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Who's Who in the Industry



Gary V. Hunter began his career in the rail industry with Western Pacific Railroad in 1976. He earned his MBA at San Francisco State University in 1979, and went on to Southern Pacific Transportation Company in 1981. From Assistant Trainmaster to Regional Trainmaster with WP, to management positions in bulk services, construction materials and intermodal marketing, Gary acquired a unique combination of hands on skills in rail operations and marketing practices and strategies.

Upon leaving Southern Pacific in 1987, he went to work for Transportation Marketing Services in Pleasant Hill, California. This consulting firm handled the Rio Grande merger with Southern Pacific including all operations, agreements and negotiations. The firm also handled shipper and short line work. Here Mr. Hunter built expertise in rail finance, planning and logistics. In 1989, he established Railroad Industries Incorporated (RII) as a full time consulting practice.

Today, Mr. Hunter and RII provide consulting on a broad array of rail related issues for clients ranging from railroad and rail shipper problem solving to public agencies of all levels on large scale freight studies and infrastructure planning projects. It is a thriving practice capitalizing on the 35 years of rail expertise, a pool of exceptional specialized associates and a political environment growing in support of rail.

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Operation Lifesaver

RII's Operation Lifesaver crew worked overtime for RTC this month. Starting with 5 presentations at RTC's safety meetings for all bus drivers on March 31st, they wrapped it up with a Special Bus Rodeo event on April 11th. The Rodeo consisted of an obstacle course which bus drivers had to traverse without hitting cones and while following safety protocols. Transit and charter buses competed, and even the Mayor of Sparks tried his hand at the course. RII's OLI team judged the railroad crossing obstacle and set up a table at lunch to spread the safety message and hand out materials.

In addition to the RTC events, RII's OLI team also presented to 500 children at Fernley Elementary School in two assemblies, making this month one of the busiest railroad safety months for RII on record.

**New
FRA Requirements
Effective
June 2010**

The Rail Safety Improvement Act of 2008 establishes requirements for railroad workers; requires certification of Conductors and a study on certification of other classes and crafts of employees, including Carman and Signal employees. These new rules affect Engineer certification and require Conductors to be certified for the first time in history. Are you up to date? New regulations will be enforced by the end of this year so please contact RII for training and certification options. 775-329-4855

Safety Corner

WILD WEST
BUS-RODEO
2010





Regional Transportation Commission (RTC) Procurement Opportunities and Open House



On April 21st RII attended the RTC sponsored DBE Meet and Greet in Reno, NV. Project managers and procurement staff from the Regional Transportation Commission, NDOT, Reno-Tahoe Airport Authority and Nevada Commission on Economic Development Procurement Outreach Program were present with information on different projects for FY 2010 and FY 2011. Rail is a growing topic in Nevada, with high speed corridors planned to connect Nevada and California, as well as rail transit plans for the Reno and Las Vegas areas. As these trends continue in the state, expect to see more of RII working closer to home!

Upcoming Events

May 1st through 4th - American Short Line Regional Railroad Association (ASLRRRA) Annual Convention in Orlando, FL

May 2nd - Moving Ahead 2010: Sustainable Transportation for the 21st Century in Columbus OH

May 13th through 14th - Innovations in Pricing of Transportation Systems in Orlando, FL

May 17th - Rail Transit Seminar in Chicago, IL

May 19th through 20th - Toward Better Freight Transportation Data: A Research Road Map, Irvine, CA

May 26th - 28th - North American Rail Shippers Association (NARS) Annual Meeting in Washington, DC

June 6th - 9th - American Railway Development Association (ARDA) 2010 Annual Meeting Savannah, GA

June 17th - 18th - High Speed Rail 2010, Los Angeles, CA

June 27th - 29th - American Association of Railroad Superintendents (AARS) 114th Annual Meeting in Alexandria, VA

July 11th - 13th - 24th Annual Midwest Regional and Short Line Railroad Conference in Brainerd, MN

July 12th - 13th - Midwest Association of Rail Shippers Meeting in Lake Geneva, WI



CLIENT SPOTLIGHT



The Clean Energy Rail Center (CERC) is a new 1000 acre green energy manufacturing industrial park located in Fernley, NV. The CERC project plans to leverage geothermal energy and green business practices to create operational efficiencies and reduced costs for

tenants within the park, including rail transportation.

