



Shortline Message • with Dick Ebel

# Focus on Improving Key Activities

The new year has quickly moved beyond the whirlwind of year-end activities. As we continue to embark on 2013, you may recall that the BNSF Caucus identified a number of key activities for this year, including velocity improvements, focus on growth and improving administrative processes.



We continue to move forward on each of these activities, with the end goal of improving each of our networks and maintaining high levels of service that stimulate further business development.

**Velocity** – We will be sharing specific velocity measurement data with those handling carriers participating in the Fuel Surcharge program. At the time of inception, there were a number of requirements established that necessitated active engagement in improving velocity.

As we shared at the Shortline Conference, more than \$40 million annually of car hire is exchanging hands between BNSF and its shortlines. So there is an economic reality in our actual performance.

Meanwhile, we have continued to see dwell time grow. In addition, we all know the best asset to use in generating one more load a year is an asset we already have. The cost of new assets continues to increase and adding assets can create congestion.

We will also continue to focus on fleets in tight supply and ask for your engagement to review the details; this way, we will ensure that we capture any moves that could be skewing the results.

**Growth** – We enjoy working on growth opportunities, which allow all of us to become creative in finding solutions that benefit our customers. Allowing plenty of lead time to work through the details is a necessary part of the process.

The time to execute a new agreement may be longer than desired. To that end, we will continue to strive to streamline and simplify the process and move toward standardized agreement language.

**Administrative processes** – We want to raise the transparency of the hand-offs between our network and the gathering and distribution of the connecting carrier. Several initiatives are under way.

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## 2013 shortline Initiatives

**Leveraging existing BNSF programs and systems to help shortlines maximize their growth potential and operate more efficiently is top of mind in 2013.**

**BNSF's Shortline Development directors outlined key focus areas for 2013 at last fall's Shortline Conference in Irving, Texas. Among the 2013 initiatives discussed were maximizing the economies from improved velocity, building more business through use of the Serving Carrier Reciprocal Switch reference file (SCRS), and improving interchange receipt and delivery through participation in the Interline Service Agreement process.**

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# Three keys to stimulate growth in 2013

## Car Hire Simplification, Fuel Surcharge enable opportunities to improve velocity

Shortlines have a direct stake in velocity – the speed at which equipment moves about the system. The Car Hire Simplification and Fuel Surcharge programs offer participating shortlines an opportunity to gain consistent revenue and avoid car-hire reclaim costs in exchange for a focus on efficient car movements that benefit both shortlines and BNSF.

In 2013, Shortline Development Director Chris Randall is leading an effort to help shortlines understand the economics of car-hire simplification.

Randall says that BNSF is striving to work closer with its shortline connections to share the debits and credits of the process, promote greater velocity, and determine whether the Fuel Surcharge and Car Hire Simplification programs are achieving their objectives. Efforts are under way to complete some analytical tools in the very near future.

Benefits of the Car Hire Simplification program include a reduced risk of expenses exceeding equipment and demurrage revenue. The goal of the program is to encourage efficient use of rail assets and focus on the true mission: providing customer service and minimizing the investment needed to do so.

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**BNSF's Shortline Development directors outlined key focus areas for 2013 at last fall's Shortline Conference in Irving, Texas.**

- Velocity**
- SCRS Listings**
- Modified ISAs**

### Message from Page 1

First, we worked with participants at the Rail Industry Working Group to modify the rules of engagement surrounding Interline Service Agreement (ISA) implementation. Historically, the implementation of ISAs lagged or may have expired under time limits.

The recommendation was made to change the sequence of the ISA process. Once it is mutually agreed and submitted to Railinc, the ISA will be accepted unless the connecting shortline rejects it. BNSF is also actively creating regular reporting of the scorecards for existing ISAs so that both railroads know how we are performing with each other.

Second on the list has been refreshing the industry reference file, the Serving Carrier Reciprocal Switch (SCRS) database. BNSF was assigned approximately 75 shortlines where the customer information/location has not yet been validated.

Each shortline director will validate information with one shortline each month. We will share existing database information and ask the shortline to add missing locations, correct erroneous information, and delete outdated information. You may recall that Omnitrax took ownership of this process last year and found that nearly one-third of their customer location information was missing.

