



2008 Rail Transportation Assistance Program

The PennDOT Bureau of Rail Freight announced the dates the 2008 Rail Transportation Assistance Program and the 2009 Rail Freight Assistance Program (RFAP) will be open for the submission of grant applications.

The application period for the submission of grant project applications for the 2008 TAP rail funds will open at 12:01 a.m. on Friday August 1, 2008 and will remain open until through 11:59 p.m. Friday August 29, 2008.

The applications for the 2009 RFAP grants will be accepted from 12:01 a.m. on Tuesday July 1, 2008 through 11:59 p.m. Thursday July 31, 2008.

PennDOT uses a web-based electronic grants system called dotGrants and can be accessed at www.dot34.state.pa.us/egrants. It is highly suggested that you familiarize yourself with this system before using and submitting your applications as early as possible to allow time to address any questions.

Following the closing of both grant periods, PennDOT will give all the applicants an opportunity to present their projects in person before Bureau staff in Harrisburg (late September early October). During the RFAC meeting this past Wednesday, Dep. Secretary Madden expressed how competitive both these grant programs have become, and how important these presentations are in helping the PennDOT staff choose viable projects for funding. For more information you can access the Bureau of Rail Freight, Ports and Waterways website at <http://www.dot.state.pa.us/> or contact the Bureau directly at 717-783-8567, or myself, Joe Gerdes at the Keystone State Railroad Association at 717-232-3792.

KSRRRA/PennDOT Meeting Regarding APRAS Problem

Joe Gerdes and Mike Long met with PennDOT officials on May 5th to discuss the continuing problems with the ARPAS system. Although the system has gotten better, there are still several issues that need to be addressed with the system itself and the human response when the system is down. These issues were highlighted again on Sunday, May 4th when a 20-car CSX derailment occurred near West Newton, PA.

Dep. Secretary Madden and Beth Bonini have been and will continue to work with their colleagues at PennDOT and the PA State Police to finally resolve these outstanding issues. They also indicated they are working on solving problems involving the computer system and hope to have updates in place soon.

KSRRRA staff will continue to push for improvements to the system. Please contact Joe Gerdes or Mike Long if you have any suggestions or comments.

Inside this issue:

<i>Operation Lifesaver Train</i>	2
<i>Associate Member News</i>	2
<i>KSRRRA Meeting Update</i>	3
<i>PUC Assessment Update/ Meeting with Senator Mellow</i>	3
<i>Legislative Update</i>	3
<i>Dates to Remember</i>	4
<i>Report: Short Line Railroads: Saving an Endangered Species of Freight Transport</i>	4
<i>Pennsylvania Railroads Featured in Trains Magazine</i>	4
<i>Contacting the KSRRRA Staff</i>	4

Operation Lifesaver Train

Operation Lifesaver will operate a train in Pennsylvania on May 20, 2008. The train will depart at 8:30 a.m. from the Norfolk Southern Railyard (1600 Ohio River Blvd., Conway, PA) and travel to the Kiski junction. Lunch will be provided and the train will be returning at approximately 1:30 p.m.

Please remember to dress comfortably, no open-toe shoes and please no children.

You must RSVP no later than the close of business (4 p.m.) on May 16th. Reservations will be handled by Lugene Bastain, Operation Lifesaver Coordinator. Lugene can be reached at 717-783-8763 or by email at lbastian@state.pa.us.

Norfolk Sothern's Conway PA Classification Yard has two addresses that can be used for Mapquest or other mapping sources. They are 1600 Ohio River Blvd. or Highway 65, Conway, PA 15027. The cross street to the main entrance to Conway Yard is 11th Street in Conway, PA. For any assistance, you can reach Darnell Wood, Conway Classification Yard Superintendent at (412) 651-7913 or the Assistant Superintendent, Eli Stancel at (724) 562-0239. Once you are in Conway Yard, please drive to the boarding site.

Directions are as follows:

1. Proceed down the ramp at 11th street. This road is known with the rail yard as "Main Street."
2. While on Main Street proceed through the stop sign.
3. Drive under one underpass.
4. At the road known as Fourth Street there is a Yield sign, turn right and drive over two railroad tracks and park in the parking area.
5. Exit your vehicle and sign in at the table prior to boarding the Operation Lifesaver excursion train.

Associate Member News

McRAIL Celebrates 10 Years

Congratulations to Bob McCarthy and his team as they celebrate the 10th anniversary of the founding of McRAIL. With over 200 clients in 44 states, McRAIL is recognized nationally as a leader in the rail insurance industry. As a valued associate member of KSRRA, we congratulate Bob and wish them all the best for the future. Feel free to visit McRAIL's website at www.mcrail.com.

RMI Completes \$2.5 Million Data Center Expansion

RMI, the largest independent provider of comprehensive rail information services to the transportation industry, announced last week it had opened a new state-of-the-art disaster recovery site, and has upgraded all its production and backup servers completing a \$2.5 million data center expansion project. RMI currently processes approximately 7 million carloads annually for railroads, rail shippers and railcar owners. Feel free to visit RMI's website at www.railcarmgt.com.

