Short Line Synopsis

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May 11-13, 2010
The Short Line Profile
Short Line Role

- “First Mile – Last Mile” of U.S. Freight Rail Commerce
- Primarily Serves Routes of 500 Miles or Less
- Connects Rural, Agricultural, Industrial Sites, and Port and Urban Hubs to the National Rail Freight Network
- Interchanges Rail Traffic with All Class I Railroads
- Preserves 50K Route Miles of the National Freight Rail Network
- Maintains Segments of the DoD Strategic Railroad Corridor Network (STRACNET)
- Delivers and Receives Cross Border Freight with Mexico and Canada
Short Line Operations

- Short Lines: 572 that Operate in 49 States
- Traffic Type: Received Freight: 50%  
  Forwarded Freight: 36%
- Carloads: 12.2M per annum
- Commodities:  
  Coal: 22%  
  Food & Agriculture: 18%  
  Steel and Metals: 10%  
  Paper and Wood: 9%  
  Chemicals: 6%  
  Minerals and Ores: 4%
- Facilities Served: 12K
- Employed as a Result of Short Lines: 1.5M
Short Line Operations (Cont’d)

- Locomotives: 4,050

- Class I Connections: 333 Short Lines Have 2 or More Connections

- Average Length: 90 Miles

- Employment: 20K
  
  Short Line Average: 22
  
  Regional Average: 235
Growth of Short Line Route Miles

- 1980 Staggers Act:
  * More Than 465% Route Miles Growth Over the Course of 25 Years . . .
  * Creation of 172 Short Lines – 31% Growth – Totaling 556
Over 300 Short Line Railroads Have More Than One Class I Connection
## Rail Industry Carloads 2008 - 2009

**Class I's – Short Line Traffic Only**

<table>
<thead>
<tr>
<th>RR</th>
<th>2008</th>
<th>2009</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNSF</td>
<td>1,247,000</td>
<td>1,060,000</td>
<td>- 15.0%</td>
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<tr>
<td>CN</td>
<td>518,783</td>
<td>406,163</td>
<td>- 21.7%</td>
</tr>
<tr>
<td>CSX</td>
<td>955,325</td>
<td>800,391</td>
<td>- 16.2%</td>
</tr>
<tr>
<td>KCS</td>
<td>202,682</td>
<td>147,468</td>
<td>- 27.2%</td>
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<tr>
<td>NS</td>
<td>983,959</td>
<td>800,292</td>
<td>- 18.7%</td>
</tr>
<tr>
<td>UP</td>
<td>986,166</td>
<td>795,133</td>
<td>- 19.4%</td>
</tr>
</tbody>
</table>

May 11-13, 2010
Legislative, Regulatory, Security
Ongoing and Significant

FRA Rail Safety Advisory Committee (RSAC)
2. Medical Standards for Train Crews for Safety Critical Employees – Ongoing
3. Private Crossings – Reporting Done
4. Roadway Worker Protection Rules and Requirements – Awaiting NPRM – Done
5. Passenger Safety – Ongoing
6. Rail Integrity – Ongoing
7. Concrete Ties Utilization – Ongoing
8. Bridge Inspection and Maintenance – Final Rule 2010 – Done
9. Tunnel Standards – No Immediate Requirements
10. Locomotive Standards – (NPRM at OMB) – Done
11. ECP Brake Specifications and Requirements – Waivers in Effect – No Action Required
Ongoing and Significant (Cont'd)

13. Conductor Certification – Ongoing


Other

15. Pressure Tank Car Specifications – No Action Required**

16. Accident / Incident Reporting Requirements – Waiting Final Rule – Ongoing**


18. Emergency Escape Breathing Apparatus Requirements – NPRM 10/09**

19. Emergency Call Numbers at Grade Crossings 24-7-365 Call Centers – Awaiting NPRM – Ongoing**

20. At Grade Crossing Inventory – 16/10/09 – Done**

** Not RSAC
Ongoing and Significant (Cont'd)

Other


22. Narrow Band Radio Frequency Change and Equipment – FCC Requirement; 07/10 – 01/13 – Ongoing**

23. Locomotive Horn Testing and Record Keeping – NLT 06/10 – Ongoing**

24. Risk Reduction – ANPRM 04/10; Final Rule 10/12 – Ongoing**

25. EPA Locomotive Rules – Ongoing**


** Not RSAC
Security – ASLRRA

Industry Measures in Place Today:*

1. Required Plans Covering Security for all Railroads (Rail Industry Plan) – TSA
2. Updated Security Plans with Special Annexes – Rail Industry
3. Threat-Based Requirements and Analysis On-Going – Rail Industry
4. Security Training / Awareness Required – TSA NPRM Pending 2010
5. IED Training Required for all Railroads – TSA NPRM Pending 2011
6. TSA Security Grants Awarded for Short Line Training
7. Communications Security Focus – Rail Industry / TSA
8. GPS on some Shipper Owned Chemical Cars – TSA / Chemical Industry
9. TIH Car Positive Hand-Off – In Effect April 1, 2009 – TSA

