Register and Make Travel Plans Now: Railroad Day on Capitol Hill is June 4, 2015

Railroad Day on the Hill is June 4, 2015. Railroad Day on the Hill has proven to be the single most effective way to get our legislative message to Congress. The size of the event, the geographical diversity of the participants, and the unified railroad industry message has focused Congress on our issues like never before.

Who Should Attend?
Attendance is open to all Class I, II, and III railroad personnel, shippers, state and local government representatives, as well as members from the contractor and supplier community with an interest in furthering the political goals of the railroad industry.

Registration:
https://member.aslrra.org/aslrra/RRDay2015/
The Railroad Day event registration is free, and the Thursday evening reception and dinner are $235. This reception and dinner continues to be an annual highlight in the rail community. Please register as early as possible so we can schedule you on Hill visits. It is much easier to request meetings and put the schedule together when we know well in advance who is going to be there.

Railroad Day Schedule for Thursday, June 4
6:30am - Railroad Day Registration Begins
7:00am - 8:30am - Railroad Day Orientation. Continental Breakfast served; Pick up Hill appointment lists and leave behind materials
8:30am - Appointments start and group goes up on the Hill
9:00am - 4:30pm - Hill Appointments Take Place. Recharge in between appointments in our two Hill Lounge areas, one on the
UP Sets Capex Program At $4.2 Billion

CHSRA Awards More Than $17M to Small Businesses in 2Q

Industry-Railway Suppliers, Inc. names Scott Commo President, succeeding Ron Hobbs

New Members

Blackmon Auctions
www.blackmonauctions.com

Percheron Survey, LLC
www.percheronllc.com

NRC Toolbox Talks

The NRC Safety Committee has revised and updated the NRC’s Toolbox Talks. They are available for download at: http://www.nrcma.org/safety.

A version is available in PDF format as well as in Microsoft Word so that NRC member companies can make company or job specific changes.

Questions?

- **Hill Appointments:** Maitland McManus at maitland.mcmanus@cch-llc.com or 202-715-1258. If there are specific Congressmen or state delegations that you wish to be scheduled with, please contact Maitland. Otherwise, we will schedule you to the best of our ability based on your business locations and activities.

- **Registration:** Kathy Cassidy at kcassidy@aslrra.org or 202-585-3443.

NRC New Member Profiles

Blackmon Auctions, Inc., conducts auctions of all sizes all over the United States and specializes in selling heavy equipment including railroad maintenance and locomotive equipment, trucking equipment, and industrial equipment. Blackmon has been the host auctioneer for the NRC’s annual rail construction and maintenance equipment auction for the last decade.

For more information contact Thomas Blackmon Jr., 501-664-4526, thomas@blackmonauctions.com.

Percheron Survey, LLC, offers specialized expertise in land, right-of-way, surveying and environmental services. Percheron services include site acquisition, asset management, environmental permitting, and ROW/Easement Amendment/Modification.

For more information contact Terry Rowe, 281-853-5260, terry.rowe@percheronllc.com.
Help Grow the NRC and Strengthen our Voice

Three options to help recruit new members:

1. Reply to this email with names and contact information of potential members and we'll send them a membership information package.

2. Make a quick introductory call, email the potential member and CC mbell@nrcma.org.

3. Direct a potential new member to www.nrcma.org where they can learn more about the NRC and join online.

Visit the NRC Bid Notifications page on the NRC website at:

www.nrcma.org/bids

Publicize your Rail Industry Event on
www.nrcma.org/industry_calendar

If you would like to submit an event for posting on the Industry Calendar, please email info@nrcma.org.

U.S. Congressman John Carter joins Georgetown Rail Equipment Company for Debut of Aurora Xi™ Tie Inspection Technology, Discusses Innovation and Technology in the Rail Contracting and Supply Industry

On 5/5/15, U.S. Congressman John Carter (R-TX-31), a member of the House Appropriations Committee, joined representatives from Georgetown Rail Equipment Company (GREX) and the National Railroad Construction and Maintenance Association (NRC) for the debut of GREX's rail tie inspection solution, Aurora Xi. The NRC organized the event.

