
RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL

WASHINGTON, DC

2017 ANNUAL REPORT

May 18, 2018

Pursuant to Section 726 of the ICC Termination Act (ICCTA), the Chair of the Surface Transportation Board (STB) in mid-1996 announced the formation of the Railroad-Shipper Transportation Advisory Council (RSTAC). As required by Section 726(f)(4) of the ICCAT, RSTAC submits its Annual Report for 2017.

I. Membership

The following individuals are appointed members of the 15-member RSTAC for 2017, listed by the category each represents:

Small Railroad (Four Voting Members):

John McCreavy, SMS Rail Service
Lawrence Malski, Pennsylvania Northeast Regional Railroad Authority
Nathan Asplund, Red River Valley and Western Railroad Company
Michael Peters, Genesee & Wyoming Railroad Services, Inc.

Small Shipper (Four Voting Members):

Tom Giovinazzi, Holcim US, Inc.
Wayne Hurst, Agricultural Producer
Shelley Sahling-Zart, Lincoln Electric System
Kevin Murray, Red Gold, Inc.¹

Large Railroad (Three Non-Voting Members):

Tom Williams, BNSF Railways
Kelly Levis, Canadian National Railway²
Tim McNulty, CSX Transportation³

Large Shipper (Three Non-Voting Members):

Robin Burns, Occidental Chemical Corporation
Robert Byrd, Nucor Corporation
Jeanne Sebring, International Paper

At-Large (One Voting Member):

Michael Christian, Port of Long Beach⁴
Brandy Christian, Port of New Orleans⁵

¹ Chair Dan Elliott appointed Kevin Murray VP Logistics of Red Gold to a new three year term with the expiration of Howard Kaplan of US Magnesium whose term expired.

² Chair Ann Begeman appointed Kelly Levis, VP IP Canadian National Railway to fill the expired term of Michael Mohan of Canadian National Railway who resigned from RSTAC.

³ Chair Ann Begeman appointed Tim McNulty VP Ag CSX Transportation to a new three year term with John Friedman of the Norfolk Southern's term expiring.

⁴ Chair Ann Begemen appointed Brandy Christian President and CEO of the Port of New Orleans to fill the remaining term of Michael Christian of the Port of Long Beach who resigned from RSTAC.

⁵ Chair Ann Begemen appointed Brandy Christian President and CEO of the Port of New Orleans to fill the remaining term of Michael Christian of the Port of Long Beach who resigned from RSTAC.

Ex-Officio Members:

The Honorable Daniel Elliott, III – Chairman and Vice Chair, Surface Transportation Board⁶
The Honorable Ann Begeman, Commissioner and Acting Chair, Surface Transportation Board⁷
Michael Lestingi, Federal Railroad Administration, representing The Honorable Elaine Chao,
Secretary, U.S. Department of Transportation

RSTAC OFFICERS for 2017 – effective after the November 1-3, 2016 meeting in Charleston, SC

John McCreavy, Chairman
Larry Malski, Vice-Chair
Nathan Asplund, Secretary/Treasurer

The RSTAC Executive Committee is comprised of the Officers and the At-Large Member.

II. Council Meetings – The Council met four times in 2017

- February 8-9, 2017 at the STB Offices in Washington, DC

Members Only Meeting

- RSTAC Chairman John McCreavy welcomed RSTAC members
- Safety Briefing conducted by Mike Peters
- The November 2016 RSTAC Minutes were reviewed and approved
- The Financial Report – Nate Asplund – highlighted RSTAC balances and proposed 2017 meeting and event budget

