

RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL
Washington DC

**MINUTES OF APRIL 8, 2005 MEETING OF THE
RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL**

The Railroad Shipper Transportation Advisory Council (the "Council"), pursuant to notice, held a meeting on April 8, 2005, 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: Sharon Clark, Perdue Farms Incorporated; Bob Bailey, Port Jersey Railroad; Robert Pugh, Georgia Pacific; Steve Bobb, BNSF Railway; George Price, Berg Steel Pipe Corp.; Connie Thede, Muscatine Power & Water; Bill Gelston, Federal Railroad Administration; David Brotherton, Bowater Inc., Dean Atkinson, Bobcat Company, Dean Piacente CSX Transportation; Karen Phillips, Canadian National/Illinois Central; Rick Webb, Watco Companies; Charles Marshall, Genesee & Wyoming Inc; Peter Gilbertson, Chicago South Shore & South Bend Railroad; and Chairman Roger Nober, Commissioner Francis Mulvey, Surface Transportation Board;

The following members were absent: James Brunkenhoefer, United Transportation Union, Mike Scherm, BP Solvay Polyethylene North America, and Vice Chairman Doug Buttrey

I. Council Business

- A motion was made to accept the January 25, 2005 minutes. Minutes were approved and seconded and approved to post on the STB website.
- Financial update: Connie Thede has been successful in finding a no monthly fees checking account for RSTAC as a non-profit organization. Robert Pugh and Connie Thede will be working together to transfer funds to the new account at Central State Bank in Muscatine, IA and after all current expenses have been paid the current account will be closed. All officers will be authorized to write checks on the account. The only charge is approximately \$10.00 for a book of checks.

II. Data Transparency Discussion Continued:

- **AAR Response letter:**
 - AAR wants RSTAC to take the lead on gathering information. RSTAC does not believe they should undertake this effort. More appropriate to be done by NITL.
 - AAR relayed to railroads that the problem has been resolved. RSTAC disagrees and will be drafting a letter to the railroads to clarify that issue.
 - Class I's have invested a lot of resources in their individual solutions and believe that they address the majority of shippers needs. Some of the Class I systems are interfaced with Intellitrains. The standard of accuracy is to be +/- 24 hours or 2 days.
 - There needs to be more communications by railroads to shippers to advise them of the capabilities of their systems.
 - STB has reviewed Class I's systems and believe they appear to answer shipper's needs.
 - Shippers still believe there is a need for a system that has standard forms and one place to gather all interline information. Do not necessarily believe that the Steel Roads product is the answer. It appears to be old technology that they keep putting more money into without the desired results. Mission of Steel Roads is meeting the railroads car miles reporting needs. It was not supposed to do what shippers are now asking for. System needs to be a non-pricing entity to avoid anti-trust issues. Why not investigate a successful third party product? It was felt that there are a lot of dollars being spent by railroads, shippers and the AAR for redundant information. Pursue the potential of pooling those funds to put towards a satisfactory solution.
 - Concerns were raised that the initial issue of Data Transparency has become more of an issue of Data Integrity. Shippers still want door to door tracking with event notification.

- Discussed whether or not we need to get on the agenda of a Network Efficiency Management Committee meeting of the railroads' service marketing officers.
- **Action Steps:**
 - Robert Pugh took an action item to discuss with NITL the need for them to define what the needs are and to do the analysis of the problems.
 - Determine need to make a presentation to NEMC in the Fall.
 - Send a letter to railroads to clarify that the issue is not resolved.

V. General Discussion

- Discussed Rail Service in general, topics raised included:
 - Hazardous Materials issues – becoming more and more of an issue as cities try to implement restrictions of railroads shipping hazardous materials through their cities.
 - Hazardous Materials need to be transported by some method – rail appears to be the least risk mode, but the value to the railroads is very low even with increased prices. How do railroads satisfy their common carrier obligation while not risking all their assets doing so? Issue will become more and more difficult to resolve as insurance coverages are renewed.
 - Service levels appear to be improving.
 - Railcar shortages continue to be a topic of discussion. The answer isn't always to add private car assets.
 - Fuel. Surcharges. Group discussed the various methods being utilized for fuel surcharges and discussed the pros and cons of them. Shippers understand the need for fuel surcharges but do not look favorably on those which appear to be generating revenue, not covering the additional costs the railroads are actually experiencing.
 - Shipper concerns are being elevated to higher levels of companies due to the continued growth of concerns.

VI: Next Meeting – Will be scheduled in July, 2005