
First Mile, Last Mile

American Short Line and Regional Railroad Association



The ASLRRA

The ASLRRA is a Trade Association, whose membership is comprised of Class II, Class III, Switching and Terminal Railroads, and Supplier and Vendor Companies that manufacture or provide railroad materials and products, and other railroad related services for the Railroad Members.



ASLRRA's Mission

■ Represents Interests of Class II / III Railroads Before:

- Congress
- Federal Railroad Administration
- Surface Transportation Board
- Department of Homeland Security
- Transportation Security Administration
- Class I Railroads
- Other agencies that can effect the operations of small railroads

■ Delivers Information from Federal Agencies on:

- Regulatory
 - Safety
 - Security
 - Technical
 - Training
- } Matters / Issues / Studies / Alerts

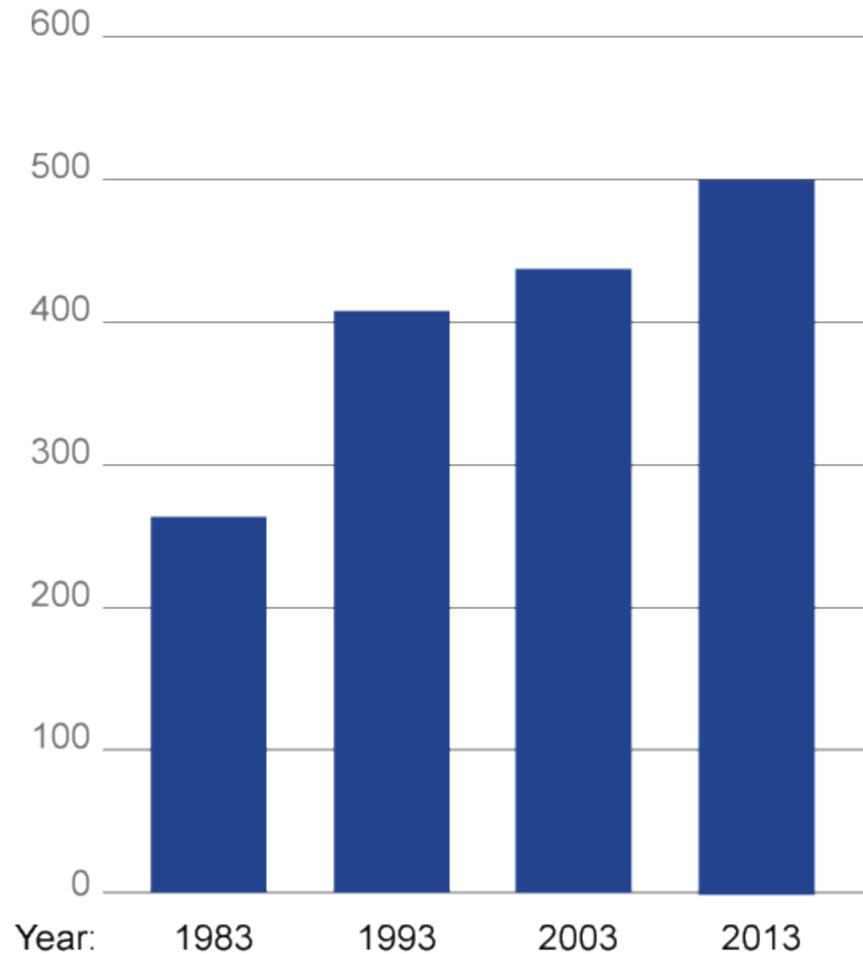
■ As Appropriate:

- Testifies
 - Files
 - Comments
 - Appears
- } Before Congress, Federal Agencies, Departments, and State Governments



