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RAILROAD-SHIPPER TRANSPORTATION ADVISORY COUNCIL  
Washington D.C.

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**2008 ANNUAL REPORT**  
**March 31, 2009**

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 2008.

**I. Membership**

The following are the current designated members of the 15 member Council by category:

Small Railroad (4) - John Levine, Pinsky Railroad Company; Reilly McCarren, Arkansas & Missouri Railroad; Charles Marshall, Farmrail System; Rick Webb, Watco Companies, Inc.

Small Shipper (4) - Roger Fray, West Central Cooperative; Bruce Ridley, Packaging Corporation of America; Connie Thede, Muscatine Power & Water; Terry Voss, Ag Processing.

Large Railroad (3) - Eric Butler, UP; Dean Piacente, CSX Transportation; Owen Zidar, KCS.

Large Shipper (3) - Doug Kratzberg, Exxon Mobil; Robert Pugh, Georgia Pacific; Peter Weiss, Chrysler, LLC.

At-Large Member (1) - Jeff Kever, Virginia Port Authority

Ex officio members are The Honorable Charles D. Nottingham, Chairman of the Surface Transportation Board; The Honorable W. Douglas Buttrey, Commissioner of the Surface Transportation Board; The Honorable Francis P. Mulvey, Vice Chairman of the Surface Transportation Board; and The Honorable Mary Peters, Secretary of Transportation, who is represented at Council meetings by Scott Greene of the Federal Railroad Administration.

Council officers for 2008 include Rick Webb, Chair; Reilly McCarren, Vice Chair and Terry Voss, Secretary. The Executive Committee is composed of the Officers and the At-Large Member. Elections for new officers were held at the January 2009 Council meeting. Officers for 2009 include Rick Webb, Chair; Reilly McCarren, Vice Chair and Terry Voss, Secretary.

**II. Council Meetings** - The Council met four times in 2008.

• **January 30, 2008 meeting:**

- ❖ The meeting opening was given by Chairman Nottingham, Vice Chairman Mulvey and Board Member Buttrey. The Board reviewed upcoming Board hearings and outlined STB staff support available to RSTAC. The financial report and annual dues were reviewed before moving on to Council Business, which included approving October 17, 2008 minutes for placement on the STB site and discussion of 2007 Annual Report.

## ❖ **General Discussion**

- A high level of STB activity was noted; including multiple congressional hearings planned that required STB testimony. Importance of Small Rate Case Test was noted.
  - STB General Counsel Jeff Komorow explored with the membership, the definition of appropriate discussions with Board Members
  - Railroad Accessorial Charges impact on Customers and a Response Plan
  - Common Carrier Obligation
  - Regulatory Uncertainty Impact on Industry
  - Cost of Capital Standards
  - RSTAC Shipper Survey Results
    - Reviewed survey comments:
      - Service, rates and track conditions largest issues
      - Planned for results to be summarized and dispersed to RSTAC members
      - Developed plan for RSTAC members to respond to contributors
      - Explored creation of electronic survey
  - Setting of RSTAC 2008 Goals
    - Improve communication at all stages
    - Assist STB office of Consumer Affairs with Class I and customer service issues
    - Goals at a Glance:
      - TIH/PIH regulations and pricing issues
      - Small rate case
      - Paper barriers
      - Truck size and weight
      - FRA-safety changes, tank car changes, electronic brake
- **April 30, 2008 meeting:**
    - ❖ The meeting opening was given by Chairman Nottingham, Vice Chairman Mulvey and Board Member Buttrey. Lucy Marvin, new liaison to RSTAC for the STB was introduced. New RSTAC members John Levine, Pinsky Railroad Company and Peter Weiss, Chrysler, LLC were introduced. The financial report was reviewed before moving on to Council Business, which included review and approval of minutes of the January 30, 2008 meeting for posting on the STB site.