The park is a Free Trade Zone served by both Union Pacific Railroad (UP) and BNSF Railway (BNSF). RII has been assisting CERC with site inspections, track layout concepts, negotiations with both railroads, and bringing the right shippers to this facility. The target users for the CERC project are large-scale manufacturing and processing facilities that will benefit from rail and truck service. The CERC developers will deliver pad ready sites with the grading, utilities and rail spurs in places that are required to develop each site. Northern Nevada has experienced tremendous growth, a trend that is expected to endure as the economy continues to pick back up. RII has been in the win-win position of bringing together new shippers in Northern Nevada who need facilities such as this with CERC. Continued work will include developing the right rail infrastructure for each client locating at the park and the operating plans that maximize efficiency. If you are looking for a rail served location in Nevada, please give RII a call at 775-329-4855.



DOT Junction

RII met with Nevada DOT this month to discuss the state's rail programs and its DBE inclusion policies. Rail has not been a large part of NDOT's focus in the past, but it is now coming to the forefront. Changing needs in rail for both freight and passenger service will change how NDOT does business and structures its projects. As a certified DBE, minority owned small business in our case, RII has a vested interest in seeing both the rail and DBE programs in the state grow and be productive. Through this meeting, RII has been selected to serve on the Northern Nevada advisory committee for development of the disparity study that will be used to set DBE goals for the state moving forward. RII plans to stay closely involved with new rail developments within the state, and is pleased to see activity and efforts like these picking up in its own home state!



SwitchPoint SwitchPoint

Last issue's Topic:

Railroad Regulation – proponents say railroads receive millions in public funds each year and should be treated as a national asset with stricter common carrier rules to increase access to rail for more shippers, while opponents say that only through a strictly deregulated environment can railroads stay healthy and self sufficient, remain competitive with each other and other modes, and continue to improve services and technologies to meet transportation demands.

Comment 1: Most shippers and officials today don't remember when regulation of the railroads caused havoc in the system – long shipping delays, excessive railroad costs and inefficiencies, excessive paperwork, deferred operational and safety maintenance since the railroads were losing money. Deregulation turned the railroads around and made them efficient, competitive and profitable businesses. Why would anyone want to go back to the old way?

Comment 2: How can railroads stay in business if they keep pricing the business away? They can't pick and choose which business they want and don't want. I thought they were supposed to provide service if it is requested by a rail served customer on their line, not price it almost \$10,000 per car so they don't have to deal with it. We invested in our facility to have rail access and deserve affordable service.

Comment 3: I don't believe it's going to happen. Buffet is not going to invest in an industry about to be regulated.

Comment 4: Perhaps it should be something in between – railroads need to run efficiently to remain profitable and will do so to protect their investors, but a few minor changes to protect rail access for manufacturers might be fair. A few balancing rules does not have to mean sweeping chaotic changes in regulation.

Comment 5: Why is everyone up in arms over this? The railroads will ride this out and by the time the government could get around to any changes, the economy will be rebounded and pressure to regulate will die down again when people are focused back on making their own money.

This was a loaded one. We may print additional comments on this topic in the next issue.

(Comments are posted on behalf of respondents, and do not represent the position or opinions of RII or its officers, employees or associates. Comments are edited for appropriateness and selected by the editor. Not all comments can be posted in the print issue.)