Members and STB Commissioners Meeting

- Chairman John and RSTAC welcome the STB Members and staff to the meeting
- STB Acting Chair Ann Begeman , Vice Chair Dan Elliott and Commissioner Deb Miller each provided opening welcoming remarks
- Acting Chair Ann Begeman discussed latest developments at STB under a new administration, continued efforts to expedite Board actions, and highlighted the value of RSTAC for industry updates to the Board and staff.
- Board initiative updates, possible relocation of STB offices and potential timing of filling two additional Board Member seats
- Report from January NITL event discussed by Commissioner Deb Miller and Jeanne Sebring – continued evolution of the supply chain
- Presentation and discussion of RSTAC Mission and clarity of the Role of RSTAC by Robert Byrd and Tom Giovinazzi – real time, accurate and insightful input on how the industry is responding to key challenges and service issues
- Mike Lestingi – FRA discussed priorities set forth by the new Secretary of Transportation, Elaine Chao – safety, modernizing, automation and technology
- RSTAC members outlined activities and various developments and metrics at their companies and their regions.
- Presentation by Scott Wigger of Railroads on NY (RONY) and Mike Fesen of Norfolk Southern on freight railroading in the state of NY – practices, hurdles and industry updates
- Comprehensive review of the West Coast/Southern California Ports and the important role of rail by Mike Christiansen of the Port of Long Beach

⁶ Chair and Vice Chair Positions changed with the change in Administrations.

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- Full RSTAC Committee discussion held on future 2017 meeting dates and locations
 - Insightful update by Patrick Fuchs Senate Commerce Committee on US Congress legislative agenda and priorities
 - ASLRRRA President Linda Darr outlined the State of the Shortline Railroad industry as well as introducing Michelle Malski of the ASLRRRA Shortline Safety Institute
 - Brief and concluding discussion about STB web site, white papers and important industry issues
- May 16-17, 2017 at the Delaware Valley Regional Planning Commission Board Room in Philadelphia, Pa

Members and STB Commissioners Meeting

- Welcoming Open Remarks by Chairman John McCreavy of his hometown
 - Safety Briefing conducted by Ted Dahlburg of DVRPC
 - A history of Philadelphia and Railroading in Philadelphia was presented by Sam Katz and Edward Duffy – local TV producers and historians (www.historyofphilly.com)
 - The Role of an MPO in Infrastructure Planning by Barry Seymore and Ted Dahlburg of DVPRC
 - An RSTAC financial report and draft of minutes for 02-17 meeting in DC was reviewed and accepted
 - A resolution approved stipulating RSTAC support of the 45G tax credit legislation before Congress relating to Class II and III railroads
 - RSTAC Vice Chairman Position – Larry Malski was motioned for appointment and approved by resolution by the Committee
 - DC Legislative Update was given by Shelley Sahling regarding STB funding and the review for two open STB commissioner positions to be filled is underway
 - Field Reports were given by RSTAC members to the group
 - Philadelphia area logistics tour - The Pureland Industrial Complex RR Property
 - Safety Briefing by Jim Pfeiffer of SMS Rail Service
 - Tour of SMS Rail Service by President Jeff Sutch as well as discussion of the history of the industrial park by Developer Charlie Walters
 - Comprehensive presentation on the capabilities and growth plans for the Philadelphia Regional Port Authority by Dominic O'Brien of PRPA
- August 2nd – 3rd at the STB Offices in Washington, DC

Members Only Meeting

- Opening remarks - Chairman John McCreavy welcoming RSTAC Members and STB Staff
- Safety Briefing conducted by Robert Byrd, Nucor Steel
- Nate Asplund reviewed the May, 2017 Meeting minutes from Philadelphia which were approved by resolution. A current RSTAC Financial Update for the group was also provided

Members and STB Commissioners Meeting

- Members, Commissioners and STB Staff welcome newest RSTAC Member (At Large) Ms. Brandi Christian, President and CEO of the Port of New Orleans⁸

⁸ Acting Chair Ann Begeman appointed Brandi Christian of the Port of New Orleans to fill the position vacated by Mike Christensen of the Port of Long Beach who resigned from RSTAC.

- RSTAC Members provided the first round of field reports to the Commissioners and STB Staff
 - Insightful update on the current and future state of the North American Boxcar fleet was provided by Ms. Jeanne Sebring- International Paper, Mr. Dick Kloster- Alltrans, and Mr. Glen Courtright, Georgia-Pacific (retired)
 - Operation Lifesaver Presentation made by President Ms. Bonnie Murphy – update on Railroads’ Safety Programs with actual statistics, training and promotional material used
 - PTC Update provided by Melody Sheahan, AAR
 - A Shortline Railroad Industry Update provided by Mr. Keith Borman of the ASLRRRA especially concerned with insurance and the need for collaborative remedies
 - Shelley Sahling-Zart, Tom Giovinazzi and Larry Malski updated the group on their Senate Commerce Committee visit by RASTAC Members
 - Concluded remaining field reports from RSTAC Members to the group
- November 1-2, 2017 at the STB Offices in Washington, DC