KSRRA Meeting Update

The Keystone State Railroad Association Board of Directors met in Harrisburg on April 22nd for their Spring Board meeting. Thank you to everyone that participated, especially our associate members. We got through an aggressive agenda with discussion on the state budget, the PUC assessments and a number of important issues facing the rail freight industry in Pennsylvania. Our next Board Meeting will be held on July 22nd and please stay tuned for more details on a proposed golf outing and reception following the meeting.

PUC Assessment Update/Meeting with Senator Mellow

KSRRA met last week with Senator Bob Mellow to discuss our request for a \$4 million supplemental appropriation to offset this year's PUC assessment increases. PUC Chairman Wendell Holland joined KSRRA President Mike Fesen, Executive Director, Joe Gerdes and Chip Brightbill, lobbyist for Blue Mountain, Reading and Northern Railroad, to request the Senator's help in securing this one-time supplemental appropriation to help defray the increases in the rail industry's PUC assessment. This meeting was preceded by meetings with other legislative leaders in the four caucuses.

Legislative Update

The PUC assessment issue continues to be the biggest issue. Executive Director, Joe Gerdes has prepared and distributed to KSRRA members by email an update regarding efforts in this area. If you did not receive a copy of that update contact Mike Long or Emily Luckenbill and we will get you a copy.

The House Transportation Committee recently conducted a hearing regarding transportation infrastructure issues. Rail freight issues were discussed by Eric Madden, Deputy Secretary for Aviation and Rail Freight.

A four page summary of that hearing is available by contacting Mike Long or Emily Luckenbill at (717) 234-5424. KSRRA has informed the Chairmen of the House and Senate Transportation Committees that they would be pleased to testify at the next such meeting.

Below are some of the bills we are tracking in the Senate and House of Representatives:

Alternative Energy Bills – the Senate Energy bill included language allowing railroads serving alternative energy sites to be eligible for state grants. We will work to see that language is included in the final bill.

House Bill 1202 – Representative Gerber's alternative fuel mandate. As written, would affect locomotives but all indications are that Rep. Gerber would allow for an exemption for locomotives. The bill currently exempts aviation fuel. The Senate versions do not include locomotives and define engines as "on-road compression ignition" types, thereby excluding locomotives.

Senate Bill 885 – Requires railroads that travel through a third-class city to attempt to find alternate/shorter routes to transport hazardous materials.

Dates to Remember

May 20, 2008	Operation Lifesaver Train	Conway Yard, PA
July 1, 2008	2008 Transportation Assistance Program (TAP) Rail Funds Application period opens	
July 22, 2008	KSRRA Summer Board Meeting, golf outing & reception	Harrisburg, PA
July 23, 2008	RFAC Quarterly Meeting	Harrisburg, PA
July 31, 2008	2008 Transportation Assistance Program (TAP) Rail Funds Application period closes	
August 1, 2008	2009 Rail Freight Assistance Program (RFAP) Grant Application period opens	
August 29, 2008	2009 Rail Freight Assistance Program (RFAP) Grant Application period ends	
May 13—15, 2009	18th Annual PA Rail Freight Conference & Seminar	Harrisburg, PA

Report: Short Line Railroads: Saving an Endangered Species of Freight Transport

An interesting 17-page report has been issued regarding short line railroads by the National Association of Development Organizations (NADO) Research Foundation's Center for Transportation Advancement and Regional Development.

KSRRA member, the SEDA-COG Joint Rail Authority receives very favorable treatment in the report for expanding rail service to businesses in their area. SEDA-COG Rail Authority's Jeff Stover is quoted and mentioned extensively in the report. You can print a copy of this report by visiting <http://www.ruraltransportation.org/files/shortline.pdf>. If you would like a copy of the report mailed to you, please contact Emily Luckenbill at (717) 234-5424.

Pennsylvania Railroads Featured in Trains Magazine

The May issue of Trains Magazine contains an article about the Reading, Blue Mountain and Northern Railroad. Also in the issue is an article authored by Roy Blanchard regarding all the Short Lines in Pennsylvania.

If you do not receive Trains Magazine and would like a copy of these articles, please contact Mike Long or Emily Luckenbill at (717) 234-5424 and we will see that you get a copy.

Contacting the KSRRA Staff

Joe Gerdes—Executive Director	Mike Long—Lobbyist
205 State Street	121 State Street
Harrisburg, PA 17101	Harrisburg, PA 17101
(717) 232-3792—phone	(717) 234-5424—phone
joe@ksrra.com	mike@ksrra.com

If you have information to submit for upcoming monthly newsletters, please contact Emily Luckenbill. Her contact information is below:

121 State Street
Harrisburg, PA 17101
(717) 234-5424
emily@commonwealthstrategic.com