This Month's Topic

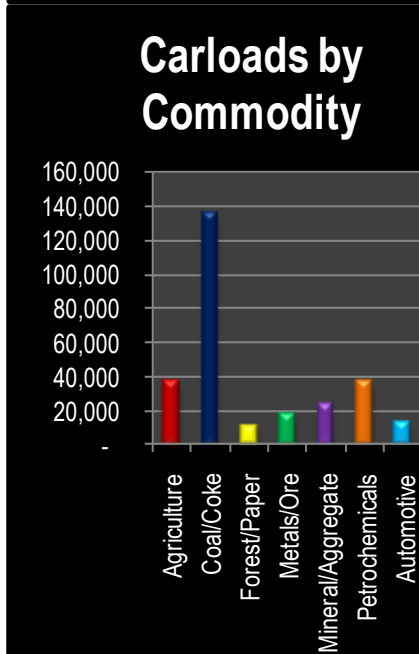
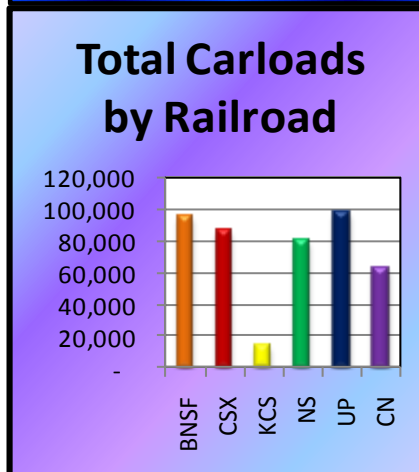
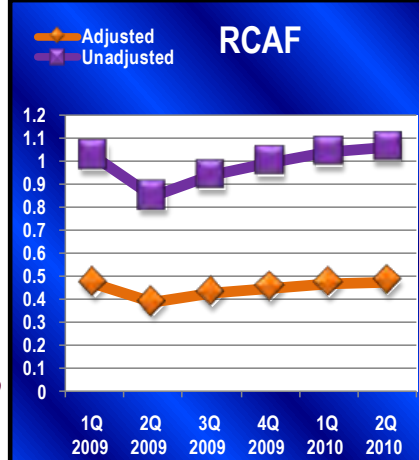
Private Equipment on the Railroad

Some railroads are charging extra fees for using private equipment on rail lines now that so many cars are in storage. This covers the railroads' equipment costs for the non-utilized equipment by charging the extra fees only to customers not using that equipment.

What is your opinion?

Please send Responses to hah@railroadindustries.com

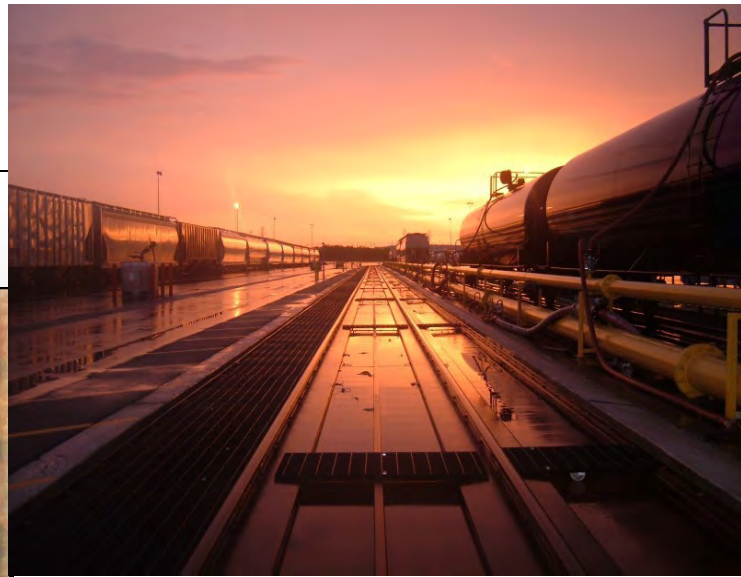
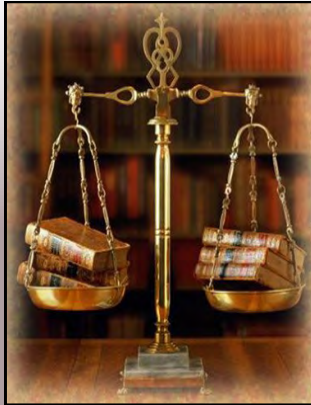
RCAFU		
Quarter	Adjusted	Unadjusted
1Q 2009	0.467	1.022
2Q 2009	0.387	0.850
3Q 2009	0.426	0.938
4Q 2009	0.45	0.996
1Q 2010	0.467	1.038
2Q 2010	0.477	1.060



Service Highlight

Expert Witness Services

Railroad Industries Incorporated has provided expert services for transportation projects for 26 years for railroads, shippers, public entities and individuals. We are familiar with the special requirements of expert witness projects, including special confidentiality, documentation requirements, discoverable etiquette, and testimony/deposition pressure. An experienced expert can turn the tides of a case. Please give us a call to see if we can match your expert witness needs. 775-329-4855



Railroad Industries Incorporated
Full Service Transportation Consulting

I ♥ Rails

History of Rail

In 1956 there were 127 Class I railroads. We now have only seven in the United States!
Can you recognize the 90 logos around the map?

