



2009 KSRRA Officers and Board of Directors

2009 KSRRA Officers

PRESIDENT	William Callison—Wheeling & Lake Erie Railway Co.
VICE-PRESIDENT	Jeff Sutch—SMS Rail Lines
TREASURER	Jeff Stover—SEDA-COG Joint Rail Authority
SECRETARY	Kevin Soucie—Canadian National

2009 KSRRA Board of Directors

Jonathan Broder—CONRAIL	Randy Cheetham—CSX Transportation
David Collins—Buffalo & Pittsburgh Railroad	Mike Fesen—Norfolk Southern
Steve Fisk—Canadian Pacific Railway	Pat Illig—EMS, Inc.
Larry Malski—PA Northeast Regional RR Authority	Wayne Michel—Reading & Northern RR
David MonteVerde—Delaware Lackawanna RR	Tim Potts—RJ Corman Railroad
Gary Shields—North Shore Railroad Company	William Stout—Atlas Railroad Construction Co.

Governor Rendell Backs National Gateway Project

Speaking at a December 5th event with CSX Chairman and CEO Michael Ward at CSX's new Intermodal Terminal in Chambersburg PA, Governor Rendell announced \$35 million of state financing over the next three years to support CSX's National Gateway Project which seeks to improve three rail corridors for increased freight traffic from East Coast ports to the Midwest. Pennsylvania's support of this six state public private partnership will be used to change clearances of railway tunnels and bridges to allow for double-stacked container freight shipments through the state, greatly reducing truck traffic and greenhouse emissions. Governor Rendell's support acknowledges the importance of Pennsylvania's railroads and their vital place in the economic future of this Commonwealth.

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2009 Economic Stimulus Bill

Despite discussions of trying to have a new economic stimulus package on President Obama's desk on January 20th, it looks like it may take until mid-February or later for Congress to get this done. The plan which at the moment is set at roughly \$800 billion in a mixture of boosted unemployment benefits, aid to cash strapped states, and investments in America's aging and crumbling infrastructure, will certainly continue to morph as Congress and the new Administration craft it. The infrastructure piece is of great importance to the railroad industry. There is an active lobbying effort by the AAR, ASLRRRA, and the KSRRA to have rail projects eligible to receive a portion of the stimulus bill set aside for infrastructure development. These investments in our rail infrastructure will pay huge dividends by greatly enhancing our Commonwealth's and our Nation's transportation infrastructure of which rail is an integral piece. Furthermore, Congress is discussing releasing funds to projects that are 90-120 days from breaking ground to ensure a quick and vital injection into the Nation's economy. As evidenced by the recent oversubscription to the PA Rail Freight Assistance Program, and the Rail Transportation Assistance Program, Pennsylvania has many projects ready to go in this timeframe and will provide not only short term but long term economic benefits to the citizens of Pennsylvania.

Legislative Update

It is important to follow-up the successful legislative year we had in 2008 with a strong plan to hold and in some areas, improve our progress.

In 2008, KSRRA achieved the unprecedented result of having the PUC roll-back one-third of the assessment increase they levied on railroads. No one in Harrisburg remembers the PUC taking similar action. This year we need to agree on an assessment system that is more fair for the rail industry.

In the 2008-09 budget, KSRRA advocated for and achieved increases in both the Rail Freight Assistance Program and the Rail Capital Budget program. With a difficult 2009-10 budget year, we will have to fight to maintain the budget numbers as high as possible.

** Note—we are planning a PA Rail Day on the Hill for March 24, 2009. This will be important regarding the assessment issue discussed below.

PUC Assessments Issue

At the December 2008 KSRRA meeting, the Board adopted an action agenda to address the issue of railroad assessments by the Public Utility Commission. The main points are as follows:

1. Discussions between chairs of the PUC oversight committees and transportation committees and the PUC.
2. Push for a legislative rollback on the increase in assessments, returning railroad assessments to 2006 levels.
3. Amend the PUC code to require legislative approval of any assessment increase above the rate of inflation or a similar index.

