

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

**MINUTES OF OCTOBER 17, 2007 MEETING OF THE  
RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL**

The Railroad Shipper Transportation Advisory Council (the "Council"), pursuant to notice, held a meeting on October 17, 2007 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: Connie Thede, Muscatine Power & Water;; Dean Piacente, CSX Transportation; Bruce Ridley, Packaging Corporation of America Reilly McCarren, Arkansas and Missouri Railroad; 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; William Gelston, Federal Railroad Administration. Rick Webb, Watco Companies and Owen Zidar, Kansas City Southern attended by conference call. Absent were: D.J. Kratzberg, Exxon Mobil, Larry Parsons, Wheeling and Lake Erie Railway and Robert Pugh, Georgia-Pacific.

**I. Presentation of Rail Competition Study**

- Presentation by Mark Meitzen of Christensen Associates
- Sponsored but not directed by STB
- Discussion of competitive dimensions to be analyzed
- Review of study methodology to be employed
- Opportunity for public input presented

**II. Financial Report**

- Account balance, supplemental dues invoice and recent expenditures reviewed

**III. Council Business**

- July 26, 2007 meeting minutes were approved for placement on the STB website.
- Officers were elected for 2008: Rick Webb, Chairman; Reilly McCarren, Vice-Chairman; and Terry Voss, Secretary-Treasurer
- Resignations of Bill Matheson and James Brunkenhoefer were accepted with regret.

**IV. Review of STB Activity by 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)
- Service of Connie Thede as Chairman and Bill Gelston (retiring) as DOT representative noted and commended

**V. Presentation of “National Rail Freight Infrastructure Capacity and Investment Study”**

- Presentation by Frank Hardesty of AAR
- Study of freight rail capacity needs by Cambridge Systematics, funded by AAR
- Study shows significant shortfalls in available private investment for rail network capacity
- Separate study underway for rail passenger capacity requirements
- RSTAC discussion of assumptions and mechanisms for projections

**VI. General Discussion**

- Proposed NITL “Rail Compromise Plan”
- Review of Pilot Project
- RSTAC Shipper Survey efforts – new survey distributed
- Extensive discussion of HR 2125 and railroad competition issues
  - Differential pricing
  - Modal equity
  - Funding capacity improvement
  - Potential for further industry consolidation
  - Possible unintended consequences

**VII. Next Meeting – January 29 & 30, 2009**