ASLRRA Member History by Decade

1983 - 2013



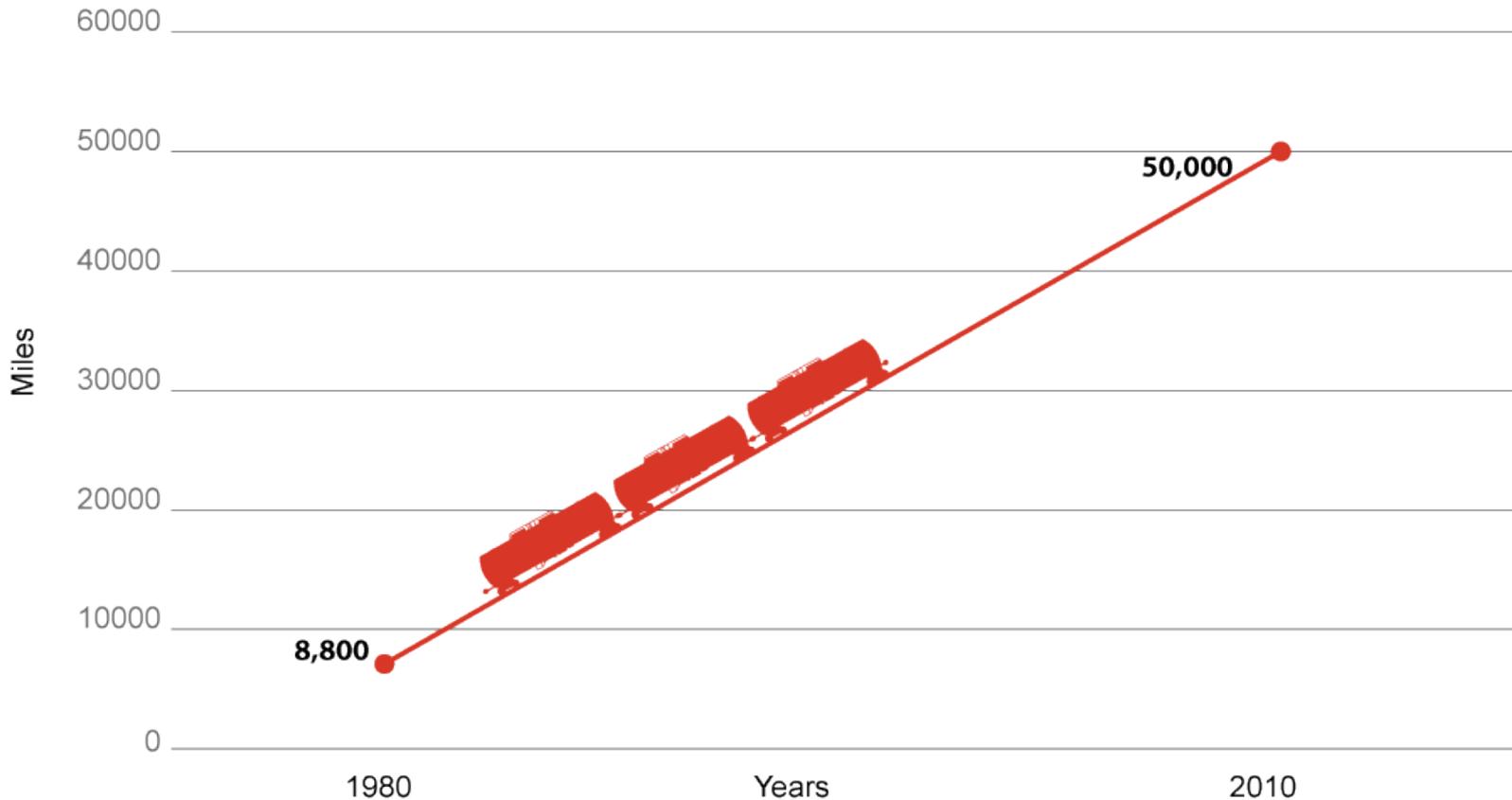
The Short Line Profile



Short Line Industry

- **558 Short Lines – Class II, III and Switching and Terminal Railroads**
- **18K Employees – Responsible for another 1.1M Workers through Rail Freight Service and Operations**
- **Route Miles Total – 50K in 48 States**
- **Short Line Average Route Mileage – 99**
- **Short Lines Interchange with All seven of the Class I Railroads**
- **Total Short Line Freight Yards – 160**
- **Short Line Customers Served – 12,500**
- **Carloads 2012 – 8.7M**
- **Intermodal Units – 2.1M**
- **Class I Railroads “Harvest” 20% – 25% of Revenues from Short Lines**

