



March 2009

## **Pennsylvania Rail Day on the Hill—Tuesday, March 24th**

Next Tuesday March 24<sup>th</sup> is the Keystone State Railroad Association's Pennsylvania Rail Day on the Hill. Thank you to those of you that have already RSVP'd for this event. For those that have not, please let Joe Gerdes know as soon as possible if you are able to attend. A more detailed schedule will be forthcoming once we have a more accurate number of attendees, but for planning purposes, we will be starting around 9:30am in the Capitol and should finish up around 3-3:30pm. If you are able to just make a portion of the day that is ok too. We will accommodate your schedule.

We will be visiting with key legislators and staff throughout the day. As you know, this year's budget will be quite contentious. Many interested parties saw large reductions and cuts in the Governor's proposed budget. Although we did not see such cuts in the Governor's budget, we must remember this is a proposed budget and it is important that we show unified industry support to make sure we are kept whole throughout the budget process. Thank you again for your assistance, Mike Long and Joe Gerdes look forward to seeing you next week in Harrisburg. Joe can be reached by email at: [joe@ksrra.com](mailto:joe@ksrra.com) or by phone: 717-232-3792.

## **Governor's Budget Recognizes Freight Railroads Importance**

Governor Rendell gave his annual budget address on February 4<sup>th</sup> and outlined his plan for \$26.6 billion dollars in state spending. With a shortfall this year expected to reach several billion dollars and possibly even more next year, many state-funded programs in Pennsylvania face dramatic cuts or even the possibility of elimination.

However, continuing his administration's focus on Pennsylvania's freight railroads, the Governor outlined a spending plan that actually increased funding to the states Rail Freight Assistance Program (RFAP) which helps to fund projects with our Class II and Class III railroads in PA. These dollars coupled with the Rail Transportation Assistance Program (RTAP) or Capital Budget which funds projects with our Class I, II and III railroads, will greatly help Pennsylvania's rail freight industry prepare for the future movement of freight while helping to grow and expand our state's economy today. We will be working with legislators and leadership over the next several months to help maintain this vital funding in the final budget document.

## **Anti-trust Issue Raised Again**

Proponents of removing the few anti-trust exemptions from railroads have been making waves again. The United States Senate passed S 146 out of committee a few weeks ago that would remove the few limited anti-trust exemptions that railroads have. The exemptions exist in limited circumstances where the Surface Transportation Board (STB) already has regulatory authority. These exemptions prevent a dual and potentially conflicting oversight of the railroad industry by both the STB and the courts. In a related move, the National Association of Attorney Generals (NAAG) was asked to sign onto a letter urging Congress to pass this anti-trust legislation. Pennsylvania Attorney General Tom Corbett, once again, did not sign on to this request and we appreciate his help and leadership in this regard.

**Please visit the KSRRRA website at [www.ksrra.com](http://www.ksrra.com) and learn more about railroading in Pennsylvania.**

## **KSRRA Calendar—Important Dates**

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

## **KSRRA Testifies Before House Transportation Committee**

Executive Director Joe Gerdes testified before Chairman Joe Markosek, Chairman Rick Geist and the PA House Transportation Committee on February 11<sup>th</sup> regarding the Pennsylvania Department of Transportation's budget proposal and the proposed Federal Economic Stimulus. Jerry Vest also testified on behalf of KSRRA member Genesee & Wyoming, as well as Deputy Secretary Eric Madden on behalf of PADOT. Mr. Gerdes and Mr. Vest highlighted the importance of continuing the Commonwealth's partnership with PA railroads through the Rail Freight Assistance Program and the Rail Transportation Assistance Program. These and any available federal dollars will go a long way to providing immediate jobs in Pennsylvania while at the same time preparing Pennsylvania's rail infrastructure for the onslaught of freight that is projected move into and through PA in the future. Pennsylvania railroads will be an important "pressure relief valve" to insure our roads and highways are not overburdened.

## **Railroad Day in Washington, DC**

Several hundred railroad industry advocates, including many KSRRA members, converged in Washington DC on February 26<sup>th</sup> for the annual Railroad Day on Capitol Hill. This annual event allows the railroad industry to engage Representatives, Senators and their staff in face to face meetings and educate them on the many issues that are important to keeping a healthy and vibrant rail freight system in this country. This year was even more important with the troubled economy, our members stressed the importance of an infrastructure tax credit, while cautioning on harmful re-regulation and anti-trust efforts that would hurt the free flow of commerce. Many thanks go out to our KSRRA members who took time to make this day a great success. Please also note that we will be holding a Pennsylvania Railroad Day on the Hill March 24<sup>th</sup>, 2009. Much like the DC version, we will be meeting with key legislators and staff to update them on our industry. Please make every effort to join us.

## **Congress Passes, President Signs Stimulus Act**

The American Recovery and Reinvestment Act of 2009 is the largest spending bill in the history of the United States and provides for \$790 billion in federal spending intended to preserve and create jobs. The act reserves \$1.5 billion to spend on transportation projects of "regional and national significance" of at least \$20 million dollars, which would include improved highways and bridges linking rail yards and ports. It also earmarks \$8.4 billion for public transit, with \$6.9 billion to be spent by the Federal Transit Administration and almost \$1 billion more to modernize urban rail-passenger systems. The Department of Homeland Security will receive \$150 million for improved rail-transit security. Passenger rail systems were granted another \$9.3 billion for intercity use, with \$8 billion of that for high-speed rail corridors and \$1.3 billion for Amtrak.

The majority of transportation-related stimulus money, \$27.5 billion, is intended for highway projects; however, states are given the option of using some of that money for state-sponsored rail-freight and rail passenger projects -- especially those projects intended to reduce rail-freight and rail-passenger operation congestion.



Joe Gerdes—Executive Director  
205 State Street  
Harrisburg, PA 17101  
(717) 232-3792—phone  
joe@ksrra.com

Mike Long—Lobbyist  
121 State Street  
Harrisburg, PA 17101  
(717) 234-5424—phone  
mike@ksrra.com

