

RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL
Washington DC

**MINUTES OF JANUARY 30, 2008 MEETING OF THE
RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL**

The Railroad Shipper Transportation Advisory Council (the "Council"), pursuant to notice, held a meeting on January 30, 2008 in the Hearing Room of the Surface Transportation Board, 395 E Street, SW, Washington DC. The meeting was called to order at 8am.

The following members were present: Robert Pugh, Georgia-Pacific; Dean Piacente, CSX Transportation; Charles Marshall, Farmrail; Terry Voss, Ag. Processing; Eric Butler, Union Pacific Railroad; Roger Fray, West Central Cooperative; Charles D. Nottingham, Surface Transportation Board; W. Douglas Buttrey, Surface Transportation Board, Francis P. Mulvey, Surface Transportation Board; Scott Greene, Federal Railroad Administration; Rick Webb, Watco Companies; D. J. Kratzberg, Exxon Mobil; and Owen Zidar, Kansas City Southern. Connie Thede, Muscatine Power & Water and Reilly McCarren, Arkansas and Missouri Railroad attended by conference call. Bruce Ridley, Packaging Corporation of America was not present.

I. Opening Remarks

- Opening remarks given by Chairman Nottingham, Vice Chairman Mulvey and Board Member Buttrey

II. Financial Update

- Reviewed bank account information
- Reviewed 2008 Dues

III. Council Business

- Reviewed and approved posting of minutes of October 17, 2007 meeting on STB website
- Discussed creation of 2007 Annual Report

IV. General Discussion

- Chairman Nottingham
 - High level of STB activity noted
 - Multiple congressional hearings planned requiring STB testimony
 - Several cases pending before the Board
 - Two merger cases pending (CP-DM&E, CN-EJ&E)
- Vice Chairman Mulvey
 - Importance of Small Rate Case Test
- Surface Transportation Board office of General Counsel
 - Jeff Komorow, STB General Counsel
 - Explored definition of appropriate discussions with Board Members
- Railroad Accessorial Charges
 - Discussed effect on customers
 - Communication a concern
 - Need to improve process
 - Response

- Discussed various Class I systems
- Common Carrier Obligation
 - Discussed asking STB for assistance in defining common carrier obligation
- Impact of regulatory uncertainty on rail industry and Customers
 - Discussed micro and macro view
- Cost of Capital Standards
 - Surface Transportation Board's efforts to change
 - Potential effect on railroad earnings and capital investment
 - Discussed impact on both customers and railroads

V. RSTAC Shipper Survey Results

- Reviewed survey comments
 - Service, rates and track conditions largest issues
 - Results will be summarized and dispersed to RSTAC members
 - Develop plan for RSTAC members to respond to survey contributors
 - Explore creation of electronic survey

VI. Setting of RSTAC 2008 Goals

- Improve communications at all stages
- Assist STB office of Consumer Affairs with Class I and customer service issues
- Goals at a glance:
 - TIH/PIH regulations and pricing issues
 - Small rate case
 - Paper barriers
 - Truck size and weight
 - FRA—safety changes, tank car changes, electronic brake

VII. Next meeting April 29 and 30, 2008