Growth of Short Line Route Miles



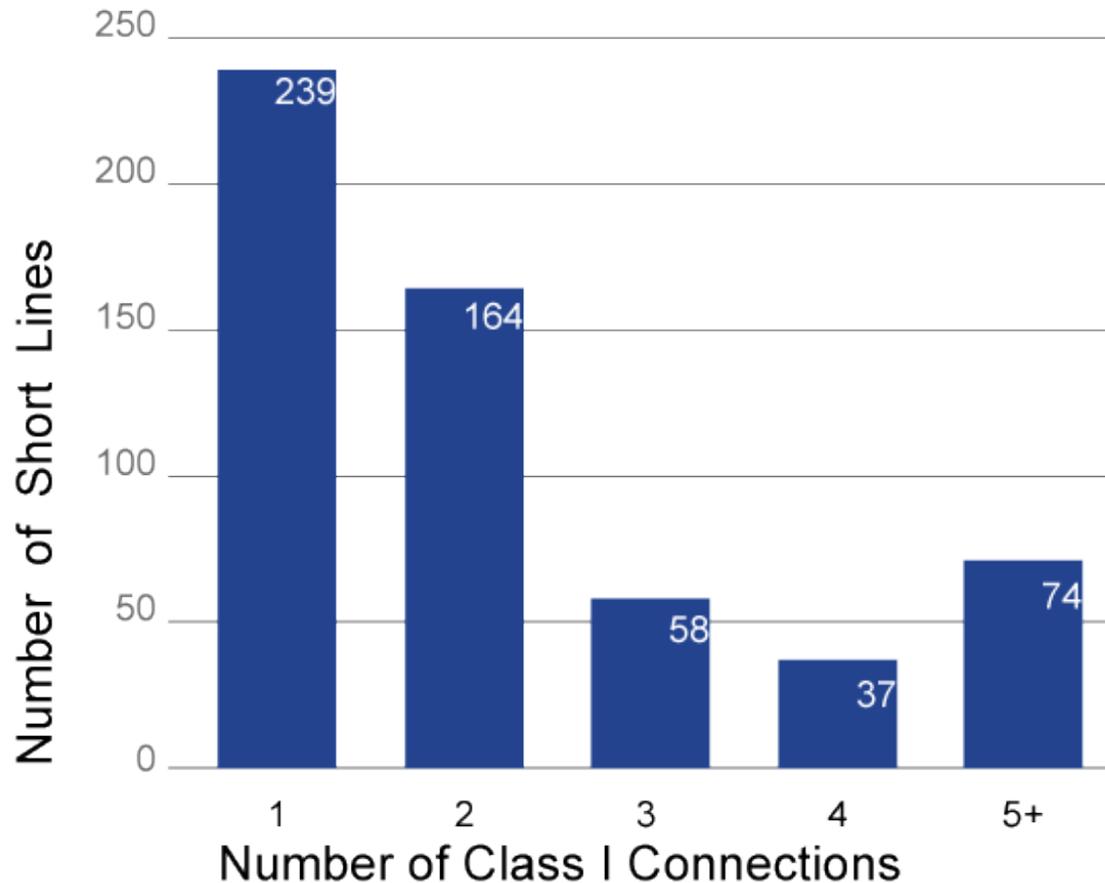
- More Than 465% Route Miles Growth Over the Course of 30 Years . . .

Class I Railroads and Short Line Connections

(Short Lines can interchange with more than one Class I)

Class I	Number of Connecting Short Lines
BNSF	190
CN	19
CP	9
CSX	254
KCS	14
NS	256
UP	223

