RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL
Washington DC

MINUTES OF FEBRUARY 16, 2006 MEETING OF THE
RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL

The Railroad Shipper Transportation Advisory Council (the “Council”), pursuant to notice, held a meeting on February 16, 2006, in the Hearing Room of the Surface Transportation Board, 1925 K Street, NW, Washington DC. The meeting was called to order at 9 am.

The following members were present: Robert Pugh, Georgia Pacific; Connie Thede, Muscatine Power & Water; James Brunkenhoefer, United Transportation Union; Eric Butler, Union Pacific Railroad; Owen Zidar, Kansas City Southern Railway; Bill Matheson, Schneider National; Charles Marshall, Genesee and Wyoming; Reilly McCarren, Arkansas and Missouri Railroad; Larry Parsons, Wheeling and Lake Erie Railway; Rick Webb, Watco Companies; Roger Fray, West Central Cooperative; Bruce Ridley, Packaging Corporation of America; Terry Voss, Ag. Processing; Douglas Buttrey, Surface Transportation Board; Francis P. Mulvey, Surface Transportation Board; William Gelston, Federal Railroad Administration.

The following members participated by telephone: Dean Piacente, CSX Transportation; D.J. Kratzberg, Exxon Mobil Corporation. Vice Chairman Robert Pugh facilitated the meeting in the absence of a current Chair.

I. Council Business

- New members were welcomed to the Council and advised of the basic Council guidelines for participating in RSTAC. Introductions were performed with members indicating their backgrounds in the rail industry.

- 2005 Minutes and Annual Report were approved for placement on STB website.

- Election of new officers for 2006 was conducted. Connie Thede was named the Chairperson for 2006, Robert Pugh was elected to continue his role as Vice Chair and Rick Webb was named to the office of Secretary for the group.

- Election of Executive Committee members was deferred until the next meeting.

- Discussion was held regarding future meetings and it was agreed to begin meetings at 8:00 AM instead of 9:00 AM and to try to schedule as far in advance as possible due to busy schedules. 2006 meetings will be held in May, July and November, preferably the first or second weeks of the month.

II: Financial Update

- Connie Thede presented the financial report to the members for 2005 showing all activities to the account for the year and the current balance.

- Discussion was held regarding the annual dues. Members agreed that it was necessary to assess annual dues in 2006 in order to support the expenses associated with dinner meetings and luncheons for Council meetings.

III: General Discussion

- Data Transparency Discussion Update
  - A discussion on the issue of Data Transparency with the consensus being that the Class 1’s are satisfied with where the improvement process stands at this time.

- AEI Readers
  - The need for less expensive AEI readers to improve data integrity was discussed

- Alternatives to AEI Reader
o Schneider National (Bill Matheson) is utilizing a trailer GPS that works for 45 days after being charged by tractor. This provides location up to 75’ and is equipped with a beam to verify if the car is loaded or empty.
  o Solar battery option available

- Origin/Dwell Times
  o Customers adding to problem by ordering cars earlier because of inconsistent service. A solution to this problem must be found.

- Paper and Forest Products
  o 80% of the box car traffic
  o Must find a way to make this a more “re-investable” product.

- Federal Tax Credit
  o A shipper commented that he would support Federal Tax Credit if shippers got the same incentive for rail investment.

- Merchandise Car Load Model
  o Embrace the NITL Initiative on Last Mile/First Mile
    - Require changes in how customers load/unload cars in terms of scheduling.
    - Require commitments from carriers to perform service according to schedule.

- Increase Railroad access to Capital
  o Transfer gates and signals to Federal and State governments.
  o Tax incentive program for Capital Expenditure growth dollars.

- RSTAC 2006 Goals
  o Customer Carrier Obligations
    - Service issues
    - Rates
    - Merchandise Business Model
  o Rail Capacity-Congestion
    - Tax Incentives—Crossing
    - Ports
    - Intermodal
  o How do we become a more valued customer for railroads?
    - Forecast of Volumes
    - Box Balance
    - Fluidity of ramps
    - New business at higher rates—shared by the railroad and customer

- Council agreed to develop a Mission Statement for 2006 identifying two key issues that we should focus on for 2006. Council Chair and Vice Chair will draft a document for review and approval by the Council members.

IV: Next Meeting – Will be scheduled for the first part of May 2006.