
**RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL
WASHINGTON, DC**

**2015 ANNUAL REPORT
JANUARY 27, 2016**

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 ICCTA, RSTAC submits its Annual Report for 2015.

I. Membership

The following people are the designated members of the 15 member Council for 2015, listed by category:

Small Railroad (Four Members): Michael Ogborn, OmniTRAX, Inc.; John McCreavy, SMS Railroad Services; Lawrence C. Malski, Pennsylvania Northeast Regional Railroad Authority; and Daniel L. Zink, Director of Administration, Red River Valley & Western Railroad Company

Small Shipper (Four Members): Tom Giovinazzi, Holcim US, Inc.; Howard Kaplan, U.S. Magnesium, LLC; Wayne Hurst, Agricultural Producer; and Shelley Sahling-Zart, Lincoln Electric System

Large Railroad (Three Members): George Duggan, BNSF Railway¹; Michael Mohan, Canadian National Railway; and John Friedmann, Norfolk Southern Railway

Large Shipper (Three Members): Robin Burns, Occidental Chemical Corporation; Robert Byrd, Nucor Corporation; and Jeanne Sebring, International Paper

At-Large (One Member): Michael Christensen, Port of Long Beach

Ex-Officio Members: The Honorable Daniel Elliott, III, Chairman, Surface Transportation Board; The Honorable Ann Begeman, Commissioner, Surface Transportation Board; The Honorable Deb Miller, Commissioner²; The Honorable Andrew Foxx, Secretary, U.S. Department of Transportation, represented by Scott Greene, Federal Railroad Administration

¹ At the November, 2015, RSTAC meeting Mr. Duggan resigned from the Council. Chairman Elliott named Thomas G. Williams (BNSF Vice President – Industrial Products Sales, to fill the unexpired term of Mr. Duggan.

² Commissioner Miller served as Acting Chairman of the STB pending the confirmation of Commissioner Elliott by the Senate.

Council Officers for 2015: Michael Ogborn, Chairman; Shelley Sahling-Zart, Vice Chairman; and Howard Kaplan, Secretary/Treasurer. The Executive Committee of the Council is composed of the Officers and the At-Large Member

II. Council Meetings – The Council met four times in 2015.

• **February 24-25, 2015 at the STB in Washington, DC**

Members Only Meetings

- RSTAC Chairman Ogborn welcomed the Members, gave opening remarks, and welcomed new members Dan Zink and Larry Malski
- Review and approval of the minutes from previous meeting
- Financial report presented by Treasurer Howard Kaplan

Member and Commissioners Meeting

- RSTAC Chairman Ogborn welcomed Board members and staff to the meeting
- STB Acting Chairman Miller and Vice Chairman Ann Begeman joined the meeting and gave opening remarks
- Bill Brennan and STB staff reported on the formation, goals, and status of the STB Metrics Task Force
- STB staff and Council members discussed the recent filings by Class I carriers in EP 724 that provided service updates
- Members gave reports from the field
- Member Ogborn gave a report on the Short Line Safety Institute and related Pilot Project

• **April 28-29, 2015 at the STB in Washington, DC**

Members Only Meetings

- RSTAC Chairman Ogborn welcomed the Members and gave opening remarks
- Review and approval of the minutes from previous meeting
- Financial report presented by Treasurer Howard Kaplan

Members and Commissioners Meetings

- RSTAC Chairman Ogborn welcomed the Board members and staff to the meeting
- STB Acting Chairman Miller and Vice Chairman Ann Begeman joined the meeting and each gave opening remarks
- Update from Patrick Fuchs, Senate Commerce Committee, on pending legislation affecting rail transportation
- Report by Rob Benedict, PHMSA, regarding the pending PHMSA rules on the movement of crude oil by rail

- Report from the STB Process Improvement and Performance Metrics Working Group and discussion
- Members gave reports from the field
- Report from Member Christensen regarding service issues at the West Coast ports
- Report on status of PTC installations

- **August 18-19, 2015 in Long Beach, California – Field Trip to the Port of Long Beach**
 - Welcome from Member Michael Christensen and introduction of Jon W. Slangerup, Chief Executive Officer, Port of Long Beach
 - Welcome and remarks from Mr. Slangerup
 - RSTAC Chairman Ogborn thanked Mr. Slangerup and gave opening remarks
 - STB Chairman Elliott, Commissioner Ann Begeman, and Commissioner Miller each gave opening remarks
 - Review and approval of the minutes from previous meeting
 - Financial report presented by Treasurer Howard Kaplan
 - Member Christensen reported on the restoration of service at the West Coast ports
 - STB Chairman Elliott reported on plans for streamlining Board processes
 - Report from Professor Wesley Wilson focusing on the TRB Study Committee proposal for competitive rate benchmarking to replace URCS and arbitration to replace SAC
 - Members gave reports from the field
 - Member Ogborn gave update on legislative and regulatory activities at the federal government and in California
 - Tours of the Port of Long Beach and the Pacific Harbor Line Railroad

