

Productive partnerships



I recently attended the excellent Midwest Association of Rail Shippers (MARS) Conference in Lake Geneva, Wis., and was struck by the repeated discussions of productive partnerships between shippers and railroads. This spirit of productive partnership is one of the hallmarks of the extraordinarily successful and efficient U.S. freight railroad network and it was good to hear it re-affirmed by some of the industry's major players.

The spirit extends beyond just the shipper/freight railroad relationship – in fact, the partnerships that NRC member rail construction and maintenance contractors form with both shippers and railroads is crucial to the effective functioning of the transportation system. Before a new shipper comes online, the loop tracks, spurs and sidings to serve the facility must be constructed and it's us contractors who typically do that work. And we do it quickly, when delays to track construction would mean delays to hiring and production and shipping. Similarly, when a railroad lets a customer know that it needs to update its industrial track to stay in compliance with railroad specifications, it's us contractors who get the urgent call. We're proud to play this crucial role in the world's premier freight rail transportation system.

Many NRC contractors and suppliers also form productive partnerships with rail transit agencies throughout the country that are developing light rail, commuter rail, subway, metro and intercity passenger rail options to serve the growing transportation needs of millions of Americans. These partnerships form the basis of the high-profile, high-stakes, high-dollar projects that are transforming urban landscapes across our country in cities like New York, Washington D.C., Dallas, Houston, Denver, Salt Lake City, Phoenix, Los Angeles, San Francisco, Portland, Seattle, Minneapolis and Chicago.

Back in D.C., we finally got a surface transportation reauthorization bill signed. It lasts for less time (27 months) than it took to write it (30 months) and it is hardly perfect, but it's much better than nothing. You can go to <http://www.nrcma.org/download.cfm?ID=28017> for the NRC's full reporting on the outcomes in the bill of the issues that the NRC has targeted, but here's a very brief overview.

The good:

- Maintains funding at existing spending levels by transferring approximately \$18.8 billion from the general fund to the Highway and Mass Transit Accounts of the Highway Trust Fund (but does not increase the gas tax to fix the long-term problem and

does not increase funding to address our true needs).

- Provides funding certainty for 27 months (but not the six years that we had pushed for).

- Maintains historic 80 percent/20 percent funding split between highway and transit programs.

- Maintains \$220 million in annual dedicated funding for the Section 130 Rail-Highway Grade Crossing Program.

- Authorizes (but does not actually appropriate) \$500 million in funding for a multi-modal discretionary Projects of National & Regional Significance (PNRS) grant program.

- Incorporates an aggressive set of provisions to expedite project delivery and reduce delays caused by environmental permitting and review procedures.

- Expands the Transportation Infrastructure Finance and Innovation Act program.

- Maintains the existing size and weight limits on heavy trucks and mandates a comprehensive study of the issue before considering increasing those limits.

- Does not include the proposed unnecessary new passenger rail licensing provision.

The bad:

- Even though billions of new general fund dollars are being used to prop up the highway trust fund, the bill contains no new flexibility for state DOTs to use these dollars for freight rail or maritime projects even if a state DOT determines that would be the best use of the funds.

- Does not make any improvements to the Railroad Rehabilitation & Improvement Financing loan program process.

- Does not restore parity for pre-tax parking and transit commuter benefits, skewing the economic incentives for commuters to drive instead of taking rail transit.

Moving on from the grind of Washington to the sunny shores of Miami Beach, registration is now available for the next NRC Conference, January 9-12, 2013, at the Loews Miami Beach Hotel in Miami, Fla. Go to www.nrcma.org/go/conference for all of your information, or go straight to <https://www.nrcma.org/form3.cfm> for registration.

The conference will include close to 1,000 executives from the rail construction and maintenance industry, including a 100-plus company exhibit hall and speakers outlining capital programs from Class 1 railroads, shortline railroads and major rail transit agencies. I hope to see you there.

Work safe and keep those around you working safe.

by Terry Benton,
NRC Chairman



The National Railroad
Construction & Maintenance
Association, Inc.
500 New Jersey Ave., N. W.
Suite 400
Washington D. C. 20009

Tel: 202-715-2920
Fax: 202-318-0867
www.nrcma.org
info@nrcma.org