

American Short Line and Regional Railroad Association

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The Short Line Industry

THE SHORT LINE AND REGIONAL RAILROAD INDUSTRY

Nearly
10,000
customers

49
states

Invest 24%
of revenue in
capital &
maintenance

47,500
miles
of track

Nearly
18,000
employees

\$4.63
billion in
revenue

603
short
lines

29%
of total track
in U.S.

1 in **5** cars are moved by short lines



The Short Line Industry

While we have big impact, we are a small business industry!

- Average Employees – 30. Half have 8 or less!
- Average length of haul – 38 miles
- Average number of customers – 18
- Total route miles on average – 79 miles

Short lines are:

Safe – marked a record 18 months fatality free, July 2018

Capital intensive – 24% Operating Revenue spent annually on maintenance/improvements.

Privately held – not government subsidized!

Gateways to markets – particularly in rural America, we are often the only way to access the national economy!

Local source of high paying **jobs**.

Interdependent - on our Class I interchange partners.

Hallmarks of the Short Line Industry



Customer Focus

As the first and last mile of the shipment, short lines provide flexibility and responsiveness to the unique needs of each customer.



Entrepreneurial Spirit

These small businesses operate the most vulnerable segments of the railroad system. They succeed by competing aggressively for business, and investing significant revenues in rail infrastructure.



Connecting Customers to Markets

For large parts of rural and small town America, short line and regional railroads are the only direct connection to the national rail network.

TRAFFIC TYPE

LOCAL

moved completely on a short line's rail.



9%

ORIGINATED

moved partially on a short line and shipped to the final destination by another transportation mode.

33%

TERMINATED

transferred from a Class I train to a short line for final delivery.



48%



10%

BRIDGED

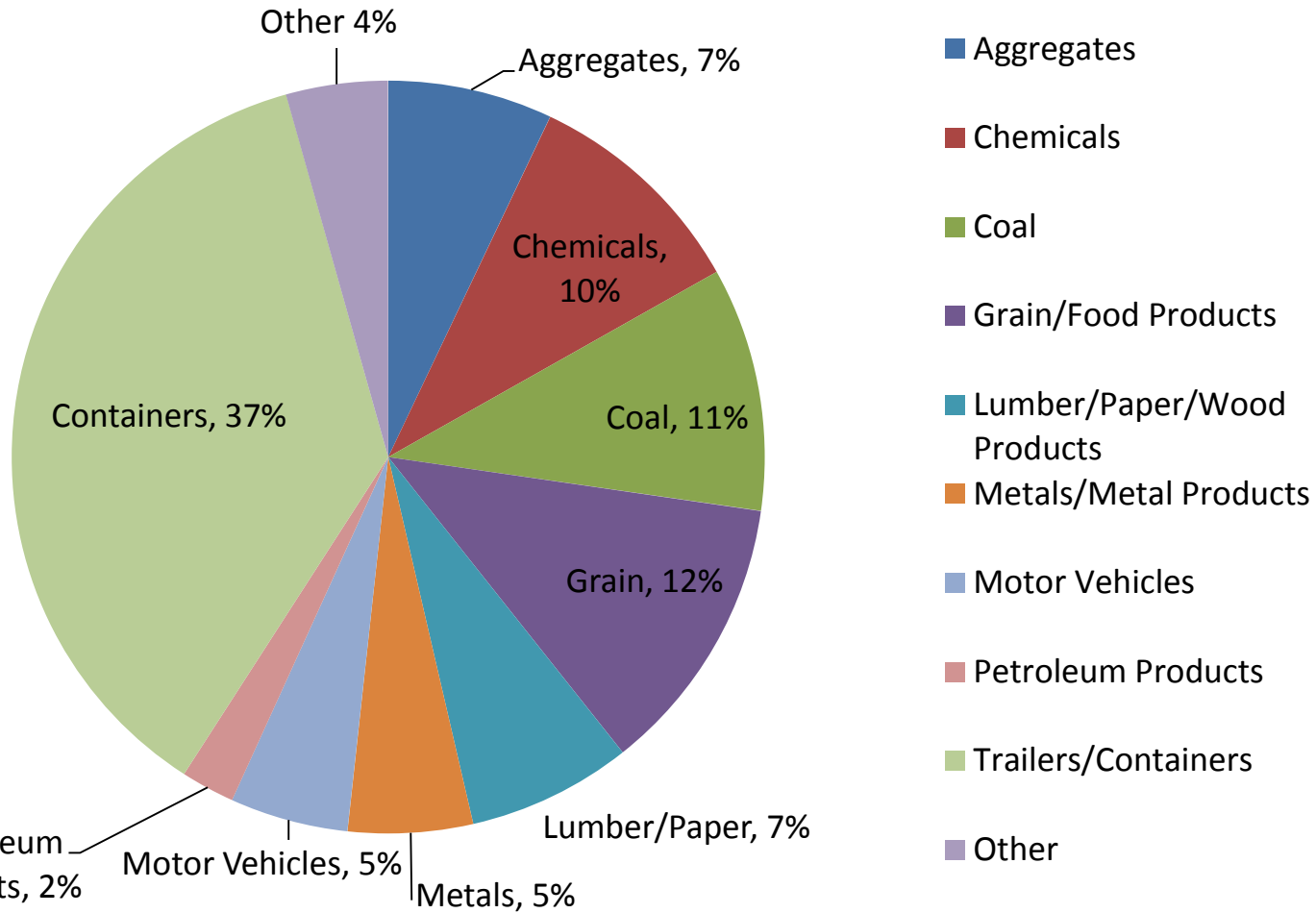
moved from one Class I line to another by an intermediate short line.

