

October/November 2009

Senator John Rafferty Named Chairman of the Senate Transportation Committee

Lt. Governor Joe Scarnati recently appointed Senator John Rafferty (R-44) as chairman of the Senate Transportation Committee. Rafferty will replace Rob Wonderling who resigned from the Senate in August to take the job as President of the Philadelphia Chamber of Business and Industry. Senator Rafferty is in his second term as a member representing the 44th Senatorial District, which covers parts of Montgomery, Berks and Chester Counties. Senator Rafferty comes to the chairmanship already well versed in transportation issues from his time serving on the committee and his background as a local government official. A strong proponent of public-private partnerships, Rafferty is the prime sponsor of Senate Bill 693, which would establish the authority for government and private entities to form a partnership to meet Pennsylvania's infrastructure needs in the 21st century.

Upon being appointed as head of the transportation panel Rafferty made the following statement:

"I look forward to using this new position to help improve our transportation system, which is crucial to protecting public safety and also expanding our economy. Transportation issues affect every resident in Pennsylvania, whether it involves a daily commute to work or a bus ride on the public transit system or the movement of goods. Our goal is to have a modern, efficient system that meets the needs of its users."

Senator Rafferty most recently served as chairman of the Senate Law and Justice Committee. Prior to running for the Senate, Senator Rafferty served as an attorney in private practice and as Deputy Attorney General for the Commonwealth from 1988 to 1991.

PUC Assessments on Railroads Down for 2009-10 Fiscal Year

Last month the PUC released to the industry the rate by which they will factor their assessment for the 2009-2010 fiscal year. The KSRRA and some of its individual members have been fighting the PUC over their increase in this rate of two years ago—which some refer to as the “Christmas Surprise” of 2007. Although this latest assessment does not revert back to rate the industry was two years ago, it is an important reduction nonetheless, and hopefully represents a good faith gesture by the Commission. As we have reported before, the KSRRA- with the help of CSX, Conrail and NS- contracted with Attorney Ben Dunlap to work with the PUC on ways to streamline their regulatory processes which could achieve even greater reductions in the commission's assessments.

The PUC has been receptive to the industry's recommendations and have indicated they view them as "long term" savings items, which appears to be a positive indicator that they are committed to establishing a framework for permanent solutions in their oversight processes. Stay tuned for an update on these negotiations in an upcoming issue.

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Budget Update

After 101 days of delay, Governor Rendell signed into law the 2009-2010 state budget. The Rail Freight Assistance Program (RFAP) number was kept at the same amount expended this year, \$8.5 million.

Given a \$3.2 billion deficit, to keep the identical funding was quite an accomplishment. Thanks to our officers, Board, staff and lobbying team.

Todd Nyquist Joins KSRRRA Lobbying Firm

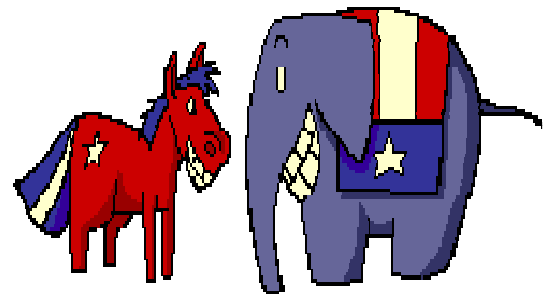
Todd Nyquist, formerly Chief of Staff to Senate President Pro Tempore/Lieutenant Governor Joe Scarnati has joined the KSRRRA lobbying firm, Commonwealth Strategic Solutions. Todd Nyquist became a partner with Mike Long and the firm will change its name to Long, Nyquist & Associates. Josh Wilson, Noel Burch and Emily Luckenbill continue with the newly-named firm. Telephone numbers and the office location remain the same.

Todd will be a strong addition to the KSRRRA lobbying team.

Legislative Update

A newly updated list of bills introduced into the General Assembly is now posted on the KSRRRA website. Please go to www.ksrra.com to view these bills.