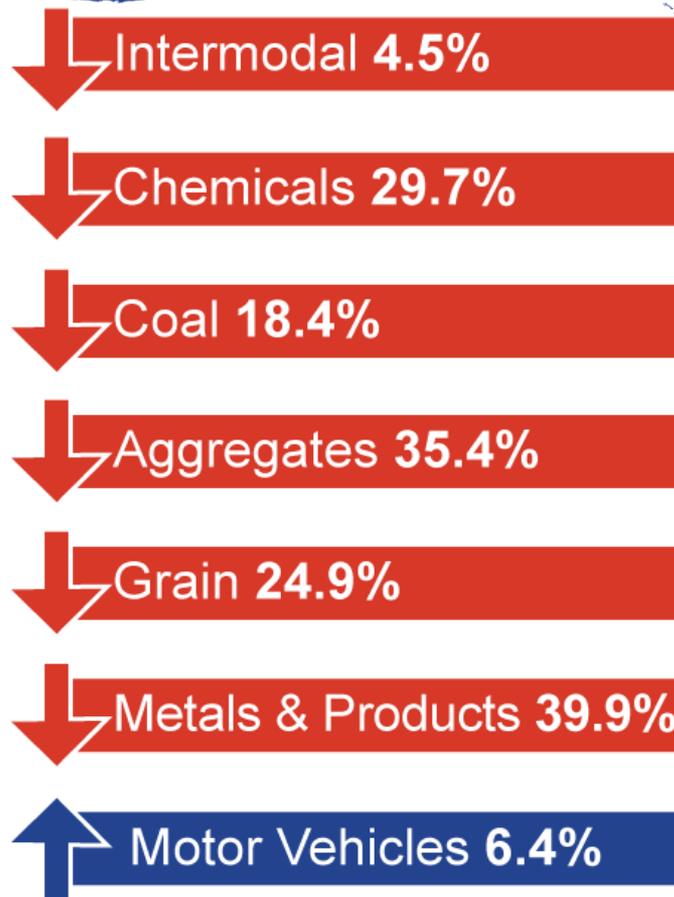
Short Lines vs. Class I Interchanges



Over 300 short Line Railroads Have More Than One Class I Connection

Short Line Commodities

April 2013 - April 2014



Historically



Rail Industry Carloads

Class I Short Line Interchange Traffic Only - Available Data

RR	Q1 2014	Q1 2015	VARIANCE
BNSF	321,876	321,946	+0.02%
CN	104,910	108,319	+3.2%
CSX	196,699	211,111	+7.3%
NS	N/A	278,384	+12.3%
UP	521,876	506,240	-3.1%

Class II/III Annual Financial Slice

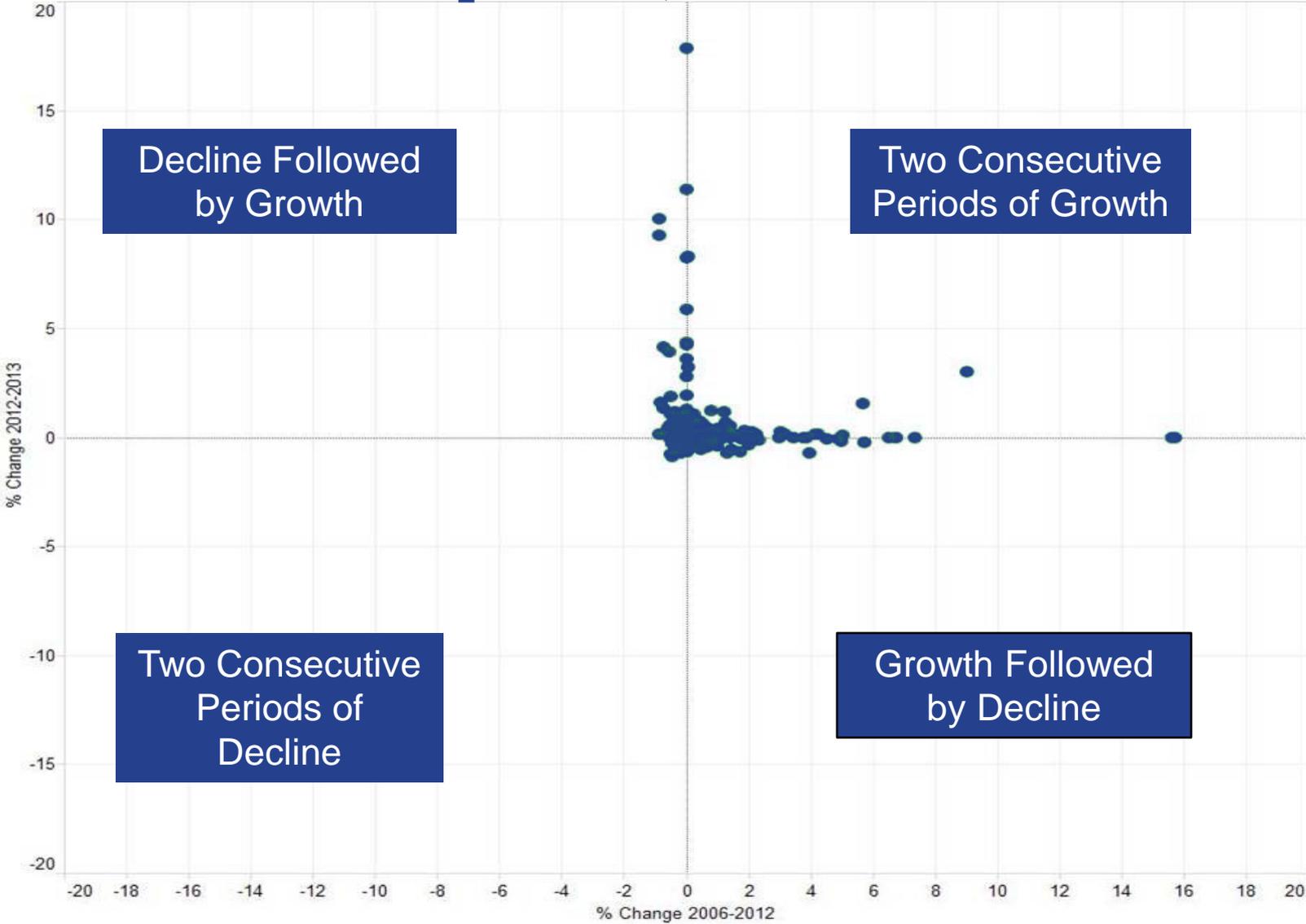
- Generate Revenue in excess of \$3.3 Billion
- Make Capital Expenditures in excess of \$920M
- Make Maintenance Expenditures in excess of \$800 M
- Obtain Federal Tax Credits 2004 – 2013:
 - \$1.5B in infrastructure and equipment
- Pay Federal, State and Local Taxes (including real estate taxes) in excess of \$410M
- Contribute to Railroad Retirement approx. \$85M annually