1 in 5 Carloads Touch a Short Line or Regional RR

- The carload business is our lifeblood.
- Short lines work in partnership with Class I and other short lines to move goods from A to B.
- 9% of all cars move solely on a short line.



The Short Lines haul all commodities!



Industry Challenges - Regulatory

Agency – Federal Railroad Administration

ASLRRA supports regulations that a) are based on proven safety advantages, and b) are implementable in a small business environment.

Regulations that have been influenced by our advocacy:

PTC – more availability of FRA and DOT funds toward this effort

ECP Brakes – repealed

Training Templates – adjusted to our small business needs



Industry Challenges - Legislative

U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, & TRANSPORTATION

SENATOR JOHN THUNE, CHAIRMAN • SENATOR BILL NELSON, RANKING MEMBER

ABOUT

HEARINGS

SUBCOMMITTEES

LEGISLATION & OVERSIGHT

PRESS ROOM

MINORITY

CONTACT



Rebuilding Infrastructure in America: State and Local Transportation Needs

U.S. Sen. Deb Fischer (R-Neb.) chairman of the Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security, will convene a hearing to examine opportunities to improve the national transportation network to better connect communities across the country.

ASLRRA often testifies on behalf of the Short Line Industry:

For permanence of Short Line Tax Credit (45G)

Against Truck Size and/or Weight increases

For funding for short line railroads for maintenance or technology

To educate on small business perspective/requirements



Association Highlights

- Advocacy
- Legal Support
- Regulatory Support
- Training
- Networking
- Engagement via Committee work



Association Highlights

When asked about the value of ASLRRA membership...

- 2/3 of our members said membership is essential to their business and professional development.
- Nearly 80% claimed it would have a significant impact on their businesses if ASLRRA went away.
- 85% said ASLRRA dues are easily justified!



Strategic Plan 2017

STRATEGIC PLAN OBJECTIVES

- » Educate short lines about the implications of both internal and external applications of **TECHNOLOGY**.
- » Promote short line **CARLOAD AND BUSINESS DEVELOPMENT** opportunities through communications and marketing efforts, data initiatives and shipper collaboration.
- » Help short lines **REDUCE CAPITAL COSTS** through a permanent 45G tax credit, public infrastructure spending and state level programs.
- » Promote **REGULATORY CHANGE** to support short line safety and efficiency.
- » Foster a positive **RELATIONSHIP WITH POLICY MAKERS AND CLASS 1s** to encourage and support opportunities for growth.
- » Increase the industry and the association's knowledge through **STRONG DATA** to better understand opportunities and interpret our industry to stakeholders and decision makers.
- » Continue to **SUPPORT HUMAN RESOURCE DEVELOPMENT** on all levels in our industry.



Short Line Safety Institute

Through the end of 2017,
the SLSI provided:

- 43 Assessments in 24 states
- 24 webinar training sessions,
impacting over 4,000
railroaders

New Hazmat Instructor
Training Program launched
June, 2018



For more information on SLSI's programs and services visit
www.shortlinesafety.org.



New Services in 2018

- Shipper Visibility Project – creating a digital platform to build opportunities to ship via rail
 - Sharing of data between Class 1s, Shippers and Short Lines
 - Result: Identify opportunities for carload growth, reduction of operating stresses (bottlenecks, etc.)
- Taking advantage of new transportation funding
 - Grant Writing Program
 - PTC Project
 - Working with Agencies to ensure short line participation in grant programs



Ways to Engage

- Meeting Attendance
- Committees (14)
- Task Forces
- Communities



Upcoming Meetings

Regional Meetings

Southern – New Orleans, LA, Sept 24-26

Eastern – Burlington, VT, Oct 8-10

Central/Pacific – San Diego, CA, Nov 14-16

General Counsel/F & A Training

San Diego, CA, Nov 14-16



Questions?

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