As we progress through the year, keep in touch with your shortline director as new business opportunities develop. This will help ensure the opportunity is in the hands of the respective commercial team member at BNSF and that we do not lose valuable time preparing for new business.

Let's make 2013 a great year.



### Shortline Mission Statement

Our vision is to realize the potential of BNSF's shortline connections by leveraging the capabilities of both BNSF and its shortline partners to drive profitable growth.

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## 2013 Initiatives

### SCRS listings may open doors to new business

Shortline directors will be reaching out to shortlines in 2013 to ensure that information concerning rail-served customer facilities included in SCRS is up-to-date. The SCRS tool, which is accessible on BNSF's website, provides a resource for shippers to find carriers in locations where rail service is available. That means BNSF's shortline partners, if their rail-served customers are listed in the database, may be the beneficiary of potential new business.

"We always tell people that, of course, the customers located on your line know you serve them, but for every transaction that originates or terminates on another railroad, that customer or railroad may have no visibility to you," said Tom Jacobowski, BNSF's general director of price management. "There are more than 500 railroads in the U.S., and customers and railroads don't have the time to go through 500 separate listings to find this information. So you want to use an industry tool, and this tool is for all of North America. It's a one-stop shopping experience. If you want North American exposure in a single source, the SCRS tool is the way to achieve this objective."

To be listed in the SCRS tool, BNSF's shortlines need the following information for their rail-served customers: name, address, customer identification file number, serving carriers, rail stations and industry reciprocal switching status.

BNSF's shortline representatives and Price Management team are able to assist shortlines with populating the tool.

You can find the SCRS tool on BNSF's [website](#). On the middle right-hand side of the home page, select Customer Tools > Transit & Routing > Serving Carrier Reciprocal Switch Inquiry.

You can also contact Kate Sieverson at 817-593-1143 or email [scrs-bnsf@bnsf.com](mailto:scrs-bnsf@bnsf.com), or Railinc at 877-724-5462 or email [csc@railinc.com](mailto:csc@railinc.com).

## Interchange with Shortline Partners

### Why enter an ISA with BNSF?

- **First step to open and improve communication**
- **What you don't know will harm you**
- **Improved customer service**
- **Retention of business**
- **Improved transit times**
- **Increase velocity**
- **Reduction in switching events**



## Modified ISAs take BNSF, shortlines to a new level

Improving interchange delivery and receipt and obtaining timely and accurate exchanges of interchange information through Interline Service Agreements is another focus area for BNSF's Shortline Development team in 2013.

BNSF has 127 active ISAs with approximately 48 percent of its shortline connections. "Increasing the percentage of connecting shortlines with active ISAs will improve overall service to our joint customers. We cannot track performance if we do not have established and agreed-upon standards for our interchange of traffic. ISAs are the first step to achieving these goals," said Shortline Development Director Kristy Clark.

ISAs embody a written set of standards and procedures between railroads that define service at interchange gateways.

Before January 2013, ISA requests expired if shortlines didn't actively respond to emails requesting acceptance of the proposed standards and procedures. The Rail Industry Working Group has recommended

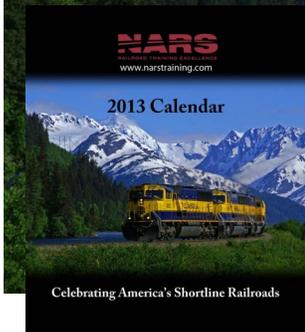
changes to the ISA approval process, which would mean that a proposed ISA will become effective between railroads if neither party takes further action.

BNSF is also working this year to make a 28-day ISA report available to shortline railroads. The report will enable shortlines and BNSF to view performance metrics and identify areas of improvement. If you have questions or would like to establish an ISA with BNSF, please contact Rick Adams at [rick.adams@bnsf.com](mailto:rick.adams@bnsf.com) or Gene Knipp at [gene.knipp@bnsf.com](mailto:gene.knipp@bnsf.com).

***"Increasing the percentage of connecting shortlines with active ISAs will improve overall service to our joint customers."***

***- Kristy Clark, BNSF***

## NARS has no shortage of quality images for 2013 calendar contest



Cover Photo of Alaska Railroad by Frank Keller

The National Academy of Railroad Sciences (NARS) had no shortage of images for its 2013 calendar, which captures the diversity of America's shortline and regional railroads and the vital role they play in U.S. transportation. With more than 100 digital shots submitted, NARS had a tough time narrowing the field.

