

# Crossties

May/June 2001

The Magazine For Producers And Users Of Treated Wood Crossties And Related Products.

PRELIMINARY CONVENTION  
AGENDA INSIDE  
SEE PAGE 22

## Tellier's Tale: Growing Stronger Together



CN Partners With  
Short Line Railroad  
To Upgrade Track  
For 286 Trains

### Special Reports

RTA Joins ASLRRA,  
AAR For Railroad  
Day On The Hill

CN Chief Discusses  
Mutual Benefits  
Of Supporting  
Short Lines

Formosan Termites  
Become An Issue  
For Railroads

OSHA Revises  
Recordkeeping Rules  
& Regulations

2001 RTA Convention  
Site Announced

Make Plans Now  
For Annual Tie  
Grading Seminar

Impressive List  
Of RTA Research  
Due In 2001-2002

# RTA Joins ASLRRA, AAR In Railroad Day On The Hill

## From RTA Reports

Rail supply interests, short line railroads, Class 1 railroads and rail labor representatives convened in Washington in March to make calls on Congress during Railroad Day on the Hill. RTA was represented by Tony Chambers of Burke-Parsons-Bowlby Corp., chairman of RTA's Committee for Legislative And Environmental Affairs Response (CLEAR), and RTA Executive Director Jim Gauntt.

Congressional visits were arranged by the Association of American Railroads (AAR) and the American Short Line and Regional Railroad Association (ASLRRA) as part of a cooperative effort to influence legislation in three key areas: small railroad infrastructure funding, railroad retirement reform and railroad reregulation.

Because short line and regional railroad track comprises nearly one-third of the U.S. rail system, creating a more compatible and efficient national rail system that links shippers to destinations across the country will require a major upgrade of the small railroad infrastructure. And revenue available to small railroads serving small shippers is generally not sufficient to finance such upgrades.

Introduced into the House of Representatives by Jack Quinn (R-NY), Bob Clement (D-TN) and Spencer Bachus (R-AL), the Railroad Track Modernization Act of 2001 (H.R.1020) would authorize the secretary of transportation to establish a grant program for the rehabilitation, preservation or improvement of railroad track.

The bill authorizes general fund appropriations of \$350 million for three years for the secretary of transportation to make capital grants for upgrading track (including roadbed and bridges) of Class 2 and Class 3 railroads to a standard of safety and efficiency, particularly for handling 286,000-pound rail cars. A public authority or a private company can own the track.

The maximum federal share of projects is 80 percent, the same as for FHWA highway projects and FTA transit projects.

The bill provides a cost-benefit analysis for track projects to be eligible for capital assistance.

The bill does not create a new program, but expands upon 49 United States Code section 22301 (light density rail line pilot projects) created in TEA-21.

Grants would be made by the secretary of transportation for projects based on criteria in the bill. Inherently, such funds would also be subject to earmarking by Congress.



RTA's Jim Gauntt meets with Alex DelPizzo of Congressman Michael A. Ferguson's office (R-NJ) during Railroad Day on the Hill.

HR 1020 is a key piece in the long-term success of short line railroads. It is of great significance to tie suppliers, as the necessary upgrades provided for in this legisla-

**RTA Members:  
Please contact your U.S.  
Representatives and urge support  
of HR 1020. Contact RTA  
at (770) 460-5553, or visit  
[www.house.gov](http://www.house.gov) for your congressional  
contact information.**

tion would mean more money available to purchase ties.

Also on the legislative agenda for Railroad Day on the Hill was support of railroad retirement reform. Currently, railroad employees and retirees are the only private-sector U.S. workers who are not covered by Social Security. Rather, they participate in Railroad Retirement, a government-sponsored and managed plan funded through payroll taxes on rail employers and employees.

After more than two years of negotiation, there is a joint proposal to ensure the long-term viability of the Railroad Retirement program while improving ben-

efits and reducing costs. The proposal would increase benefits for surviving spouses, reduce payroll taxes necessary to support the system without cutting benefits, and shift responsibility for ensuring the solvency of the system from taxpayers to railroad companies. If the fund develops a shortfall, railroad companies would have to automatically pay higher payroll taxes to maintain the solvency of the program. The Railroad Retirement Board would continue to administer benefits as under current law.

Railroad retirement reform is a win-win legislative situation that benefits rail labor and railroads.

The final legislative concern for railroads in 2001 is the issue of railroad reregulation.

Thanks to the Staggers Rail Act of 1980, which partially deregulated the railroad industry, America's railroads have undergone a profound transformation, with productivity almost tripling. Safety has improved, with employee accident rates dropping more than 70 percent and train accident rates declining almost 70 percent. Prices have fallen by more than half in real terms, and competition today is rigorous. Most importantly, railroads now have the freedom to establish routes and rates based on market conditions.

The issue of reregulating the railroads has arisen in Congress, with proponents claiming that reregulation would mean lower rates for rail customers. In reality, however, because the railroads would no longer be able to generate the revenue required to maintain and improve their operating structure, reregulation would mean decreased safety, a deteriorating infrastructure, reduced service, declining market share and the loss of thousands of jobs. When the Staggers Act was passed, deregulation enabled the railroads to generate the revenues required to rebuild and maintain their vast infrastructure. According to industry estimates, over the next 20 years, railroads will need to invest more than \$160 billion in capital to retain the share of the freight traffic they have today. Reregulation would make this investment impossible.

"RTA is very pleased to join forces with all the participants in Railroad Day on the Hill," Chambers said, challenging RTA members to become involved in the process since so much is at stake. §