We have also gotten word that a piece of legislation will be introduced shortly by Rep. Michael P. McGeehan (D-Phila) that would further regulate the practice of railroad companies that use mobile camp cars systems for temporary housing of their employees and contractors. The measure is supported by the International Brotherhood of Teamsters. We will review and monitor the bill closely upon its introduction in the House of Representatives.



KSRRRA Annual Meeting Held

The Board of Directors and the membership of the Keystone State Railroad Association held its annual meeting at the Harrisburg Hilton on October 27, 2009. There was a tremendous turnout of our Railroad members and Associate members as we gathered to discuss the successes of 2009 and the challenges and opportunities for the rail freight industry in Pennsylvania in 2010. Several of our associate members took the opportunity to address the membership at lunch and update them on their company's products and services. This was followed by a robust meeting discussing the many issues affecting our industry here in PA and across the country. This meeting was a great success and many thanks to those that travelled great distances to participate and help to keep this association strong.

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

2010 Pennsylvania Rail Freight Seminar Set

The Keystone State Railroad Association, in partnership with PennDOT and the PA Rail Freight Advisory Committee, announced that the 2010 PA Rail Freight Seminar will be held May 19-21st in Harrisburg PA. The location will again be the Harrisburg Hilton, One North Second Street, Harrisburg PA (717)-233-6000

Committees are being set up to explore the topics and speakers for the sessions and anyone with ideas or suggestions should contact Joe Gerdes. We hope to get much more support from our membership in the planning of this seminar this year so we can build on the successes of the past seminars.

2010 KSRRA Officers and Board of Directors

The 2010 slate of officers were presented by the nominating committee to the membership of the Keystone State Railroad Association at its annual meeting which was held October 27, 2009. The officers will remain the same as 2009 with the exception of the Vice President. Wes Westenhoefer of the Reading Blue Mountain & Northern Railroad was elected to succeed Jeff Sutch of SMS Rail Lines who will continue to serve on the KSRRA Board of Directors. Many thanks to Jeff and all who serve on our board for helping to lead this fine association. We look forward to working with you all in the coming year.

2010 KSRRA Officers

PRESIDENT	William Callison—Wheeling & Lake Erie Railway Co.
VICE-PRESIDENT	Wes Westenhoefer—Reading Blue Mt. & Northern Railroad
TREASURER	Jeff Stover—SEDA-COG Joint Rail Authority
SECRETARY	Kevin Soucie—Canadian National

2010 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	Jeff Sutch—SMS Rail Lines
David MonteVerde—Delaware Lackawanna RR	Tim Potts—RJ Corman Railroad
Gary Shields—North Shore Railroad Company	William Stout—Atlas Railroad Construction Co.

KSRRA Calendar—Important Dates

January 10, 2010	NRC 31st Annual Conference	Ft. Myers, FL
January 26, 2010	KSRRA Winter Board Meeting	Harrisburg, PA
January 27, 2010	RFAC Meeting	Harrisburg, PA
April 27, 2010	KSRRA Spring Board Meeting	Harrisburg, PA
April 28, 2010	RFAC Meeting	Harrisburg, PA
May 1-4, 2010	2010 ASLRRRA Annual Convention	Orlando, FL
May 19-21, 2010	2010 Pennsylvania Rail Freight Seminar	Harrisburg, Hilton, Harrisburg, PA

WELCOME

KSRRA Welcomes New Member

The Keystone State Railroad Association is pleased to announce that Dawood Engineering Inc. has joined the association as an associate member. Dawood is a multi-disciplinary, professional consulting firm specializing in civil engineering, environmental services, geographical engineering, land development, and surveying services. Established in 1992, Dawood has participated in public and privately funded projects throughout Pennsylvania, Maryland, and Virginia. Dawood's staff is experienced in a wide range of engineering services including, but not limited to: land development/site engineering, bridge and building structure design and engineering, highway engineering, hydrologic and hydraulic studies, storm water management, municipal engineering, and traffic control planning.

For further information on Dawood contact Ronald A. Carrola, PE at 724-746-0730 or their website at www.dawood.cc

We appreciate their support of KSRRA and we look forward to working with them.

Contacting the KSRRA Staff

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

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