North Shore Names New Safety Award After 1st Recipient

The North Shore Railroad Company showed how significant safety is to the railroad industry. On Saturday December 13th, at North Shore's 2008 company Christmas party a new annual award was instituted: the "Webster Safety Award" named after its very first recipient, Terry A. Webster.

This first award recognized Webster for his outstanding safety performance. Impressively, Webster has had no FRA reportable injuries in his 30 year career. Terry is the Supervisor for the company's Maintenance of Way department. He has been working for the railroad industry for 30 years, the latest 12 with North Shore.

The Webster Safety Award emphasizes the importance of the North Shore mission statement "To be the most customer focused and safest transportation system possible."



1st row from left to right Linda Webster, Terry Webster, Supervisor MOW and Pete Simcox Superintendent MOW and 2nd row Mimi Robey Secretary-Treasurer, Jeff Pontius, VP of Operations, Dick Robey, Chairman & CEO, Gary Shields, President.

Senator Wonderling Takes Over as Senate Transportation Chair

Sen. Rob Wonderling has been chosen by Joe Scarnati, President Pro Tempore, to take over as Chairman of the Transportation Committee replacing Sen. Roger Madigan who retired at the end of this past session. Sen. Wonderling has served in the PA Senate since 2003 and represents the 24th Senatorial District which covers parts of Bucks, Lehigh, Montgomery, and Northampton Counties. As a former Deputy Secretary at PENNDOT during the Ridge Administration, Senator Wonderling is well versed in transportation issues and will be a great steward of Pennsylvania's transportation infrastructure. We look forward to working with Senator Wonderling and his staff.

Craig Shuey, Executive Director for the Senate Transportation Committee is remaining in that position.

KSRRA Calendar—Important Dates

January 27, 2009	KSRRA Board Meeting	121 State Street	Harrisburg, PA
January 28, 2009	RFAC Meeting		Harrisburg, PA
February 26, 2009	ASLRRRA Rail Day on the Hill		Washington, DC
March 24, 2009	PA Rail Day on the Hill		Harrisburg, PA
April 21, 2009	KSRRA Board Meeting — 1 p.m.		Harrisburg, PA
April 22, 2009	RFAC Meeting		Harrisburg, PA
April 26-28, 2009	ASLRRRA Annual Convention		Las Vegas, NV
May 13—15, 2009	18th Annual PA Rail Freight Conference & Seminar		Harrisburg, PA
October 11-13, 2009	ASLRRRA Eastern Regional Meeting		Indianapolis, IN

SAVE THE DATE: 2009 Pennsylvania Rail Freight Seminar

The 2009 PA Rail Freight Seminar will be held May 13-15, 2009 at the Harrisburg Hilton, Harrisburg PA. This year's conference titled "Continuing the Rail Renaissance in Uncertain Times" will again provide railroads, their vendors, and government leaders an opportunity to discuss the future of the PA Rail Freight Industry. Please go to www.parailseminar.com for more information and to register for the conference and for your reduced rate rooms at the Hilton. This conference is jointly sponsored by the PA Department of Transportation, The PA Rail Freight Advisory Committee and the Keystone State Railroad Association.

WELCOME

KSRRA Welcomes New Railroad Member

KSRRA welcomes RJ Corman Railroad Construction Company as a new associate member. Since 1973, they have established themselves as one of the major builders of new and rehabilitated rail in the United States.

Whether its routine maintenance or new construction, RJ Corman Railroad Construction has put together the team to handle it. R. J. Corman Railroad Construction specializes in installing continuous welded rail (CWR); in this form of track, the rails are welded together by thermite or flash butt weld (Elimination of Joint Rail) to form one continuous rail.

We would like to thank them for joining KSRRA and helping us to build a stronger association.

Please visit the KSRRA website at www.ksrra.com.

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

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