The submissions were solicited from amateur photographers across the country and the competition was open to American Short Line and Regional Railroad Association (ASLRRRA) members. The 2013 photo competition theme was "Celebrating America's Shortline Railroads."

A number of BNSF's shortlines submitted winning entries.

Originally, 12 winners were selected, but NARS officials then said two additional winners were chosen because of the quality of their submissions. Rather than repeating images selected for each month on the front and back covers, Frank Keller's photo of the Alaska Railroad rolling in front of majestic mountains and Napa Valley Railroad Company's submission were picked to grace the front and back, respectively.

"The 2013 calendar celebrates America's shortlines, which was great because there are so many diverse railroads out there in different geographical regions," said John Irons, NARS senior manager of technical

training. "We got some really great photographs."

NARS published and distributed 1,000 calendars to NARS and ASLRRRA members.

Winning photos were selected based on composition, color, quality and representation of the vast diversity of America's shortline and regional railroad industry. Winners received one free week of NARS training (a \$1,500 retail value) and 20 complimentary calendars.

The contest has grown in popularity since starting in 2011, Irons said. NARS has adopted a railroad theme for each calendar year, beginning with artistic scenery around railroad trackage and bridges in 2011. The 2012 theme was historic railroad photography.



## NARS winners

The 2013 winning photos and photographers are:

(Front cover) Alaska Railroad by Frank Keller; (January) D&I Railroad by Tim Smith; (February) Pacific Harbor Lines by Joe Blackwell; (March) Indiana Harbor Belt Railroad by Patrick McShane; (April) Knoxville & Holston River Railroad by Chris Starnes; (May) R.J. Corman Railroad by Benny Gettinger; (June) Kansas and Oklahoma Railroad by Kyle Moody; (July) Twin Cities & Western Railroad by Steve Glischinski; (August) Riverport Railroad by Frederick Bird; (September) Chestnut Ridge Railroad Corp. by Donald Smith; (October) Stillwater Central Railroad by Pat Foster; (November) Cedar Rapids and Iowa City Railroad Co. by Elaine Duvall; (December) Pan Am Railways by Michael P. Peverett; and (back cover) Napa Valley Railroad Co. by Trenton



From top counter clockwise, the Kansas & Oklahoma Railroad (June), Napa Valley Wine Train (back cover) and Pan Am Railways (December)

# Attendees rate Shortline Conference

Marketing and operating updates and networking opportunities ranked high among attendees at the 2012 BNSF Shortline Conference in Irving, Texas, last October.

The annual survey, which is used to determine the effectiveness of the event and plan for the following year, had a 50 percent attendee response rate. Attendees were asked to rate the conference in five grading categories: excellent, very good, average, marginal or poor. Overall, 85 percent of the participants gave the conference an excellent or very good rating. Only 1 percent characterized the conference as marginal or poor.

Once again, BNSF Chief Economist Sam Kyei's Economic Update earned rave reviews, with 97 percent of respondents giving Kyei either an excellent or very good rating. One attendee commented, "All of the presentations were excellent; however, Sam Kyei's

presentation is still the one that I can't wait to hear."

Senior Research Analyst Trisha Curtis' highly detailed North American Energy Outlook fared well, along with presentations by President Rich Timmons of the American Short Line and Regional Railroad Association and those by BNSF's Dean Wise, Dick Ebel and Roger Nober.

The most popular information sessions and workshops were the PTC Update with Dave Galassi and Industry Reference Files with Carla Bartlett, John McCarthy and Rick Adams.

Also, 96 percent of attendees found that individual meetings with BNSF representatives were productive, an increase of 16 percent from 2011 survey responses. Improvements were noted in meeting times and availability of BNSF representatives.

The 2013 conference is Oct. 21-22 at the Omni Mandalay Hotel in Irving.

## ASLRRA rates BNSF service higher in 2012

BNSF's 2012 service levels went above and beyond previous marks, according to last year's American Short Line and Regional Railroad Association (ASLRRA) survey. Each year, ASLRRA quizzes its members on a variety of topics in connection with Class I service levels, including ranking interchange pickups and deliveries, response time for rate requests, and quality of equipment.