Congressman Carter met with GREX's executive team, including President & CEO Wiggie Shell, Vice President of Engineering Greg Grissom, Vice President of Corporate Affairs and Business Management Tim Harris, and Emerging Technologies Developer Jeb Belcher. Additional attendees included NRC VP of Grassroots Advocacy & Events Ashley Bosch.

GREX Emerging Technologies Developer Jeb Belcher briefing the Congressman and guests on the Aurora Xi.

The event showcased GREX's Aurora Xi technology, which advances track inspection by enabling railroads to see and understand what's occurring inside their wood ties. Aurora Xi harnesses backscatter x-ray technology to reveal flaws in individual ties - everything from hollow sections caused by decay to the depth and size of cracks. Once the data from the backscatter x-ray is collected, Aurora Xi issues detailed reports.
so that railroads can better estimate the life of their existing ties and create accurate, efficient and cost-effective maintenance plans to replace them as needed.

"GREX is committed to providing railroads with the most cutting-edge inspection data streams to support resource prioritization, safety, and efficiency" said Greg Grissom.

"GREX is a perfect example of Central Texas innovation and small business success" said Congressman Carter. "The work being done by this industry leader will help to ensure the safety and future growth of Central Texas and our nation. I am proud of GREX's pioneering drive and I look forward to seeing the creative and ground-breaking rail solutions they will come up with in the future. "

Congressman Carter with the GREX team in Georgetown, TX

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These congressional visits are coordinated and executed by the NRC staff, for more information on NRC Grassroots Events, please visit: http://www.nrcma.org/grassrootsevents

NRC Legislative and Regulatory Update from NRC
President Chuck Baker
Passenger Rail/Amtrak Reauthorization: The passenger rail/Amtrak reauthorization bill (https://www.congress.gov/bill/114th-congress/house-bill/749) that passed out of the U.S. House of Representatives on March 4 still awaits action in the Senate, but we expect to see a draft emerge from the Senate at any moment. We are expecting that the Senate bill will contain some additional positive provisions beyond what was included in the House version, including more funding for Amtrak, more funding for States to invest in intercity passenger rail projects, RRIF loan program improvements, and project expediting/permitting improvements. The NRC will continue to work to further improve the bill before passage into law.

Environmental Permitting: Senator Roy Blunt (R-MO) and Sen. Manchin (D-WV) introduced S.769, the Track, Railroad, and Infrastructure Network (TRAIN) Act (https://www.congress.gov/bill/114th-congress/senate-bill/769) on March 18, which would streamline the environmental permitting for freight and passenger rail projects. The bill would ensure that historic preservation protections do not apply to active rail line, and also provide more efficient project development procedures for rail projects that require federal approval, similar to the process created for highway and transit projects in MAP-21. The NRC supports this commonsense legislation. Senate Commerce Committee, full Senate, and then House action awaits, or alternatively portions of this legislation may be included in the Senate version of the passenger rail authorization legislation discussed above.

Positive Train Control: The Senate Commerce Committee passed a bill on March 25 (https://www.congress.gov/bill/114th-congress/senate-bill/650) that would delay the PTC implementation deadline from 2015 until 2020, with 2 additional 1 year extensions available on a case-by-case basis. A smaller group of mostly CA and NY Senators introduced a competing bill on April 16 (https://www.congress.gov/bill/114th-congress/senate-bill/1006) that would only offer 3 possible 1 year extensions on a case-by-case basis. Negotiations to settle on a compromise between those positions are underway.

