

2019 Legislative  
Session

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The 2019 legislative session was a doozy! There were several bills introduced that could greatly impact the rail industry. Several members of the Association came to Montgomery to advocate on behalf of the industry. Read more about it on [page two](#).

We also hosted a successful legislative breakfast in April where we had the chance to educate members of the House and Senate Transportation Committees on the rail industry and issues that affect our members.

We are looking forward to our annual meeting in Birmingham, November 4 - 5. Use the link on [page three](#) to register. Our focus will be the changing culture of the railroad industry.

As always, please reach out to me if I can help you in any way.

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## White House pulls rule that would require two-member crew in locomotives

*The Federal Railroad Administration (FRA) does not believe removing one live body from the locomotive will create a higher risk for casualties.*

The Trump Administration has withdrawn an Obama-era proposed rule that would require two-member crews in most locomotives, and the Federal Railroad Administration (FRA) has banned states from requiring such a standard. Currently, at least nine states require a two-man crew.

In pulling the rule, the FRA said “no regulation of train crew staffing is necessary or appropriate for railroad operations to be conducted safely.”

Officials believe technology, like positive train control, is making trains safer and will eliminate human error when it is fully implemented at the end of 2020.

In an era when autonomous cars are on the horizon, advances in railroad technology have made the prospect of automatically run trains, if not yet on the horizon, perhaps just over it.

Major U.S. freight trains on mainline tracks generally operate with two crew members in the locomotive cab — a conductor and an engineer. Rail operators, which maintain a distinguished safety record, must continue to have the ability to innovate in the future to remain safe and efficient — including allowing operations with fewer than two people. Single-person crews have long been used on passenger, shortline, and foreign freight rail systems.



Warren Flatau, an FRA spokesman, said railroads have “a strong safety record in the absence of regulation on this issue and that regulating train crew staffing is not necessary or appropriate.”

Privately owned freight railroads must be allowed to determine operating models most conducive to optimal safety and service performance.

For more information, click [here](#).





## Busy legislative session for Alabama Railway Association

There were several railroad-specific bills introduced during the legislative session that would impact the industry in both negative and positive ways.

- **Two Man Crew Mandate:** [HB484](#) by Rep. Napoleon Bracy (D - Mobile) would have mandated two-man crews on freight railroads. Several members of ARA testified in opposition to the bill before the House Transportation, Utilities, and Infrastructure Committee. Despite the rail industry's opposition, the committee voted 7 - 5 in favor of the bill. The bill never made it to the House floor.
  - **Fiber Right-of-Way:** [HB 70](#) by Rep. Randall Shedd (R - Cullman) and [SB 159](#) by Sen. Donnie Chesteen (R - Geneva) would have allowed fiber companies to cross railroad rights-of-way by short-circuiting the engineering review process and capping fees railroads could assess in order to recoup cost.
- Again, members of the Association and rail industry experts spoke in opposition to both bills before the House Transportation Committee and Senate Finance and Taxation - Education Committee. The House committee approved the bill, and the Senate committee did not take a vote. Neither bill made it any further.
- **Broadband Using Electric Easements Accessibility Act:** [HB 400](#) by Rep. Randall Shedd (R - Cullman) authorizes the placement, construction, installation, operation, and use of broadband and other advanced communication capabilities and related facilities within electric easements by electric providers. The Association worked to get language inserted in the bill to ensure that broadband operators comply with any applicable safety and permitting requirements of any railroad company.

The bill was enacted and will go into effect in August.

- **Autonomous Vehicles:** [SB 47](#) by Sen. Gerald Allen authorizes autonomous commercial vehicles operated by an automated driving system and commercial motor vehicles with teleoperation systems.

BNSF took the lead on adding language to require that autonomous vehicles are able to safely navigate and negotiate all at-grade railroad crossings.

The bill was enacted and is now law.

- **Short Line Railroad Modernization Tax Credit:** [HB 457](#) by Rep. Rod Scott (D - Fairfield) allows for a tax credit against the state income tax of an eligible taxpayer's qualified railroad reconstruction or replacement expenditures, which includes the maintenance, reconstruction, or replacement of railroad infrastructure within the state that is owned or leased by the eligible taxpayer. The total cost of the tax credit is capped at \$5 million annually. An individual railroad's tax credit is capped at \$3500 times the number of miles it owns or leases in the State of Alabama.