In 2012, BNSF fared better in 11 of 12 survey categories compared to 2011 results and set all-time-best records in eight categories. In all, BNSF posted satisfactory ratings in every category of the survey, generated from 97 responses.

BNSF experienced significant improvements in technology offerings, meeting scheduled interchange receipt and delivery times, and improved response time to rate requests. Dick Ebel, BNSF assistant vice president of shortline development, attributed the good marks to working closely with shortline carriers and understanding the business at hand. "At the end of the day it's all about getting the goods delivered on time and meeting the needs of customers," he said.

At the same time, there is always room for growth. Respondents provided BNSF with suggestions for further improvements.

No doubt, there will be more collaboration and communication among BNSF and shortline associates to improve those marks. "It starts out with customer service, and it continues with reinvesting to be able to continue to provide that support," Ebel said.

## What makes a good survey?

The mission statement of any railroad, no matter how large or small, should include the goal to achieve a high level of customer satisfaction. According to market research, satisfied customers usually return and increase purchases. They also tell others about their experiences and are willing to pay more for the privilege of doing business with someone they trust.

Surveys are often a good measuring stick to determine how well or poorly a business is performing in the eyes of the customer. Asking specific questions based on service points is often the goal, but some surveys don't always get the job done, for a number of reasons.

What makes a good survey? According to some top survey research gurus, here are five things to keep in mind:

**Make it easy.** Decrease the level of sophistication in the survey by writing to a ninth to 11th grade level. Speak specifically to the audience you are targeting. Don't use big words, and use simple sentences and simple choices for the answers. — *Qualtrics Labs, Inc.*

**Remember the emotional element.** Ask how people feel about your company. — *Clicktools*

**Ask scaled questions.** Use a scale of 1 to 10, with 10 being "Extremely Satisfied" and 1 being "Very Dissatisfied" with your company's service. Asking open-ended questions will give your customers an opportunity to tell you anything that your scaled questions don't cover. — *eHow.com*

**Don't ask too many questions.** Short surveys of about 10 to 15 questions are most effective. While people are usually open to participating in surveys, the amount of time they have to spend on them is limited. — *Genroe*

**Do your research.** Plan your survey down to the last detail. Know what you want to accomplish with the survey and what audience you want to reach. — *TechMedia Network*

Most of all, do something with the feedback. Asking your customers their opinions without taking action is both a waste of time and money for all.

## BNSF Profile: Sam Kyei



### **BNSF ECONOMIST FOCUSED ON DATA AROUND THE CLOCK**

Much like railroads, the economy never sleeps. And that means that economists at BNSF Railway work some long days in order to forecast when the next uptick or downturn might happen.

Just ask a few key members of the Marketing Support team.

Chief Economist Sam Kyei awakens every day in time to catch the British Broadcasting Company's 4 a.m. stock market report. On Sunday evenings, he checks the latest world news to prepare for his Monday morning briefing with BNSF Chief Marketing Officer Steve Bobb.

John Tweet and Gary Shoop, Kyei's right-hand men for financial planning and control, spend long hours peeling back layers of market data and key economic indicators driving market trends that ultimately result in loaded – or empty – railcars.

A catastrophic event like a hurricane or union strike takes on more meaning to the Marketing Support team than for most. Slowdowns in the construction industry triggered by mortgage loan fallout, for example, potentially mean fewer carloads of

lumber and gypsum. Lower natural gas prices created by new shale discoveries translate to more carloads of some industrial products but less of others.

Sounds like Economics 101. The difference is that railroads are in the same classroom as the world's leading economists.

"BNSF is like the U.S. economy dialed down 1,000 times," said Kyei, who has been BNSF's chief economist since 2002. "As goes BNSF, so goes the economy, and vice versa."

#### **A Shortline Conference favorite**

Each year at BNSF's Shortline Conference, Kyei's forecast of the year ahead keeps shortline owners and operators wide-eyed. He weaves his way through the annual Economic Update, a lengthy PowerPoint deck (40 slides last year) filled with charts and graphs with lines that rise and drop like the heart rate of a stockbroker on Black Monday. Kyei touches on the gross domestic product, inflation, employment, housing starts, foreign trade, credit ratings, risks and opportunities, and many other pieces that roll into one big ball known as the economy.