Fiscal Year 2016 Transportation Appropriations: The House has marked up its FY16 transportation appropriations bill. Not surprisingly given the tight overall budget for domestic
discretionary investments and allocation given to the transportation sub-committee, the funding for the accounts that the NRC is most interested in is insufficient:

<table>
<thead>
<tr>
<th></th>
<th>FY14 Actual</th>
<th>FY Actual</th>
<th>Administration FY16 Proposal</th>
<th>House FY16 Proposal</th>
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</thead>
<tbody>
<tr>
<td>TIGER</td>
<td>$600M</td>
<td>$500M</td>
<td>$1,250M</td>
<td>$100M</td>
</tr>
<tr>
<td>FRA including Amtrak</td>
<td>$1,603M</td>
<td>$1,626M</td>
<td>$2,693M</td>
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<td>$10M</td>
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</tr>
<tr>
<td>FTA New Starts</td>
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<td>$2,120M</td>
<td>$3,250M</td>
<td>$1,921M</td>
</tr>
<tr>
<td>FTA Formula Funds</td>
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<td>$8,595M</td>
<td>$13,914M</td>
<td>$8,595M</td>
</tr>
</tbody>
</table>

The NRC, along with many other groups, will look to work with Congress to increase the funding for these accounts before enactment into law later this year. The best hope likely lies in a "grand bargain" that Congress would need to strike, which would result in increasing the budget caps for both defense and domestic discretionary investments, with the possibility of reduced entitlement spending as an offset. Senate action is expected shortly, and we do not yet have a sense of the expected numbers.

**Truck Size and Weights:**

After a highly visible and public debate in 2012, MAP-21 did not change TSW limits but instead included a two year study of the issue. The results of that study are still pending. In the meantime however, advocates of larger and heavier trucks continue to push to make piecemeal changes in State laws, and also to make changes to Federal law through the appropriations process. The NRC will continue to oppose these changes, with the opposition being led by safety groups. The House appropriations bill
discussed above does include multiple provisions allowing and even mandating certain types of bigger trucks. The NRC is opposed to these changes and has written to the Appropriations Committee. Similar provisions are feared in the upcoming Senate bill.

**PHMSA/FRA Crude by Rail Rulemaking:** A final rule was released by the USDOT on May 1, 2015, which addressed

- New standards for oil tank cars and phase out schedule of existing DOT-111 tank cars
- Electronically controlled pneumatic (ECP) braking requirements
- Speed restrictions, routing, and information sharing requirements for key trains

The AAR and ASLRRRA both offered extensive comments opposing and supporting various provisions of the rule. The railroads’ position is that the tank car and speed restriction portions of the rule are generally reasonable, with some slight changes needed, but that the ECP braking requirements are not likely to improve safety and are exorbitantly expensive, thus diverting resources from more productive uses. The form of their opposition is to be determined.

**Surface Transportation Board/Regulation:** The Senate Commerce Committee also passed a freight rail economic regulation bill on March 25 (https://www.congress.gov/bill/114th-congress/senate-bill/808), which would re-authorize the Surface Transportation Board and make some changes to the economic regulation of freight railroads. While the NRC generally believes that the current balanced regulatory system is working well, and thus is not actively supporting this bill, we also recognize that this bill falls short of a drastic re-regulation of the industry, and thus we are also not actively opposing the bill either. Further Senate and House action awaits. A House hearing (http://transportation.house.gov/calendar/eventsingle.aspx?EventID=398877) on the issue is happening today, Wednesday May 13.

**Surface Transportation (MAP-21) Re-Authorization:**
The current legislation, which funds the Highway Trust Fund and the Mass Transit Account (essentially all federal funding for rail transit other than New Starts), expires May 31, 2015. Re-
authorization discussions are underway, but the key issues of
funding source and funding levels are unresolved. At current
rates, the HTF and MTA spend about $53b/year while only taking
in $35b/year.

Beyond overall funding levels, specific provisions of interest to
the NRC that will be considered include:

- Intercity passenger rail funding
- Multimodal freight project funding
- Flexibility for State DOTs to use non-gas tax funds for rail
  projects
- Expediting project delivery
- Maintaining dedicated funding for the Section 130 grade
crossing program
- Funding a PNRS/TIGER program
- PTC funding and implementation issues
- Expanding TIFIA
- Infrastructure Bank/Infrastructure financing authority
- Maintaining current truck size and weight maximum laws

House and Senate action awaits. An extension of current law
past May 31 is extremely likely, with the big question being just
the length of the extension. The NRC favors a shorter extension
(e.g., through July) and getting a new long term bill done this
summer. Some others favor a longer extension, through the
calendar year. Regardless, the bigger question still looms of how
to fund this program when the next deadline approaches.