## ❖ **General Discussion**

- Linda Brandl, Vice President Customer Service, Union Pacific, presented an overview of the railroads Customer Service Center and its practices
- Common Carrier Obligation
  - Challenges surrounding the topic and possible solution
- Railroad Accessorial Charges
  - Class I systems and potential solutions
- Tax Credit Update
  - Shortline Credit

- Investment Credit
  - Other ideas
  - Ray Atkins, STB Associate Counsel, discussed Uniform Railroad Costing System role and its impact, and the STB's role in cases
  - RSTAC Shipper Survey Results
    - Reviewed responses and made plans to follow up with those that requested
  - Liability of moving/handling TIH
- **July 23, 2008 meeting:**
  - ❖ The meeting opening was given by Chairman Nottingham, Vice Chairman Mulvey and Board Member Buttrey. Noted the STB very busy with ongoing items such as TIH/PIH, Small Rate Case and Common Carrier. The financial report was reviewed before moving on to Council Business, which included review and approval of minutes of the April 30, 2008 meeting for posting on the STB site.
  - ❖ **General Discussion**
    - TIH/PIH Hearing Review
      - Following a presentation on transloading, the group discussed ideas for improvement of TIH/PIH procedures
    - CSX Carload Service Improvement Product Review
      - Alan Blumenfeld, Vice President Service Design & Advanced Technology, presented an overview on the topic. Discussed program practices and results.
    - Norfolk Southern/Shortline Empire Link
      - Bob Gentzel, Director of Shortline Marketing and Mike Smith, President of Finger Lakes Railway presented an overview on this topic. Discussed practices that make the program successful.
    - Member Reports from the Field
      - Members reported good service, no car storage problems and good car supply.
    - Rail Competition Study
      - Bill Brennan, STB, presented on the topic.
- **November 13, 2008 meeting:**
  - ❖ The meeting occurred at Chrysler in Detroit, MI. The opening was given by Chairman Nottingham, Vice Chairman Mulvey and Board Member Buttrey. New RSTAC member Jeff Kever, Port of Virginia, was introduced. Additional opening remarks were made by Peter Weiss and John Campi, Chrysler. The financial report was reviewed before moving on to Council Business, which included review and approval of minutes of the July 23, 2008 meeting for posting on the STB site.
  - ❖ **General Discussion**
    - Recognition of RSTAC Members with expiring terms
      - Charlie Marshall

- Robert Pugh
- Connie Thede
- Review of process to fill vacancies
- Chairman Nottingham discussed completion of Independent Study as scheduled and that STB continually working on ongoing items.
- Set 2009 Meeting Dates
  - January 28-29
  - April 29-30
  - August 5-6 (Field Meeting)
  - November 3-4
- Rail Competition Study Update
  - Overview of results were presented by Christensen and Associates
- Reports from the Field
  - Members commented on impact of Railroad Safety Enhancement Act, impact of economy and service quality. Most commodities slowed, although chemicals were on the increase.

### **III: Summary of Goals:**

- During 2008 the RSTAC group advised the STB on a variety of issues including TIH/PIH, small rate cases, accessorial charges, common carrier and safety. In an effort to understand the impact of the economical downturn of 2008, the group focused on communication with shippers and railroads and reviewed ways to deter or reduce negative reactions to the volatile to the economy.

### **IV: Future Plans:**

- RSTAC will continue to pursue the Council charge by following the Mission Statement:
  - 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 in the primary issues of capacity constraints and the evolution of merchandise carload network including the elements that impact them and bring forth recommendations for improvement.
- The council will do so 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 in a capacity-constrained environment.

Although the Council consists of a diverse group, we all share the common objective of improving the industry. Each of us brings a unique perspective, resulting in larger opportunities to improve or solve issues that rail shippers and service providers face. As rail advocates, we appreciate the opportunity to play a role in meeting the needs of those in this ever-changing industry.

Additional RSTAC information is available at:

[http://www.stb.dot.gov/stb/rail/railshipper\\_council.html](http://www.stb.dot.gov/stb/rail/railshipper_council.html)