RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL Washington D.C.

ANNUAL REPORT December 2003

Pursuant to Section 726 of the Interstate Commerce Commission 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 ICCTA, RSTAC hereby submits this Annual Report for 2003.

I. Membership

The following are the current designated members of the 15-member Council by category: Small Railroad (4): Bob Bailey, Port Jersey Railroad; Peter Gilbertson, Anacostia & Pacific; Charles Marshall, Genesee & Wyoming Inc.; (vacancy)

Small Shipper (5): Dean Atkinson, Bobcat Company; David Brotherton, Bowater, Inc.; Sharon Clark, Perdue Farms Incorporated; George Price, Berg Steel Pipe Corporation; Connie Thede, Muscatine Power & Water

<u>Large Railroad (3):</u> Stevan Bobb, Burlington Northern Santa Fe; Karen Borlaug Phillips, Canadian National/Illinois Central; (vacancy)

<u>Large Shipper (2):</u> Robert Pugh, Georgia Pacific; Mike Scherm, BP Solvay Polyethylene North America

<u>Public Member (1):</u> James Brunkenhoefer, United Transportations Union

Ex officio members are the Honorable Roger Nober, Surface Transportation Board and the Honorable Norman Mineta, Secretary of Transportation, who is represented at Council meetings by William Gelston of the Federal Railroad Administration represents.

At the February 2003 Council meeting, Sharon Clark, Bob Bailey and Robert Pugh were elected to serve as Chair, Vice-Chair and Secretary respectively. An Executive Committee was also formed composed of the Chair, Vice Chair, Secretary, Past-Chair –Peter Gilbertson, Large Railroad –Stevan Bobb, and Public Interest Member – James Brunkenhoefer. These officers were elected to a second one-year term in the October 2003 Council meeting.

At the April 2003 Council meeting, it was agreed that future members who miss three consecutive meetings will be asked to step down and a replacement will be named by the STB Chair.

The Council has had a full complement of members in 2003 except for the departure of one large railroad member, James Foote of Canadian National, the vacancy for whom was filled by Karen Borlaug Phillips, Canadian National/Illinois Central. In December 2003, two vacancies were created when the members job responsibilities changed (a small railroad and a large railroad) and candidates for these positions are currently under consideration.

II. Council Meetings

The Council met four times in 2003.

- A. At its February 11, 2003 meeting, members agreed to continue with closed door meetings to encourage open discussion of issues, but the Council will post meeting minutes on the RSTAC website for review. A policy statement on Surface Transportation Reauthorization was discussed and approved.
- B. At its April 11, 2003 meeting, members discussed RSTAC's press conference held April 10th to release the RSTAC Surface Transportation Reauthorization Statement and subsequent visits to members on Capitol Hill. "Next Steps" were then discussed to publicize the policy statement.
- C. At its July 9, 2003 meeting, members discussed a one-page fact sheet to be circulated with the RSTAC Surface Transportation Reauthorization statement, verbal testimony given before the House Rail Subcommittee on June 26th, and member views of S. 919.
- D. At its October 21, 2003 meeting, members discussed performance metrics, small shipper/small railroad issues and what contributions RSTAC could make to the small rate case discussion.

III. Other Activities

- --Published RSTAC Surface Transportation Reauthorization Policy Statement April 10, 2003
- --Gave verbal testimony, "RSTAC Recommendations on Proposals to Provide New Financing Mechanisms for National Rail Infrastructure," to the Subcommittee on Railroads, House Committee on Transportation and Infrastructure June 26, 2003
- --Added written information to the legislative record entitled "Rail Infrastructure An RSTAC Review of the Issues"
- --Submitted written testimony, "RSTAC Outline of a Legislative Proposal to Provide Financing Mechanisms for National Rail Infrastructure as a part of the Reauthorization of the Transportation Equity Act for the Twenty-First Century" November 11, 2003

IV. Future Plans

Actively pursue exploration of small railroad/small shipper issues.