**Short Line Tax Credit:** Legislation to extend the short line
railroad tax credit bill continues to gain co-sponsors. H.R.721
now has 166 co-sponsors and S.637
has 18 co-sponsors. Action likely won't be until much later this
year, and timing will depend on the status of efforts on broader
economy-wide tax reform.

**Rail-Term "Rail Carrier" Case:** As a reminder, the STB recently
re-affirmed its decision in the Rail-Term case that Rail-Term is
indeed a rail carrier. Rail-Term is appealing the case in Federal
court, and the NRC is still considering in what way to participate
in the appeal.

**Local Hiring:** As a reminder, the USDOT issued this release
regarding allowing for local hiring preferences in competitive contracting:
As summarized in the Federal Register: "The USDOT proposes to amend its regulations in 2 CFR Part 1201 implementing the Government-wide Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards to permit recipients and subrecipients to impose geographic-based hiring preferences whenever not otherwise prohibited by Federal statute." The NRC, along with other major contracting organizations, opposes this rule, and has commented to the USDOT. Our concerns are that this would decrease the ability of NRC member contractors to use your own trained and experienced personnel, would raise hiring costs, would raise employee turnover, and would risk safety.

RT&S Publishes Annual 'State of the NRC' Interview

For the annual 'State of the NRC' interview, RT&S asked NRC Chairman Bill Dorris, NRC President Chuck Baker, VP of Grassroots and Events Ashley Bosch, VP of Regulatory and Legislative Affairs Matt Ginsberg, and VP of Operations Matt Bell about what they believe is in the future for the NRC.

NRC Chairman Bill Dorris stated that the NRC continues to thrive through active member participation and that, our legislative efforts and safety initiatives continue to serve our association well, our membership continues to grow, and our efforts in Washington, DC are focused on decisions and rulings that could effect the NRC and the rail industry as a whole in the coming years."

Chairman Dorris said that the NRC's sole purpose is to support rail contractors and suppliers within the rail industry. He stressed that the NRC's "main goal is to expand our membership's business opportunities and protect them from unfair laws and regulations while promoting safe practices in the rail industry."

To read more of RT&S' article, please click here.
RT&S Highlights NRC Large Project of the Year: POLA Berth 200 Rail Yard

In its May issue, RT&S highlights that Herzog Contracting Corp. (Herzog) was awarded the 2014 NRC Rail Construction Project of the Year Award in the Large Project category for its work on the Port of Los Angeles (POLA) Berth 200 Rail Yard. "Good, honest and transparent communication was key," stated Project Manager Deron Haptonstall who explained that there were many agencies involved in the project including the city of Los Angeles, the Port of L.A., L.A. County Flood, Pacific Harbor Line (PHL), Valero, Exxon Mobil, Tidelands Oil, Vopak, LADWP local surrounding businesses, subcontractors and Herzog employees.

The scope of the work included demolition of existing yard tracks, site preparation and construction of a switching and classification yard for use by Union Pacific, BNSF and Pacific Harbor Line (PHL). The company installed 60,000 track feet of wood tie track, 6,500 track feet of concrete tie track adjacent to active PHL property, 1,500 track feet of embedded track, 250 track feet of shop track, 400 prestressed concrete pilings, 60 turnouts, construction of a locomotive maintenance shop and PHL administration building, as well as the installation of a photovoltaic system, storm drain and sanitary sewer system and relocation of various utility lines.

To read more of RT&S’ article, please click here.

RT&S Highlights NRC Small Project of the Year: Crawfordsville Bridge Repair

In its May issue, RT&S also highlighted that Joseph B. Fay Company won the 2014 NRC Rail Construction Project of the Year Award in the Small Project category for its work on the Crawfordsville Bridge. Joseph B. Fay utilized innovated thinking and "good neighbor" relations to repair the bridge during extreme weather conditions.

