEMC the next meeting but it turned out that this was not going to be the proper forum to address the issue. .
- Continued discussion relative the fact that Class I's feel they have good tools for the shippers and that they are working together to continue to try to meet their needs.
- Shippers indicate the more freight you move across various railroads the worse the problem.
- Still seems that the NITL is a good place to address, but it will take shipper input from all their various associations to make any changes.
- AAR believes they are going in the right direction – shippers feel there is a disconnect.
- Discussion was held relative to acquiring proposals from third party companies where no payment would be made to them to provide proposals but if we liked what they proposed we could then solicit shipper participation in the cost.
- Council continued to agree there needs to be more communications by railroads to shippers to advise them of the capabilities of their systems.
- Railroads are interested in what more the shippers want and where they are not meeting needs.

- Question was asked if there is a study that can determine the scope of the problem that can be obtained to see the magnitude. Council agreed we need to determine how much traffic is involved.
- Council will continue to discuss this issue.

## V. General Discussion

- **Fall Peak Season** – Class I’s response to Chairman Nober’s letter: Letters were sent to the Class I’s and to Rich Timmons of Short Lines Association on June 15<sup>th</sup> asking for their Fall peak plans. They were given 30 days to reply and as of Friday had three responses back from Class I’s. This year’s letters will be on the web site. Roger indicated that plans for Fall peak are pretty good although there are some areas of concern. They are trying to be factual although shippers do not necessarily agree with what is being presented. Coal shippers have problems in the PRB. Ag problem was worse in 03/04 than in 04/05. Shippers felt that responses to Fall Peak indicate what railroads plans are for capital and resources, but shippers want the details of where these resources and capital are going and what problems they will be fixing. It’s nice to see money being put into the system, but if it is not going where the problems exist it is not helping, By the time the shippers find out it is too late. Shippers cannot easily adjust their plans, they need to know they will have cars available when they need them; they need to be aware of rate increases and extreme surcharges, etc. so they can plan for when they are doing their budgeting. They need more details farther in advance of the direction and philosophy the railroads are using for the upcoming year(s). Where are the choke points, and what are they going to do about them? In the example of car availability, shippers do not know if the cars will be available from the railroads nor if they buy them themselves if the railroads will handle them
- **The Fall Shipper’s forum** will be held again this year on 9/21. Council discussion followed relative to shipper’s opinions of last year’s forum and ways to improve this year. Suggested submitting questions ahead of the forum, e-mail or web-site communications tools and RSTAC members asking shippers for questions that could be submitted. These suggestions would be passed on to Ed Hamberger, President of AAR for consideration. Chairman Nober indicated that shippers get information about the meeting in advance and have an opportunity to ask their questions. If shippers do not get involved and ask, they will not get the answers they are looking for. This year’s room will hold 900 people. AAR is handling registration. The people who can fix the problems will be there and shippers need to address their concerns.
- **Customer Service** - Basic consensus seemed to be that the forums are nice but there needs to be more face to face specific customer service resolutions to these individual problem areas and more communications between the railroads and shippers. Shippers need more detailed information so that they can make business choices on how their freight will be moved now and into the future.
- **Supreme Court Decision On Condemnation of Private Property for Development Purposes** – Council discussed this matter and recognizes the sensitivity of the subject but didn’t feel there is much that can be done about it except legislate. An entity would have to obtain an “adverse abandonment authority” from the STB before it could try to use eminent domain as a reason to seize rail track. However, ancillary properties such as buildings (old depots), structures, etc. could be vulnerable. No action steps were decided on this issue.
- **Senate Bill S1256 – Rerouting of Hazardous Materials around High Threat Corridors** – Discussion included where this bill stands and the protocol for who makes the decision. . If federal legislation is passed it is the law of the land and the STB can’t supercede like they did on Washington DC which only had local jurisdiction. This is a public safety and pre-emptive issue but includes the railroad’s common carrier obligation where the rates do not equal the potential liability. You have to be a railroad to enjoy pre-emption and the companies doing the transloading are not railroads. The STB has to be reasonable about how it is applied

Meeting adjourned at 2:00 P.M.

VI: Next Meeting – To be scheduled, potentially in fourth quarter.