



June 2009

Commonwealth of Pennsylvania Rail Funding Application Dates Set

PADOT Deputy Secretary Eric Madden, of the Bureau of Rail Freight announced this years application periods for both the 2010 Rail Freight Assistance Program (RFAP) and the 2009 Rail Transportation Assistance Program (RTAP). This year's application windows are: 2010 RFAP Application Period- July 20, 2009, 8:00 a.m. through 12:00 p.m. (noon) July 31, 2009 and 2009 Rail Transportation Assistance Program – August 3, 2009, 8:00 a.m. through 12:00 p.m. (noon) August 14, 2009.

The Rail Freight Assistance Program (RFAP) provides financial assistance for investment in rail freight infrastructure. The intent of the Program is to (1) preserve essential rail freight service where economically feasible, and (2) preserve or stimulate economic development through the generation of new or expanded rail freight service. The maximum state funding for a RFAP project is 70 percent of the total project costs, not to exceed \$700,000. The funding for the construction portion of any project cannot exceed \$250,000. The final grant award will be based upon actual bid costs or agreed upon prices if work is to be performed by your own labor forces.

The Rail Transportation Assistance Program (Rail TAP), otherwise known as Capital Budget, is available to those having a line item in the current Capital Budget Bill. For those who do not have a line item, please contact your local representative or senator to secure a line item. The project can be funded up to 70 percent of the total project costs, not to exceed the amount of the line item. The final grant award will be based upon actual bid costs or agreed upon prices if work is to be performed by your own labor forces. Both rail funding programs have become very competitive and not all applications will receive funding. For more information please go to the Bureau's web site at: <http://www.dot.state.pa.us/Internet/Bureaus/pdBRF.nsf/RailFreightHomepage?openframeset&Frame=main&src=infoGrantProgram?readform>.

Pennsylvania Rail Plan Underway

Recognizing the need for a strategic and tactical investment plan to address the substantial growth in urban and intercity highway traffic, The Pennsylvania Department of Transportation is looking at a multi-modal approach to identify passenger and freight alternatives. To that end it has begun the process of developing a Passenger and Freight Rail Plan for the Commonwealth.

This plan will be developed with the input passenger rail and freight rail industry representatives, system users and other stakeholders through a series of interviews and roundtable discussions. This plan will serve as the basis for Federal and State investments within the state and will focus on highlighting the needs of the railroad industry while supporting sustainable growth and economic development in Pennsylvania.

Please visit the KSRRRA website at www.ksrra.com and learn more about railroading in Pennsylvania.

KSRRA Calendar—Important Dates

July 20—31, 2008	2010 RTAP Application Period (ends 12 noon on the 31st)	
July 21, 2009	KSRRA Board Meeting — 1 p.m.	Harrisburg, PA
July 22, 2009	RFAC Meeting	Harrisburg, PA
August 3-14, 2009	2009 RFAP Application Period (ends 12 noon on the 14th)	
October 11-13, 2009	ASLRRRA Eastern Regional Meeting	Indianapolis, IN
October 27, 2009	KSRRA Board Meeting — 1 p.m.	Harrisburg, PA
October 28, 2009	RFAC Meeting	Harrisburg, PA

Legislative Update

All of the Harrisburg legislators and the Administration officials are consumed with negotiations regarding the 2009-10 state budget. KSRRA board members, executive director and lobbyists, as well as other railroad lobbyists are fully engaged to ensure that the rail freight assistance program and the rail capital budget are funded at the highest possible level in next years budget. Our arguments are that the programs are not only economically and environmentally important, but the railroad projects stimulate the economy immediately.

Board members, KSRRA staff and lobbyists are also continuing to work on an effort to provide railroads relief from the dramatically increased assessments handed down by the PUC. Progress is being made and we hope to have more news to report soon on this important effort.

Spring Board Meeting Recap

The board of directors of the Keystone State Railroad Association met in Harrisburg on April 21, 2009 for their quarterly board meeting. Their agenda included an update by our lobbyist Mike Long on legislation the association is tracking and a briefing on what to expect during upcoming state budget process. The meeting also included presentations by Craig Staudenmaier and Ben Dunlap from the law firm Nauman Smith.

Craig updated the membership on the recent railroad trespassing law and other legal updates. Ben reported on a study he is working on to look at ways of reducing the Pennsylvania Public Utility Commission's costs in regulating our industry. The next KSRRA board meeting is scheduled for July 21, 2009 in Harrisburg.

KSRRA Executive Director Testifies before House Sub-Committee

The Keystone State Railroad Association Executive Director Joseph Gerdes testified before the Pennsylvania House Appropriations Subcommittee on Economic Impact and Infrastructure on March 26th, 2009. Mr. Gerdes joined several officials from the Rendell administration, contractors, unions and other interested parties that testified about the urgent need for funding the Commonwealth's vital infrastructure projects for rail, airports, roads, bridges, water and sewer systems and energy.

Mr. Gerdes pointed out that Commonwealth's continued partnership with Pennsylvania railroads not only has an immediate economic impact on PA jobs and suppliers but in the long term will help to reduce the wear and tear of our other vital transportation infrastructure like our roads and bridges.

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