CSX hired Joseph B. Fay Company to repair the bridge, which is
in the Monon sub located in Crawfordsville, Ind. The line runs from Chicago, Ill., to Indianapolis, Ind., and is an Amtrak route. The scope of the work included the installation of two, concrete-filled, sheet pile coffer cells at the base of the in-stream piers to protect form scour. Additionally, the work included the strengthening of the northern stone abutment wing walls with the installation of steel sheet piles tied through the abutment with drilled rods and grouted in place; existing bearings were removed and replaced. All work was done under live traffic with minimal, pre-planned track outages.

To read more of RT&S' article, please click here.

Trey Rowe of Herzog Railroad Services Named Chairman of NRC Safety Committee

The NRC is pleased to announce the appointment of Trey Rowe, Director, Safety & Health at Herzog Railroad Services, as the new Chairman of the NRC Safety Committee. Rowe replaces former committee Chairman Christian Jostlein, who left Holland Co. to start his own safety consulting company.

NRC Board Chairman Bill Dorris of RailWorks Track Services appointed Rowe due to his increasingly active role on the Safety Committee and the safety culture he has instilled during his time at Herzog.

Chairman Dorris and the NRC staff want to thank outgoing Chairman Christian Jostlein for his time and dedication both to safety and to the NRC Safety Committee.

Trey began his professional career when he enlisted in the U.S. Navy as a Seabee where he was a builder in a Naval Mobile Construction Battalion based in Gulfport, MS. While in the Navy, Trey progressed through the ranks rapidly, achieving the rank of E-5 or Second Class Petty Officer. After the Navy, Trey attended the University of Central Missouri (UCM) in Warrensburg, MO, where he earned his Bachelor of Science degree in Safety Management and where he is currently working on his Master of Science degree in Occupational Safety Management. While attending UCM, Trey began working for the U.S. Air Force as an Occupational Safety & Health Specialist at Whiteman AFB in
Knob Noster, MO supporting the B-2 Stealth Bomber mission. Trey was then promoted and relocated to Moody AFB in Valdosta, GA to continue his career with the Air Force and advance the occupational safety and health program.

In 2012, Trey accepted the Director, Safety & Health position with Herzog Railroad Services, Inc. and Herzog Services, Inc. in St. Joseph, MO. In this role Trey assumed responsibility for administering the overall safety and health program in support of nearly 500 employees operating in 45 U.S. States and 8 Provinces in Canada. He has been recognized for tackling the professional challenge of illustrating competency through education and training, experience and examinations. Trey currently resides in St. Joseph, MO with his wife Mallory, son Beckham (5), daughter Anna (1) and their dog Gracie.

The NRC Safety Committee oversees the NRC’s Safety Training DVD program, the NRC’s participation in the Federal Railroad Administration’s RSAC process, the Contractor Safety Award contest, the NRC’s Roadway Worker Protection training materials, the Pocket Safety Manual, our Tool Box Talks, and all of the NRC’s other safety programs. The Committee interfaces with and leads the NRC’s response to the FRA as they create regulations dealing with such key issues as minimum training standards for railroads and contractors performing maintenance-of-way work, drug and alcohol testing policies, medical standards for safety-critical workers, bridge safety, roadway worker protection regulation updates, roadway maintenance machine operating rules, rail integrity testing, rail safety technology in dark territory, Positive Train Control implementation, hours of service, and track safety standards.

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CN Announces C$2.7 Billion Capex Plan

Canadian National Railway plans to invest C$2.7B in 2015 for rail infrastructure maintenance improvements, as well as in new capacity, equipment and technology to raise network safety and efficiency, improve service and support future growth, the company announced.

Of the C$2.7B, approximately C$1.4B will be spent on track infrastructure, including the replacement of rail, ties and other
track materials, bridge improvements and various branch-line upgrades. Such investments allow CN to improve the network and are a part of a multi-year program aimed at maintaining a high level of safety and efficiency while helping CN's customers grow, the railroad said.

Within its track infrastructure spending, CN is allocating C$100M to upgrade its feeder network. This investment is part of the C$500M program announced earlier this year to upgrade branch lines that are experiencing rising volumes of traffic.

