



July 17, 2009

Surface Transportation Board –



Dan Elliott

President Obama nominated Daniel R. Elliott III to fill the vacant position on the Surface Transportation Board (STB) on July 6th, and if confirmed by the Senate, has designated him to assume the Chair, replacing Acting Chairman Francis P. Mulvey.

Elliott, 46, has been the associate general counsel for the United Transportation Union (UTU) since 1993, and has represented the union on issues before the STB, as well as the National Mediation Board, National Labor Relations Board and the Department of Labor. He has an undergraduate degree in political science from the University of Michigan (1985) and a law degree from The Ohio State University (1989)

The Surface Transportation Board is the regulatory agency created by the United States Congress to resolve railroad rate and service disputes and reviewing proposed railroad mergers. The STB is governed by a three person commission – nominated by the president and confirmed by the Senate. It is administratively affiliated with the U.S. Department of Transportation.

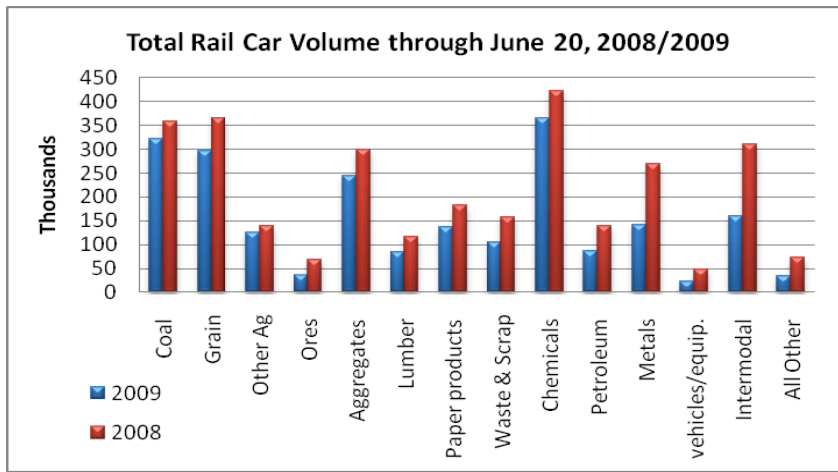
The STB approved a Corporate Family Transaction Exemption for Red River Valley & Western Railroad (RRVW) and Rutland Lines, Inc. effective July 2nd that allows RRVW to hold controlling interest in Rutland. However, majority ownership of both railroads resided with the same individuals when the transaction transferring control took place in June, 2007, but the owners had inadvertently not sought approval from the STB for the transaction. More details of the decision can be found at:

<http://www.stb.dot.gov/decisions/readingroom.nsf/fc695db5bc7ebe2c852572b80040c45f/b5534dc548809224852575e000631998?OpenDocument>

Legislation – The Senate Appropriations Committee reported its FY2010 Energy and Water Appropriations bill to the full Senate on July 9th. The Committee recommended \$5.4 billion be appropriated for the Army Corps of Engineers, \$280 million over the administration’s budget request and \$2.6 million above the FY2009 appropriation. Included in this recommendation is **\$340 million for the Mississippi River and Tributaries account**, \$92 million above the administration’s request but \$44 million less than the \$384 million appropriated in FY2009.

