

RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL
Washington DC

**MINUTES OF OCTOBER 21, 2003 MEETING OF THE
RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL**

The Railroad Shipper Transportation Advisory Council (the "Council"), pursuant to notice, held a meeting on October 21, 2003 in the Board Room of the Surface Transportation Board, 1925 K Street, NW, Washington DC. The meeting was called to order at 10 a.m.

The following members were present: Sharon Clark, Perdue Farms Incorporated; Charles Marshall, Genesee & Wyoming Inc; Stevan Bobb, BNSF Railway; Bob Bailey, Port Jersey Railroad; George Price, Berg Steel Pipe Corp; Connie Thede, Muscatine Power & Water; Dean Atkinson, Bobcat Company Inc; David Brotherton, Bowater Inc; James Howarth, CSX Transportation Inc; Robert Pugh, George Pacific; Karen Phillips, Canadian National Railroad; Bill Gelston, Federal Railroad Administration; and Chairman Roger Nober, Surface Transportation Board.

The following members were absent: James Brunkenhoefer, United Transportation Union; Mike Scherm, BP Solvay Polyethylene North America; Gary Spiegel, RailAmerica; and Peter Gilbertson, Chicago South Shore & South Bend Railroad.

I. Agenda

--A motion was made for any changes to the proposed agenda. There were no changes or additions.

--A motion was made to distribute the July 9, 2003 minutes and approve the minutes once a quorum was reached. Motion was moved and accepted.

--Discussion centered around need for RSTAC 4th quarter 2003 meeting. A motion was made to schedule the next meeting in January 2004 due to holidays/anticipated lack of legislative activity.

II. Financial Report

--Robert Pugh presented the October 2003 Financial Statement detailing year-to-date expenditures and ending balance. A motion was made to invoke dues for 2004 at scheduled levels based on membership criteria. Motion moved and accepted.

III. Election of New Officers/Executive Committee

--A discussion was held on the subject of elections of new officers and executive committee members for 2004. Due to the excellent performance of Sharon Clark, RSTAC Chair, a motion was made to maintain the current slate of RSTAC officers and executive committee through 2004 and to hold elections for 2005 in the fall of 2004. Motion moved and accepted

--RSTAC officers for 2004 include: Chair --Sharon Clark; Vice Chair --Bob Bailey; and Secretary -- Robert Pugh. RSTAC Executive Committee members for 2004 include: Chair, Vice Chair, Secretary, past-Chair -- Peter Gilbertson; Large Railroad -- Stevan Bobb; and Public Interest Member --James Brunkenhoefer.

IV. STB Update from Roger Nober

--New board members of STB: early 2004 likely start for selection

V. Legislative Issue Review

--June 2003 Testimony: agreement to provide a legislative proposal on National Rail Infrastructure. Options for distribution include: 1) post on web site; 2) letters; and 3) small group to deliver on the hill. Sharon: draft letter and send legislative proposal to House T & I Committee members. Steve and Sharon: follow up with specific LD's to offer subsequent meetings to discuss further with key legislators.

--RSTAC discussed H.R. 876 – RR Infrastructure tax credit bill

--STB: “no position” –short term cash infusion/long term “mortgage” of the future

--RSTAC: “absent alternatives,” we should support HR 876. Intention of H.R. 876 – not to “fund” rail rehabilitation of Class III's but to create “environment” where industry can sustain itself.

--Treasury/Administration: against it.

--Vigorous discussion of S. 919. Roger Nober asked RSTAC members for feedback to prepare for congressional hearing on Thursday, October 23rd. General agreement among RSTAC members that S. 919 was not “the answer” as the benefits of Staggers (differential pricing) still apply and the arbitration provisions/rate & service dispute resolution process of the bill leave cause for concern. Discussion that Congress should not “legislate” competition, but rather, let market dynamics provide competitive levers. Interesting debate!

--Terrorist Threats to Rail Infrastructure: request came in for RSTAC to respond to a press inquiry. Group view is to decline – this is not RSTAC's mandate.

VI. Performance Metrics/Small Shipper – Small RR Issues

--RSTAC spent the balance of the meeting brainstorming in two areas: Performance Metrics and Small Shipper Issues. On the former, the objective was to identify key performance metrics that “really matter” to shippers. The STB publishes “high-level” metrics that are important and helpful (for example, average train speed/dwell time), but the discussion focused on the next level of performance detail. On the latter, the objective was to identify small shipper/small railroad issues that RSTAC can review in 2004.