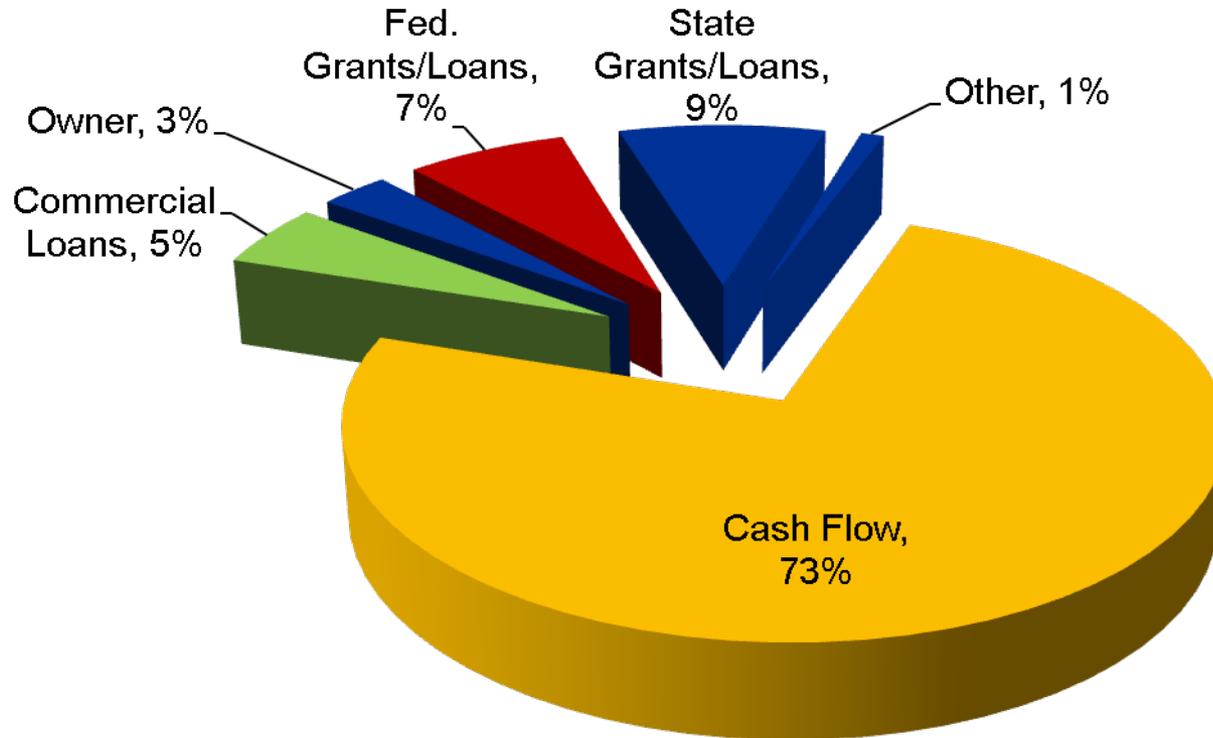
Short Line Investments

- New Locomotive Purchases – GPS, Some With Bio-Diesel
- Rail Replacement – Jointed and Continuous Weld
- Tie Replacements - \$750K to \$1M per year
- Sidings, Industrial Tracks and Yards Replacements and Upgrades