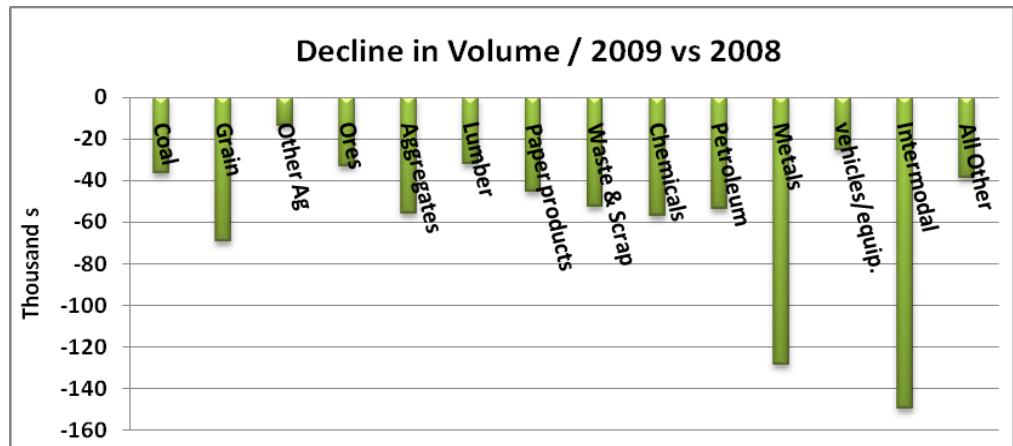
On July 17, the **House of Representatives** passed the FY2010 Energy and Water Appropriations bill by a vote of 320 to 97. The bill contains \$5.5 billion for the Army Corps of Engineers, an increase of \$416 million from the administration’s request and an increase of \$139 million from the FY2009 enacted amount. Included in this recommendation is **\$251 million for the Mississippi River and Tributaries account**.

Rail Traffic Down with the Economy - The RailConnect Index of Short Line traffic reports volume through June 20th is off 791,641 cars when compared to the same time period in 2008.

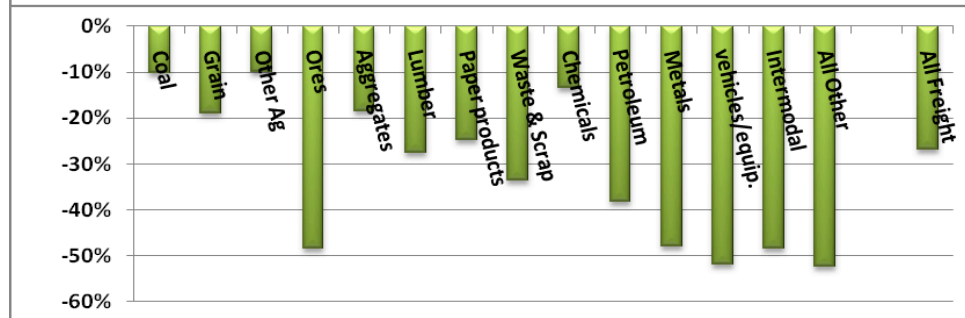


Grain Car traffic is down 19% at 296,685 cars, down 69,455 from the 366,140 reported in 2008.

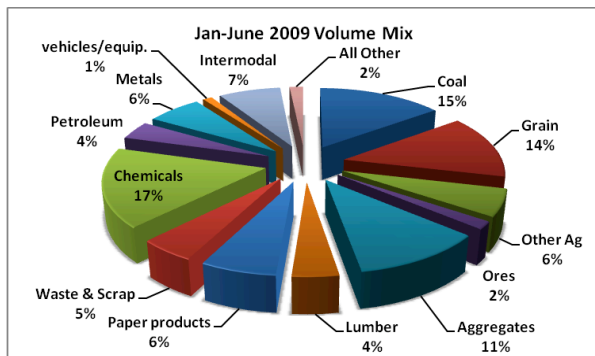
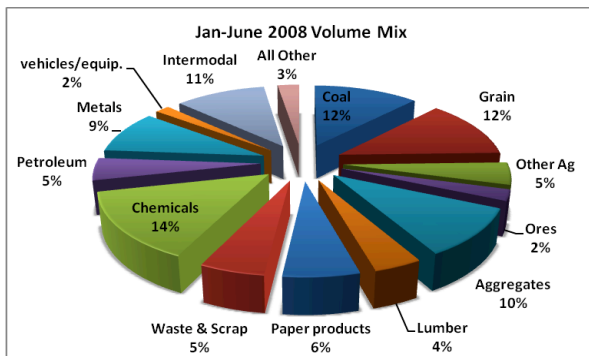
Intermodal traffic is being hit with the largest drop in numbers, down 149,883 cars, a 48% drop from 310,051 to 160,168. Vehicles & Equipment declined 52%, dropping over 25,000 cars; from 48,447 to just 23,257.



All Freight traffic is down an average 27% from 2008.



Grain shipments are accounting for 14% of volume so far in 2009, up from 12% for this period in 2008.





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