

RTA President Shares Conference Highlights, Looks Ahead To 2020

Presided over by **Bill Behan**, president of Gross & Janes Co., RTA convened its 101st Annual Symposium and Technical Conference in October in Tucson, Ariz.

As is tradition in each November/December edition of Crosssties, RTA's president, this year Bill Behan, offers thoughts on the recently held conference, challenges and opportunities that lie ahead for RTA members, major association initiatives for the coming year, and a peek into next year's conference.

The 2019 conference closed out RTA's Centennial Celebration recognizing the association's 100 years of service to the railroad industry. What were some of the highlights of the conference?

The Loews Ventana Resort in Tucson was a beautiful location to hold our 100th Celebration. The attendance exceeded our expectations, and the speaker program was one of the best we have experienced. I heard glowing compliments from our members about the venue, staff and event content. These events require year-long planning, and I must thank Jim Gauntt, Debbie Corallo and Barbara Stacey, our RTA headquarters team, for their tireless efforts.

Please address RTA's 2020 legislative work with AAR and ASLRRRA during Railroad Day on the Hill.

As always, making the 45G tax credit permanent will continue to be a huge focus for us as it means more tie demand in real time. Other issues we will continue to hammer on at Railroad Day on the Hill 2020 will be preserving balanced regulation and stopping Surface Transportation Board overreach as well as keeping the safety of Americans on the roads and the roads themselves in the spotlight by pushing back against larger and heavier trucks. Issues that have surfaced that could impact railroad earnings is legislation that would mandate

two crew members in the locomotive cab, which has more than 130 co-sponsors at this time. Obviously, we would oppose any additional hits on the ability for railroads to deploy capital for track maintenance in either forced labor cost increases or loss of traffic to trucking.

Please discuss any major research initiatives for 2020.

RTA continues to fund and publish annual results on the RTA-AWPRP long-term research project where multiple alternative preservative systems are compared to controls and control systems. The goal, of course, is to quantify performance differences, if any, between tried-and-true systems in current use with other preservative systems that have been introduced over the past 15 years. We are now into our 12th and eighth year of Phase I and Phase II of the project, respectively, and I would encourage everyone to dig into the latest annual report to see how some of the newer systems are performing vs. the standards. It's really quite interesting. Other things we are monitoring for the industry include advanced technologies such as torrefaction and biochar systems for end-of-life tie disposition, and the NHSM rulemaking petition at EPA.

The Procurement Session at the conference always provides insight into the challenges our sawmill members may be facing. What were some of the key points made by panelists this year?

Weather and soft market conditions are the largest challenges for all U.S. hardwood sawmill producers. Wet conditions from July 2018 through June 2019 resulted in a new 12-month precipitation record in the United States (records since 1895), with an average of 37.86 inches (7.9 inches above average), according to scientists at NOAA's National Centers for Environmental



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Information. These wet conditions resulted in great difficulty in obtaining and sustaining raw material. In some regions, sawmill operators did not run a full five-day production week until August 2019. Another ongoing challenge for producers has been the collapse in 4/4 lumber pricing, more specifically Red Oak. Red Oak represents the largest volume of growing stocks and accounts for the highest volume of sawmill production. Logging contractors and sawmill operators cannot dodge cutting this species indefinitely, even though most have been trying to do just that. However, mills are processing more Red Oak now than earlier this year. The surge in green Red Oak output has added to an already oversupplied marketplace.

What do you see as some of the greatest opportunities for members of the wood tie industry in 2020?

The overall market conditions for both crossties and lumber allow (force) sawmill owners to reassess raw material costs and utilization. Their business model is based upon several yield factors. The market is forcing owners to examine the financial

yield from log conversion. This opportunity does not happen often, so only the nimble and innovative operators will thrive. When was the last time FAS Red Oak was in parity with log center industrial prices? Owners must become divergent and make necessary shifts in product, people and price to survive.

Please share a few details about next year's conference.

Our membership asked for more opportunity to interface with customers and suppliers. For many attendees, this is the only face-to-face time for the entire year. Our unique event is as much social as informational. The traditional Thursday banquet was reformatted to accommodate this request. While we still honor the RTA award recipients, we have arranged the evening to allow both on- and off-site entertaining and social time. As such, the new format was a welcome change. We will use a similar format for the 2020 event in Bonita Springs, Fla.

A theme leading up to and woven throughout the 2019 conference was "You Make The Difference." Please discuss the significance of the theme for the conference as well as with regard to RTA's Safety and Material Processing Committee.

Our membership is a diverse group of private business owners and public companies. Many sawmill owners are multigenerational, while others have served the rail and /or forest products industry for their entire professional careers. In all instances, the personal relationships between our members become strong and lasting. Like no other association that I have ever been involved with, the professionalism and commitment to a common objective is the accepted goal. Thus, "You Make The Difference" is not just a tagline. Rather, it is the heart and soul of the membership.

Regarding the reinvigorated Safety & Material Processing Committee, Liz Russell of Stella-Jones has done a terrific job in leading this group. New best practices

sharing and Crossties articles have created new thoughts and conversations. Liz asked for input, and our never-shy group responded. This is just another example of "You Make The Difference" in action. I can't wait to see what lies ahead.

Please address 2020 as a year of transition for the association.

The coming year will begin the leadership change for our new RTA executive director. While I personally will be sad to see Jim Gauntt retire, the RTA Executive Committee members are excited to identify the best available candidate to lead us into the next 100 years. The formal application process began at the conclusion of the conference and is ongoing. The Search Committee is working with a professional search firm to assist in this national search process. In early 2020, the committee will have the opportunity to review qualified candidates and conduct personal interviews. Our objective is to have a new executive director selected in the second quarter of 2020. ■



**2020 RTA Symposium & Technical Conference
Oct. 19-22, 2020
Hyatt Regency Coconut Point Resort & Spa**

Mark your calendar for the 102nd Annual Railway Tie Association Symposium & Technical Conference.

This must-attend conference brings together all facets of the railroad and wood tie industries for a busy few days of networking, sharing information and ideas, and fun.

Learn:

- The Newest Wood Tie Products & Services
- Class 1 Railroad Purchasing Plans
- Class 1 Railroad Engineering Projects & Plans
- Hardwood Procurement Challenges & Opportunities
- Economic & Legislative Issues
- What's New In R&D
- RTA Committee Updates

Have Fun:

- Grand Annual Awards Reception
- Annual President's Reception
- Annual Golf Tournament
- Exciting Tours & Activities
- Networking With Colleagues
- Beautiful Southwest Florida scenery and wildlife



Watch RTA.org for registration to open. Early bird registration will end Aug. 31, 2020.

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RTA.org or (770) 460-5553 for more information.