- **November 3-4, 2015 at the STB in Washington, DC**
 - RSTAC Chairman Ogborn welcomed the Members and gave opening remarks
 - STB Chairman Elliott, Commissioner Ann Begeman, and Commissioner Miller each gave opening remarks
 - Members gave reports from the field
 - Update from Patrick Fuchs, Senate Commerce Committee, on pending legislation affecting rail transportation
 - Update from Jo Strang, VP Regulatory Affairs, American Short Line and Regional Railroad Association, on flammable liquids transportation
 - Update and overview of PTC and related topics from Keith Borman, General Counsel, American Short Line and Regional Railroad Association
 - Member Ogborn reported on car supply issues
 - Members discussed comments on PHMSA's recent rule making publication on the transportation of crude oil by rail and tank cars
 - Members discussed points to be raised at visits to the Hill to include impact of speed restrictions on already compromised service issues; routing issues; impacts on number of cars to be added to the fleets; problems with rail car production capacity; concerns about whether the changes proposed by PHMSA would really

improve safety; problems with the timing of PTC implementation; electronic braking issues, and locomotive requirements

Members Only Meetings

- Review and approval of the minutes from previous meeting
- Financial report presented by Treasurer Howard Kaplan
- Election of officers to take office after the January, 2016 meeting: Shelley Sahling-Zart elected to become Chairman; John McCreavy, Vice Chairman; and Howard Kaplan, Secretary/Treasurer

Members and Commissioners Meetings

- Presentation about STB's recently launched Railroad Map Depot

- The following dates were discussed for meetings in 2016:

- January 27 - 28 in Washington, DC
- May 4 - 5 in Washington, DC
- August – site visit location and dates to be determined
- November 2 - 3 in Washington, DC
- Discussion of suggested agenda items for the 2016 meetings

III. RSTAC Achievements in 2015

- After discussions and a number of drafts of a resolution in support of S. 650, the Railroad Safety and Positive Train Control Extension Act, the Council approved the resolution and had it filed on the STB website and also provided copies to the Department of Transportation and Congress
- After discussions and a number of drafts of a resolution in support of S. 808, the Surface Transportation Reauthorization Act of 2015, the Council approved the resolution and had it filed on the STB website and also provided copies to the Department of Transportation and Congress
- The field trip to the Port of Long Beach and Pacific Harbor Lines in Long Beach was very successful, offering the Members an in-depth look at the extensive and varied operations of the Port and PHL and the importance of those operations to the national rail network and shippers

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 regarding issues of capacity constraints and the evolution of the merchandise carload network, including the elements that impact them, and bring forth recommendations for improvement.
- It will strive to meet this charge by:
 - Applying the diversity of the RSTAC Council to fairly and openly address small shipper/railroad concerns; being accessible to shippers; monitoring and discussing the issues; and providing knowledge and education where possible.
 - Encouraging shippers and railroads to improve communications toward a goal of improved customer satisfaction.
 - Focusing on discussion/problem-solving for issues that impact the access of shippers to a viable, healthy and stable rail transportation option to meet their shipping needs.
 - Consider recommendations regarding rail policy and the STB's role to create more effective oversight of the national rail system
- Review potential topics for 2016:
 - Updates on service issues including such items as car supply, car allocation processes, and similar items
 - Updates on regulatory and legislative matters
 - Invite representatives from the relevant committees in the Senate and House for them to report on legislative matters
 - STB metrics
 - Chicago transportation office
 - Consider how the Council can support the Board in such areas as creating a dashboard, moving dockets forward, and how it can have meaningful discussions about policy matters and trends with Board members present
 - Discuss how the Council can assist the Board to become more metric driven and the need for regular metric reporting at the meetings

The Council is made up of Members from diverse backgrounds and experiences but all share the common objective of improving the rail industry. The various perspectives of the Members allow the Council to bring new, fresh ideas to the challenges and opportunities facing shippers, railroads, and the public in the rail industry and give the Council a unique chance to provide the thoughtful advice and counsel to the STB, Congress, and DOT regarding policies, regulations, and oversight concerning the national rail network.

Additional RSTAC information is available at:

http://www.stb.gov/stb/railshipper_council.html