* None in 2001
Security – ASLRRRA (cont’d)

Industry Measures in Place Today: *

11. FreightScope Tracking Software for TIH Cars Nationwide – Short Line / FRA
12. Coordination with Military and Federal Agencies on Train Movements – Rail Industry / DOD
   - Close Law Enforcement Relationships
   - Primarily Incident Reporting
13. Intelligence Networks Established within the Railroad Industry
14. Industry Operations Center Established by the AAR
   - Operates the Rail Industry Alert Network
15. Increase in TSA Field Inspectors
16. Border and Port Enhanced Security and Screening of Freight – USCBP / TSA

* None in 2001
Security – ASLRRRA (cont’d)

Industry Measures in Place Today: *

17. Transportation Worker Identification Credential (TWIC) Program in Place for Port Access Only – USCG
   - 1M (+) Active Credentials Issued to Date
   - $132.50 Cost to Individual

18. Rail Security Departments Created for Each Railroad – DOT / FRA


20. Railroad Employee Background Check and ID Card Initiatives – Rail Industry / FRA / TSA


* None in 2001
Hours of Service
Hours of Service

- **Background**

  - **This is a Class I Issue.** Short Lines were caught up in a problem that does not apply to them except in very few circumstances.
    - **Crew fatigue is not a Short Line problem.** Generally the overwhelming majority of the 572 Class II / III railroads crews do not rest away from home each night.
  
  - ASLRRA participated in FRA HOS RSACs for freight rail.
  
  - And, continues to participate in FRA RSACs for passenger rail.
  
  - The ASLRRA submitted 2 waivers for HOS relief in July 2009:
    - **Petition for Waiver** and **Petition for Exemption**
    - The ASLRRA is initiating a **Pilot Program** with members, approved by the FRA, to assess fatigue mitigating factors over a 2 year period.
    - The FRA has been very slow in working on this issue and has been unresponsive on many of the most pressing questions related to how HOS will effect Class II / III railroads.
Background (cont’d)

- Union issues related to supporting HOS relief for Class II / III railroads have imposed problems in developing solutions.

- Despite the provisions of the Small Business Act, which requires consideration of new laws that impact small businesses, an in depth review was never seriously undertaken by the FRA.
Hours of Service

**Impacts on Short Line Railroads**

- The definition of Signalman has changed.
  - This now compels contractors to comply with new HOS requirements thus driving the costs up for small railroads who extensively use contracted labor for signal maintenance.

- The new rules will require hiring additional personnel due to the rest requirements.

- There may be inconsistent FRA field inspector interpretation of the Rule.
  - The potential exists for inconsistent treatment of small railroads under the rule due to union, management, and size considerations i.e. some compelled to comply, others granted relief for some condition. In other words uneven or unfair application of the law.

- The cost to Class II / III railroads will increase as a result of hiring additional crews, training requirements, record keeping and comingling of service for management personnel.
Hours of Service

- Governmental Involvement with the HOS Rule
  - The Congress should grant relief for Class II / III railroads from the HOS rule.
    - The rule was intended for the Class I railroad companies and was hastily passed without consideration of the consequences to the small railroad industry.
  - The FRA must work constructively to shape the rules practical impacts to do no harm to the Class II / III railroads that are effected by the rule.
  - The FRA endorsed pilot project is a step in the right direction but it lingers without clear direction or interest by FRA staff.
  - The accumulation of data from Short Lines involved in the pilot project (for FRA analysis) is essential to moving forward in the decision making process.
    - The ASLRRRA has not been able to advance this project since July 2009.
American Short Line and Regional Railroads

- ▪ Connecting America's Communities
- ▪ Strengthening America's Economy
- ▪ Protecting America's Environment
American Short Line and Regional Railroad Association

The Voice of America’s Independent Railroads