Safety investments this year will include additional fault detection systems such as wayside inspection system technology, hot wheel detectors, wheel impact load detectors, signaled sidings to detect broken rails, and new geometry testing and joint-bar inspection technology.

CN will also spend approximately C$800M in 2015 on growth and productivity initiatives such as yard improvements, intermodal terminals, transload and distribution centers, and information technology.

The railroad's equipment capital expenditures in 2015 are targeted to reach approximately C$500M, which will allow CN to tap growth opportunities and improve the quality of its fleet, CN said. As part of this initiative, CN expects to take delivery of 90 new high-horsepower locomotives and will invest in new rolling stock and freight car refurbishments.

Sources: CN, Railway Age

UP Sets Capex Program At $4.2 Billion

Union Pacific Railroad plans to invest $4.2 billion capital dollars in its network this year, following investments totaling more than $31 billion from 2005-2014. These investments contributed to a 38% decrease in derailments over the last year.

Investments include:

- Illinois - The railroad plans to invest $119 million in 2015 to
improve Illinois' transportation infrastructure. The planned investment covers a range of initiatives, including nearly $105 million to maintain railroad track, $5 million to enhance signal systems and $9 million to maintain or replace bridges in the state.

- Iowa - UP plans to spend more than $109 million this year, including $105 million to maintain track, $1.5 million to enhance signal systems and $2.8 million to maintain or replace bridges in the state.

- Nebraska - Nearly $102 million this year to improve rail infrastructure in the state. The capital expenditures will include $90 million to maintain railroad track, nearly $8 million to enhance signal systems and $4 million to maintain or replace bridges, according to a UP press release.

- Missouri - UP has budgeted $66 million for maintenance-of-way (MOW) work, including nearly $48 million to maintain track, $8 million to enhance signal systems, and $10 million to maintain or replace bridges.

- Wyoming - $51.5 million in work on the railroad's Wyoming infrastructure are budgeted. Union Pacific's planned Wyoming investment covers a range of initiatives: nearly $48 million to maintain railroad track, more than $3 million to enhance signal systems and nearly $700,000 to maintain or replace bridges in the state.

- Colorado - Nearly $41 million to improve Colorado's transportation infrastructure, covering a range of initiatives that include $34 million to maintain track, $860,000 to enhance signal systems and nearly $6 million to maintain or replace bridges in the state.

*Sources: Union Pacific, Railway Age, Progressive Railroading*

**CHSRA Awards More Than $17M to Small Businesses in 2Q**

The California High-Speed Rail Authority (CHSRA) awarded more than $17 million to small businesses during the second-quarter of the 2014-15 fiscal year.

The authority executed nine new prime contracts for the quarter, including commitments from 21 certified small businesses.
In the Central Valley region, 65 small businesses are working on the project's first construction segment to build a high-speed rail line from San Francisco to Los Angeles. The authority has committed $307M to those companies, officials said.

To date, 219 small businesses have committed to working on the project, with 67 certified as Disadvantaged Business Enterprises and 32 certified as Disabled Veteran Business Enterprises.

Since July 2014, the authority has used small businesses for 27 percent of its contracts, and aims to increase that figure to 30 percent, CHSRA officials said.

Sources: CHSRA, Progressive Railroading

Industry-Railway Suppliers, Inc. names Scott Commo President, succeeding Ron Hobbs

Industry-Railway Suppliers has announced the promotion of Scott Commo to President. Scott joined IRS in 2011 and served in several positions before being named Vice President, his most recent position. The change went into effect on May 1, 2015.

Scott has 15+ years of experience in the railroad industry. Prior to Industry-Railway Suppliers, Scott held various roles with large contractors, manufacturers, and distributors. His background includes roles in management, sales, and marketing. Scott received his Bachelor's degree from Marian University in Fond du Lac, WI.

Ron Hobbs started with IRS in 1978 and grew the organization into what it is today. His contacts and relationships have evolved into friendships over the past 3 decades. Industry-Railway Suppliers expressed that they appreciated all of Ron's hard work and leadership and wished him a happy retirement.

Sources: Industry-Railway Suppliers, Inc.