

# New RTA President Discusses Industry's Challenges & Future

By Kristen McIntosh

Each year following the Annual Railway Tie Association (RTA) Conference and Technical Symposium, the new president sits down with *Crossties* to discuss his background as well as his thoughts and projections not only for the association but also the wood tie industry.

This year is no different, as *Crossties* has conducted a question-and-answer interview with Thompson Industries' Jeff Broadfoot who shared a bit about his background as well as his plans as RTA president for the coming year.

## How did you get into the wood tie business?

I graduated from the University of Missouri at Columbia in 1982 with a Bachelor of Science degree in forest management. You may recall that we were directly in the midst of a very deep recession at that time. Kerr-McGee had placed an ad on the jobs board at school looking for someone to open a sales office in Indianapolis or Charlotte, N.C., so I sent them my resume along with a letter of interest. Since I didn't hear back from them, I took a summer job as a park ranger at a large county-run park in northwest Missouri. Well, after a year and two other jobs later, including as a substitute schoolteacher and a forestry safety supervisor for a tree service company, I received a call from Kerr-McGee asking for an interview. After a three-week interview process, they hired me to open a sales office for them in

Indianapolis. My job was to sell not only treated wood railroad products but also other post frame building products at a new yard the company had opened next to the existing treating plant in Indy.

## Tell us about Thompson Industries and the company's long-term focus.

Thompson Industries Inc. ranks as one of America's leading producers of pressure-treated wood railroad products. We produce and treat more than 1 million crossties and crosstie equivalents at our company-owned-and-operated plant in Russellville, Ark. E.A. Thompson, inventor of Thompson's Waterseal, founded our company in 1978. Thompson Industries Inc. was actually formed in 1981 to continue treating wood after the Waterseal line was sold.

Thompson's long-term focus always has been and will continue to be to provide lasting value to our customers. When Kerr-McGee closed its last plant in 2003, Thompson filled the void by purchasing and installing two of the large treating vessels the company had for sale from their Springfield, Mo., plant. Overnight, Thompson went from a relatively small plant treating 300,000 ties per year to one of the largest in the industry processing and treating well more than a million ties per year. Wood ties continue to be the product of choice for most railroads in most applications. We will continue to focus our research dollars on ways to make wood ties better and longer lasting.



Jeff Broadfoot

## What is your company's greatest challenge expected to be in 2011?

We believe our greatest challenge will be accurate and timely forecasting of tie supply and demand. The housing market, weather, threat of re-regulation, taxes and positive train control are just some of the unknowns that affect either the supply or the demand of ties. Also, the shortline tax credit re-authorization will continue to dictate how and when our regional and shortline customers spend their money. Until this tax credit gets reauthorized, many will hold off spending on their larger capital projects and only purchase the ties they need for maintenance.

## What is the greatest challenge in the wood tie industry?

This year one of the most important issues we will face is in tie production. We anticipate sales to slowly improve as the economy works its way toward greater health. However, it will take a fairly substantial 8 to 10 percent increase in tie production across the country to avoid shortages. We have to ask all of our sawmills whether they are ready to ramp up production.

## How do you see RTA's role in helping members meet these challenges?

RTA has done a wonderful job in providing both the tools and resources necessary to keep on top of all of the changes in the market. Our "Tie Trends" reporting keeps all members abreast on what is happening in the green tie market across the country. Our annual crosstie grading seminar and summer field trip are just ►

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two of our great educational tools that we use to educate our membership. These are just some examples of what RTA does to keep us informed.

RTA also does a magnificent job of helping people to make connections throughout our industry as well as others. We are always receiving comments on the informative content and also how well our annual technical conference is run. This is truly a testament to our RTA membership as a whole.

**We have heard a lot about railroads beginning to employ new boron-based supplemental treatment technologies. What is Thompson Industries' commitment to this process?**

Overall, treated wood ties have and will continue to perform well. More than 93 percent of the total track in the United States, Canada and Mexico run on wood crossties and will continue to be the railroad tie of choice for most railroads. However, the railroads have had trouble with some wood ties in some areas, particularly with hard to treat species like white oak, failing prematurely in the

high-decay areas of the United States and Mexico. As a result, many railroads are moving more toward the use of borate/creosote dual-treated ties and away from alternates like composite plastics for use in these high-decay areas.

Thompson recently completed a \$2 million expansion project that will allow us to borate/creosote dual treat up to 500,000 ties per year using the commercially proven, science-based two-step process. We also just added 1,600 feet of new siding at our 156-acre plant site in Russellville so that now we are able to handle 60-plus car unit trains at our plant. Thompson will continue to invest in these types of improvements as long as our railroad customers continue to see the value of such improvements.

**Do you have a theme for your year as president?**

The theme for my year as president will be "Are You Ready?" With so many changes facing the industry today, I thought it would be good to base our theme on a challenge such as this since it never hurts to be prepared.

**What are the plans for next year's RTA Conference?**

Next year's conference will be held Oct. 5-7 in Incline Village, Nev., at the Hyatt Regency Lake Tahoe Hotel. The hotel is located adjacent to lovely Lake Tahoe and sports all of the latest amenities including a casino for those who wish to do a little gambling. All indications are this will be one of the better-attended RTA conferences, and I invite anyone who has never been to come see what we are all about.

**How about a little personal info about the Broadfoots?**

I have been directly involved in the treated wood crosstie industry for a total of 28 years. Next year, my wife Kathleen and I will be celebrating our 25-year anniversary, so this will be a very special time for us. Kathleen and I are blessed with three children: Matthew, 23, and attending his last year at Purdue University; Nathan, 21, and in his junior year at Indiana University; and Jenny, 20, and in her sophomore year at Indiana University-Purdue University at Indianapolis. All are different in their own way but are truly a joy to have around. §



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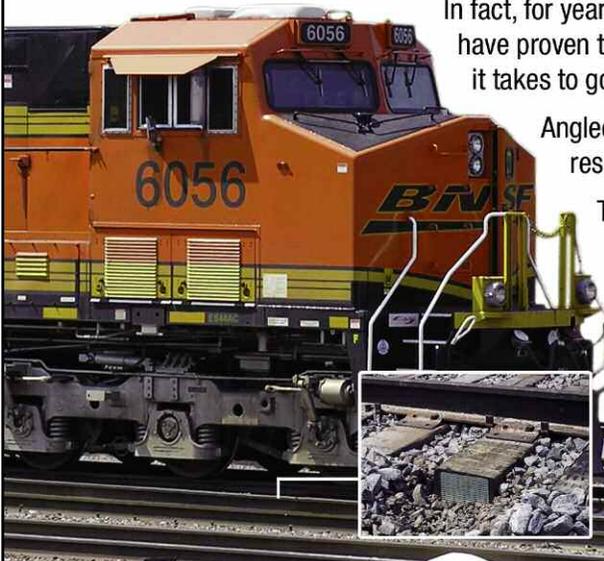
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