- Additional Crews Hired
- Technology Improvements – Administration, Operations, Communications

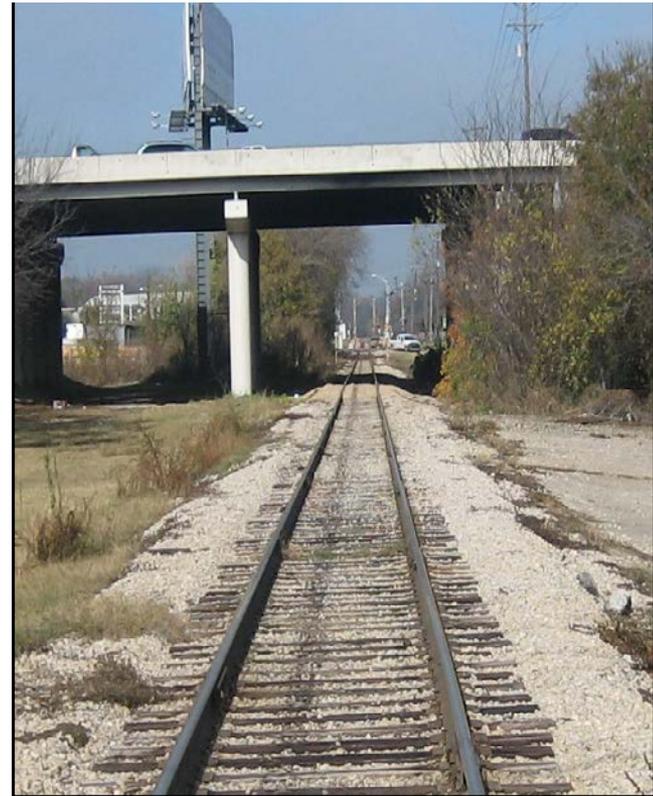
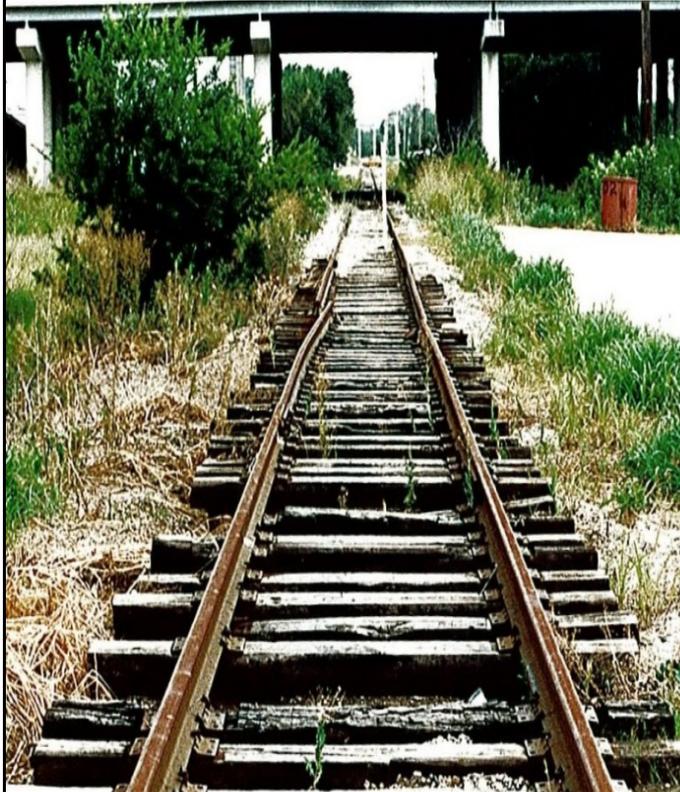
Short Line Operating Revenue Comparison, 2012 - 2013