Members Only Meeting

- RSTAC Chairman John McCreavy welcomes RSTAC Members and STB Staff
- Safety Briefing conducted by Kelly Levis, Canadian National RR
- Nate Asplund reviewed August 2017 Meeting minutes which were approved by resolution and provided a financial update of the Committee

Members and STB Commissioners

- Commissioners each provided opening remarks and welcome
- Freight railroading outside the United States presentations made by Kelly Levis, CNR on Canadian Commercial and Operational points and Matt Walsh of G&W on Global Commercial, Political and Operational issues
- Shelly Sahling-Zart, Tom Giovinazzi, Wayne Hurst and Larry Malski offered an update on their visit to the House Transportation and Infrastructure Committee
- Shortline Railroad Industry update provided by Keith Borman of the ASLRRRA
- A presentation on how Wall Street views our industry by Jason Seidel of Cowen and Company
- Pennsylvania DOT Chief Engineer Nevin Myers provided an excellent presentation on the depth of DOT Programs supporting freight rail within the state.
- Field Reports provided by RSTAC to group as well as STB Commissioners and Staff
- RSTAC Committee Chair and 5 other members whose term expires in 2017 were recognized and thanked for their 6 years of service

III. RSTAC Achievements in 2017

- RSTAC will maintain a keen focus on its ‘Role’ and Mission Statement giving a voice to small and large industry as well as railroads and their role in their respective communities
- RSTAC Members approved a resolution to support Congressional bills HR 721 and S 411 that addresses section 45 of the IRS Code of 1986. The 45G tax credit applies to railroad track investment which all shortline railroads need to maintain safe rail track infrastructure
- RSTAC continued the work to upgrade ‘dealings’ with the STB – Congress increasing the budget of the STB and increase the Board to 5, we’re confident the Agency will become a more active participant ensuring a vibrant rail network as well as a service that industry can rely on to deliver the goods.

- RSTAC initiated personal visits to the ‘Hill’ to discuss with Senate Commerce and the House Transportation and Infrastructure Committee important issues to the railroads and shipping community
- An RSTAC field trip to the Philadelphia/South Jersey market provided an invaluable in-depth look at the history of commerce and railroading in the Region. How local government plays a vital role in its continued growth. A tour of the vibrant Port Community and a growing shortline RR operation serving industry in the region
- RSTAC and the Commissioners got first hand commentary on freight railroading at the state level – seeing the strong support as well as interference
- An increased level of input from the American Shortline Railroad Association at each meeting to provide regular updates on important issues to small railroads and their customers.
- Keeping up to date on progress of PTC which is required the end of 2018. This issue has required \$billions and will impact industry everywhere – costs as well as service
- Equipment supply is also very important to the shortline railroad industry as well as numerous shippers and we were updated on current inventory
- Wall Street expectations dictate performance measures that impact RR employees and industry. We had the opportunity to see and hear just what those demands are.

IV. Future Plans

- RSTAC will continue to pursue its charge by following the Mission Statement of the Council that states:

“To work together as a council of rail advocates on a common goal to strengthen the national rail industry, improve service levels and foster mutually beneficial relationships between large and small railroads and shippers across all commodity groups. To that end, we will address improvements in the primary issues of capacity constraints and the evolution of the merchandise carload network including the elements that impact them and bring forth recommendations for improvements.”

- RSTAC Members will strive to meet this mission by:
 - Applying the diversity of the RSTAC Council to fairly and openly address small shipper/railroad concerns; being accessible to shippers, communities and elected officials; monitoring and discussing the issues; and providing knowledge and education wherever possible
 - Encouraging shippers and railroads to improve communications toward a goal of improved customer satisfaction
 - Focusing on discussion/problem solving for concerns that impact the access of shippers to a viable, healthy and stable rail transportation option to meet market demands
 - Consider recommendations regarding rail policy and the STB’s role to create more effective oversight of the domestic rail network.
 - Continue interaction with Congress and maintaining outreach to all parties with an interest in a vibrant rail network.

Additional RSTAC Information is available at: https://www.stb.gov/rail/railshipper_council.html