Beyond the slides are thousands of pieces of information obtained daily from various government agencies and services, which are compiled and forecast based on current market trends, as well as an assessment for "optimistic" and "pessimistic"

conditions. Chances are that even before Hurricane Sandy hit the East Coast last fall, Kyei's team had already drawn up a pessimistic outlook for the economy that would take into account the effect of a natural disaster.

Along the way, plans are created and constantly adjusted for six months, one year, five years and 25 years. The information is then shared with each of BNSF's operating units, where carloads are forecast for the short term and throughout the year.

But that doesn't mean the work is done.

"The chief economist's job doesn't stop," Kyei said, whose blackboard sketch of the Marketing Support group in a conference room at BNSF headquarters in Fort Worth, Texas, had every bit as much detail as his slide presentations. "An economist has to figure out the optimistic and pessimistic (scenarios) basically all the time. The (railroad) business is dynamic, the economy is dynamic."

#### **Forecasting more than skin-deep**

As one would expect, BNSF Marketing Support has the credentials for spinning models that help business-unit leaders project carloads of lumber, coal, grain, cement, plastics, automobiles, frozen food and more.

Kyei joined Burlington Northern, a BNSF predecessor railroad, in 1987 and has since held positions in Strategic Planning, Finance, Consumer Products and Marketing Support. Before joining the railroad, he spent 10 years as a lecturer in economics at various institutions in Ghana and Nigeria. He received a master's degree in economics from Texas Christian University in Fort Worth.

Shoop has a Ph.D. in statistics from the University of Missouri, and Tweet earned a master's degree in business administration at MidAmerica Nazarene University. Both dig deep into the data. They man a matrix of 43 forecast groups that are modeled quarterly and adjusted monthly to provide guidance on the various commodities.

"When I run the models, after I've determined all the drivers, then I have to run forecasts for each of the (business) units," Shoop said. "I have to run seasonality factors to adjust for each month."

The girth of data for BNSF's annual forecast is impressive.

**See Kyei Page 8**

# Spotlight

## Quick on the Draw

BJRY makes it priority to respond swiftly to customer needs, service requests

The pace of life is slow in Burlington, Iowa, but that doesn't mean that the Burlington Junction Railway (BJRY) doesn't have the necessary get up and go. BJRY, a Class III shortline, operates industrial switching rail lines in Iowa, Illinois and Missouri, and prides itself on quickly responding to the needs of its customers and rail partners.

"We're just really reactive to our customers," said General Manager Bob Wingate, who oversees seven lines in as many cities. "A lot of times we have customers calling and they want answers right away. We have a very high level of customer service."

That's just not lip service.

BJRY received special recognition at last fall's BNSF Shortline Conference for being quick on the draw when BNSF needed fast storage of its empty crude oil trains between the Gulf Coast and Bakken Shale. Within 12 hours of receiving a request to store a 105-car train, BJRY and BNSF reached an agreement to use trackage near the former Chrysler facility in Valley Park, Mo. Now, BJRY routinely stores unit crude trains heading back to the Bakken.

BJRY has carried forth its service-first mantra since 1985, when the shortline started business with 400 cars in Burlington. Since then, the carrier has grown its footprint across the Midwest to handle more than 22,000 carloads a year.

Transloading operations are also a big part of BJRY's business portfolio, which includes lumber, paper rolls, grain, automobiles, food products, machinery and military equipment. Around 1990, BJRY began marketing its reloading capabilities to increase business. Each of BJRY's industrial sites in Burlington, Mt. Pleasant and Ottumwa, Iowa; Montgomery, Quincy and Rochelle, Ill.; and Valley Park, Mo., offers full-service transloading,



**The Burlington Junction Railway leverages its transloading services across its network to haul cargo that wouldn't normally be seen on other railroads. A reactive style with customers has enabled the Class III shortline to grow. Courtesy BJRY**



as well as providing space for customers who want to on- and offload themselves.

"We use our reload capabilities as a marketing tool to attract freight," Wingate said. "We're not like most railroads where it's a big profit center. We're trying to keep the costs as low as possible so we can attract more freight. The more people you have

handling something, the more expensive it gets."

