



**ASLRRA
Report
to**

"The Crossing Zone"

**Western Regional Safe Grade-Crossing
Training Conference**

Costa Mesa, CA

May 2, 2005

Industry Performance

■ A Very Good Business Year

- Carloads Up
- Revenues Up
- All Class I's Report Significant Carload Growth with Short Line Partners
- 3rd Year in a Row with Upward Growth Trends
- Freight Volume Predictions are Very Favorable for Continued Outyear Increases
- Capital for Maintenance and Infrastructure Upgrades is Available – Tax Credits, Fuel Tax Elimination, RRIF Loans

Class II / III Safety Performance

The Safest Year Ever!

January – December / 2000-2004

Year	Employee Hours	Categories*			Fatalities	Severity Index	Rate
		1	2	3			
2000	41,158,108	1151	53	6	6	13.49	5.88
2001	39,390,893	989	47	2	2	11.55	5.32
2002	37,494,551	779	36	3	3	9.76	4.36
2003	35,121,492	695	35	2	2	9.51	4.17
2004	35,090,088	694	29	1	1	8.37	4.13

*Categories:

1 = Non severe and non life-threatening injuries

2 = More severe; amputations, concussions, loss of sight, hearing, etc.

3 = Fatality

Legislative Achievements

- **Setting the Conditions for Future Successes:**
 - Federal Tax Credit
 - \$501 million; \$3,500 per mile; 3 years; credit worth 50% of expenditures; 20-year carry forward
 - Deficit Fuel Tax Elimination
 - \$15-20 million saved for short lines
 - Grassroots Fundraisers
 - \$360k in contributions raised for legislators
 - PAC Fund Raising
 - RRIF Loan
 - Slow – 8 to date = \$290.97 million; FRA reorganized to expedite loans; most recent March 15, 2005 – Riverport Railroad, \$5.5 million

Short Line & Regional Railroad Issues

- Car Availability
- Reimbursement of Fuel Surcharge
- HAZMAT Reporting, Tracking, Handling
- Security-Related Initiatives – DHS, TSA
- Quiet Zones
- Cost of Insurance
- Aging Workforce

The Glide Path

- Data Study Update
- Tax Credit Monitoring
 - New IRS Rules Due this Summer
 - Infrastructure Expenditures – Capturing the story through 2008
- TEA-LU
- Fix the RRIF Program
- Promote NARS Distance Learning
- “Branding” the Short Lines
 - Increased recognition of the small railroad industry and its role in rail freight
 - Long term campaign
- Communicating More Effectively – Customers, Regulators, Legislators, Financiers, Public
- Grassroots Fundraising / PAC Contributions
- Transition Tariffs & Publishing
- ASLRRRA New Committee Development
- FRA Rules and Inspections Discussions / Coordination
- Rail Security Coordinating Council (RSCC) – New ASLRRRA / AAR Structure to Coordinate with Transportation Security Administration (TSA)
- Service, costs, reliability, availability, flexibility, safety

Challenges for the Future

- 286K lb Axle Weight Car Handling
- Funding for Rail Infrastructure Upgrades (Track, Bridges) to Handle 286K lb Cars
- Regulatory Requirements
 - Reflectorization
 - Quiet Zones
- Diesel Emissions Litigation
- Asbestos Litigation
- Insurance Rate Creep (Health & Property and Casualty)
- Future of FELA
- Aging Work Force (Avg. Age of Railroad Industry Worker is 48)
- HAZMAT - Insurance and Security Issues
- Consistent, Reliable Customer Service
- Data Transparency for Customers and Operators
- New Database Products – CD, Factbook, On-Demand for Association Members



American Short Line and Regional Railroad Association

“The Voice of America’s Independent Railroads”