The bill was enacted and will go into effect in August. It expires after three years.

- **Alabama Incentives Modernization Act:** [HB 540](#) by Rep. Bill Poole (R - Tuscaloosa) includes a funding mechanism for capital improvements and economic development activities at inland ports and intermodal facilities.

The money can be used to make capital improvements (including dredging) at an existing or new facility. The funds can also be used to undertake an economic development activity that enhances the flow of goods through a facility.

## Genesee & Wyoming to be acquired by Brookfield Infrastructure and GIC in \$8.4 billion deal

On July 1, Genesee & Wyoming Inc. together with Brookfield Infrastructure, GIC, and Brookfield Infrastructure's institutional partners, [announced an agreement](#) pursuant to which affiliates of Brookfield Infrastructure and GIC will acquire G&W in a transaction valued at approximately \$8.4 billion including debt. The transaction will result in G&W becoming a privately held company.

Pursuant to the agreement, each issued and outstanding share of G&W will be converted into the right to receive \$112 per share in cash. The transaction price of \$112 per share of G&W common stock represents a 39.5 percent premium.

The transaction is expected to close by year end or early 2020 and is subject to customary closing conditions, including approval by G&W stockholders, required regulatory approvals that include approval by the Committee on Foreign Investment in the United States, the U.S. Surface Transportation Board, and certain competition and antitrust approvals.



## BR&L welcomes new Director of Operations for Locomotive Division, adds capabilities

Birmingham Rail & Locomotive, a division of A. Stucki Company, recently named Jimmy May director of operations for its locomotive division.

May joined BR&L from CSX Transportation where he had worked as a mechanical manager at its offices in upstate New York and Chicago, Ill.

"Jimmy brings talent, experience and knowledge that will enable us to expand our capabilities in servicing newer, more modern locomotives," said Jo Ann Cary, BR&L general manager. "He's very enthusiastic about growing this division and he has a strong understanding of how to do so."

With May's appointment, BR&L expects to grow its services in preventative and routine maintenance, light and heavy engine repairs, wheel re-contouring, air brake servicing, load box testing, electrical troubleshooting and other locomotive services.

The company plans to add a mobile service truck in Houston, Texas, to support faster response and reduced downtime. BR&L will continue to work with locomotive fleet leasing companies to repair units at their locations.

May holds a bachelor's degree in business administration with a concentration in business management from Catawba College. He lives in McCalla, Ala.

## ARA to hold 2019 annual meeting in Birmingham

Make plans to join us in Birmingham November 4 - 5, 2019, for our 2019 annual meeting.

We will begin with a reception on Monday night and focus our meeting on Tuesday on the changing culture of the railroad industry. In the months ahead, precision scheduled railroading (PSR) will continue to alter the rail landscape. During our meeting, we will hear from industry experts on the impact of PSR and learn about other important happenings in the industry.

Be sure to [REGISTER](#) soon!



## CN marks 100th year in business

CN proudly marked its 100th anniversary on June 6, 2019. CN was created by an Act of Parliament in Canada on June 6, 1919.

CN's anniversary was marked in the Parliament of Canada through member statements in the House of Commons and in the Senate. CN also hosted a Gala for stakeholders in Ottawa featuring the Confederation Players, a Prince Edward Island-based troupe of costumed, young, bilingual Canadian actors trained to re-enact the Fathers and Ladies of Confederation.

CN also announced a new program targeted at fostering employee civic engagement. In addition to the existing Railroader in Your Community Program, where CN donates up to \$1000 to organizations in the names of every CN employee or retiree that does volunteer work, CN employees and retirees, and their families, along with CN customers and partners, will be encouraged to donate time to an organization of their choice that has a direct and tangible impact in their community. This initiative will take place as the CN in Your Community Day every June 6 going forward—not only to mark the company's anniversary, but more importantly, to demonstrate CN's commitment to have a positive impact in every community where its employees and retirees live and work.

For more on the company's anniversary celebration, click [here](#).

did you know?

The U.S. Department of Transportation forecasts that total U.S. freight movements will rise from around 17.7 billion tons in 2016 to around 24.2 billion tons in 2040; a 37% increase.

Source: FHWA Office of Freight Management & Operations

## Alabama Railway Association Executive Committee

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