Built in 2010, the transload facility in Valley Park is the largest, with nine acres of paved, fenced and lighted outdoor space and access to two major interstate highways in the St. Louis metro area. A yard with 35,000 square feet of track facilitates bulk transfers of food grade, heavy-duty equipment and other commodities. Warehousing and boxcar loading and unloading are also available.

The half-mile line in Mt. Pleasant, Iowa, also plays an important role in BJRY's business, with a heavy focus on transloading. So does the Burlington line, which annually handles 2,500 cars with no online industry switching. At both of these sites and other sites, BJRY provides facilities for trucks to transload from one to the other with-

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## BJRY from Page 7

out freight moving on the rails.

“Our first mile and last mile might not even be on the railhead,” Wingate said. “Our reloads are track-free. And we have the customer come in and do the transloading themselves if they want to do it. We provide a site for the customers to do it or we go all the way, offering support and including the physical transloading.”

Wingate calls the business model glorified team tracking, which offers flexibility for the railroad and BJRY customers. Because some of the industrial lines are in remote areas, transloading has been a way for BJRY to attract new business when online switching opportunities are few in number.

“Most of the growth occurs with off-rail customers,” he said. “That’s about the only way that we are able to attract new customers. We’re physically locked in at our locations. Some of them have economic opportunities for growth, plant expansions and industry expansions. But we see a lot of our growth in reloads.”

Along the way, BJRY may haul some loads that wouldn’t normally be seen on some shortlines. Recently, one customer commissioned the railroad to help deliver a 140-ton piece of heavy-duty equipment. BJRY provided space for the customer’s truck to park in front of a railcar, which was moved underneath the piece of equipment after the truck pulled away.

On another shipment, a bulldozer was offloaded onto a flat car in Iowa that eventually interchanged with BNSF for delivery in Alaska.

“We do this sort of stuff all the time,” Wingate said. “People like coming to us because we respond really fast and we’ll get space set up for them. We’re getting to where we do this sort of thing once a month somewhere on our system. I guess the word of mouth is getting around.”

BJRY began working with the former Burlington Northern in 1985 by providing switching services on the former Chicago, Rock Island and Pacific terminal trackage at Burlington, Iowa.



Handling increasing volumes of transloading services means working closely with a number of customer support facilities, including BNSF. This attention to detail means that BJRY is able to provide fast, reliable service with a quick response time,

Wingate said.

“Because we have really good, conscientious employees, we feel like our customer service is second to none,” he said. “And that has enabled BJRY to meet its customers’ needs in a timely fashion.”

## Kyei from Page 6

Imagine a corporate presentation about the size of metropolitan phone book in the day. That’s about how much data is included in the company’s annual forecast, which is ultimately produced by a Marketing Support team that directly and indirectly involves many employees in the Marketing department.

“We plan down to a very detailed level, so there would be millions upon millions of rows of data, if it was printed,” Tweet said. “Railroads are really influenced by everything going on in the world.”

### Consider as much info as possible

BNSF economists offer shortline partners an inside look at the U.S. and world economies without all the fuss. Because he realizes that some partners don’t have the resources to dig as deep, Kyei looks forward to offering his insights.

As a general rule, shortlines should forecast frequently and include optimistic and pessimistic conditions. Any time human behavior is involved, conditions

may change on a moment’s notice.

“Accidents are bound to happen,” Kyei said. “For planning in an organization, when your costs go up a ton because demand is short, you’ve got to hedge yourself for both sides of the risk, for the down side and the up side. How quickly can you adjust?”

Shortlines are able to get a handle on forecasting just by staying on top of the markets.

Kyei recommends reading *The Wall Street Journal*, *Business Week*, *The Economist* and *Financial Times*. The Census Bureau and Bureau of Economic Analysis are also good resources.

And the more the merrier.

“Get as many inputs as possible,” Tweet said. “The government has a lot of helpful information that is publicly available. Talk to people who are familiar with the business and get their opinions. Normally, they have some sort of feel for things.”

Most of all, be aware at all times how the world turns.

“There is not a sleepy moment for our team,” Kyei said. “We have to be ready to see what’s going on at all times.”