Source of Funds



Before and After



Project: Old Line Rebuild; **Cost:** \$3 million

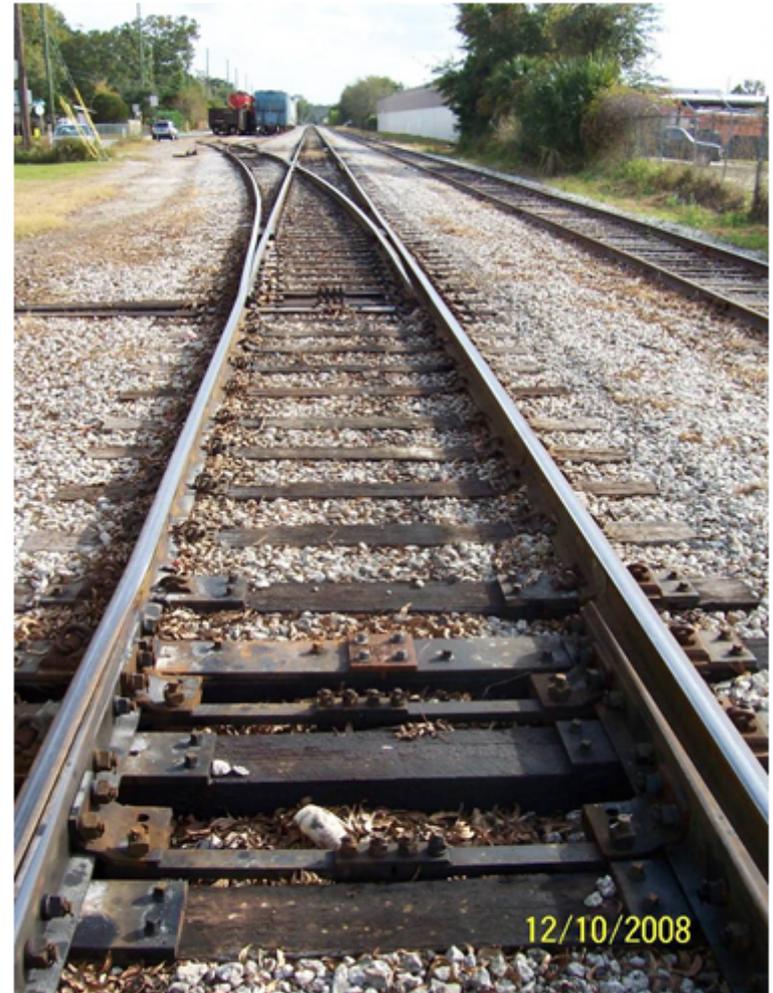


Before and After



Project: Rail and Tie Replacement

Cost: \$10 million



Before and After



Project: Yard Improvement

Cost: \$82,000



Before and After



Project: Track Upgrades
at Transfer Facility

Cost: \$300,000



Before, During and After



Project: Bridge
Rehabilitation and
Upgrade

Cost : \$3.5 million



Today and Tomorrow



U.S. Energy Transformation

Hydro-fracturing Technology

Natural Gas Volumes

Crude Oil Increases

Coal Use is Declining Domestically

Ethanol Mandated by Law

The Freight Rail Transformation

Commercial

**Policy &
Political**

Regulatory

Technology

SHORT LINE SAFETY INSTITUTE



Short Line Safety Institute Vision, Mission, and Strategic Goals

- **Vision:** For the short line and regional railroad industry to perform at an exceptional level of safety
- **Mission:** To provide the leadership to enhance the safety culture and safety conformance of short line and regional railroads through voluntary, non-punitive partnerships
- **Strategic Goals:** To enhance and improve safety practices and to increase the short line and regional railroad industry's culture of commitment to safety through assessing their safety culture, recommending how to improve it, and providing leadership, training and education about safety culture and conformance



Short Line Safety Institute

The Institute will heighten the intensity of the safety focus and involvement of short line and regional railroads and their management

The goal of the Institute is to facilitate a strong safety culture in all short line and regional railroads



American Short Line and Regional Railroads



**Connecting America's
Communities**



**Strengthening America's
Economy**



**Protecting America's
Environment**

American Short Line and Regional Railroad Association



Celebrating a Century of Connections