# Shortline Shorts

## Extension of Short Line Tax Credit helps improve smaller lines

While Congress averted the “fiscal cliff” at the end of last year, shortline railroads got a boost with the passing of the Short Line 2012 45G Tax Credit, which became retroactive for 2012 and is effective for 2013.

The last-minute legislation on Dec. 31 was cosponsored by 52 senators and 247 representatives. The last tax credit expired in December 2011.

“Shortline railroading is one of the most capital-intensive industries in America,” said American Shortline and Regional Railroad Association President Richard F. Timmons. “Shortlines operate almost 50,000 miles of track and preserve the first- and last-mile connection to factories, grain elevators, power plants, refineries and mines that employ more than 1 million Americans.

### Upcoming Events

#### [ASLRRA](#)

2013 Annual Convention (100th)  
April 27-30, 2013  
Atlanta Marriott Marquis  
Atlanta, Ga.

2014 Annual Convention  
April 22-25, 2014  
Hilton San Diego Bayfront  
San Diego, Calif.

#### [BNSF](#)

2013 Shortline Conference  
October 21-22, 2013  
Omni Mandalay Hotel  
Irving, Tex.

**SAVE  
THE DATE!**

“While the competing highway infrastructure is maintained by federal and state governments, the shortline infrastructure is preserved by small companies. The 45G credit allows small railroads to improve a railroad infrastructure that benefits the public by using more of what they earn, rather than giving it to the government.”

The Short Line 2012 45G Tax Credit was sponsored by Sen. Jay Rockefeller of West Virginia and Sen. Mike Crapo of Idaho. Rep. Dave Camp (D-Mich.), chairman of the Ways & Means Committee, was the original sponsor.

Since its inception in 2005, the 45G credit has helped small community railroads and their customers re-invest more than \$1.2 billion in preserving freight railroad infrastructures to serve customers and communities across America.

## INRD announces front office moves

The Indiana Rail Road Co. (INRD) recently announced three front-office moves.

Mike Engel has been promoted to the newly created position of senior vice president and chief financial officer. A 22-year INRD veteran, he was most recently vice president and chief accounting officer.

Bob Babcock was named senior vice president of operations and business development, and Eric Powell was named manager of intermodal and economic development.

Babcock has led INRD’s operations since March 2006. He has spent 24 years in the industry, including stints with the Santa Fe Railway and CSX Transportation.

Powell joined INRD in January 2011 after 13 years in public relations with Indianapolis Motor Speedway.

## King appointed as RJ Corman president

Craig King has been appointed president of R.J. Corman Railroad Group, LLC.

King’s 35-year career at CSX has been one of increasing responsibilities in both the Engineering and

Transportation groups until being named regional vice president transportation/north in early 2010. He attended the University of Kentucky and has an undergraduate degree from the University of Phoenix and a master’s degree in business administration from Jacksonville University.

King succeeds Tammie L. Taylor, who was appointed vice chair after 28 years with R.J. Corman.

“Craig’s experience and perspective will help ensure our continued success. His leadership will set the pace for the next stage of our growth as the best service provider to the railroads and related industry,” Rick Corman said.

## Watco takes over Ann Arbor Railroad

Watco Railroad Company Holdings, Inc. (Watco), a subsidiary of Watco Companies, LLC, took over operations of the Ann Arbor Railroad, Inc. (AA) in January. In December, Watco reached an agreement to purchase AA’s stock.

“The Ann Arbor is a true shortline success story,” said Watco Executive Vice President and COO Rick Baden. “We look forward to working with the Ann Arbor team to serve its strong customer base in an important economic region of the country and build off of the tremendous value the Ann Arbor creates for its customers.”

AA serves southeastern Michigan and the Toledo, Ohio, markets, focusing mostly on the automobile and manufacturing industries. AA operates 50 miles of mainline track between Ann Arbor, Mich., and Toledo, as well as significant rail terminals in the Toledo area focused on automobile loading for industry leaders Chrysler, General Motors and Ford.

In other Watco news, Mike Stickel was recently named vice president of marketing. Stickel, who will be based out of Indiana, was most recently VP of locomotive leasing for CIT Rail.

**Shortline Shorts is compiled from website reports, press releases and other external communications and does not represent the views of BNSF Railway.**