

STATEMENT OF
RICK WEBB, CHIEF EXECUTIVE OFFICER
WATCO COMPANIES
ON BEHALF OF THE
AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS
MATERIALS
REGARDING
FREIGHT AND PASSENGER RAIL: PRESENT AND FUTURE ROLES,
PERFORMANCE, BENEFITS, AND NEEDS

JANUARY 28, 2009

Madam Chairwoman and Members of the Committee, I appreciate the opportunity to testify today on behalf of the U.S. short line railroad industry. I am the Chief Executive Officer of Watco Companies headquartered in Pittsburg, Kansas. Watco owns and operates 19 short lines which together have nearly 4,000 track miles in 16 states. Our first short line railroad operation was purchased in 1983 in DeRidder, Louisiana and it is still in operation today. Watco also operates railroad repair shops, transload facilities and property management services so we have exposure to virtually every aspect of the railroad industry.

The short line industry is not the largest segment of our national transportation system, indeed in market share and annual revenues we may be among the smallest. Our importance is not our size or our total market share but in who and where we serve. For large areas of the country and particularly for small town America short line rail service is the only connection to the national railroad network. For the small businesses and farmers in those areas, our ability to take a 25-car train 75 miles to the nearest Class I interchange is just as important as the Class I's ability to attach that block of traffic to a 100-car train and move it across the country. My Kansas grain Customers cannot make the journey to export markets in the Gulf without Class I railroad service. But they can't start the journey without short line service.

While today's topic is about where we are and where we are going, it is worth noting where we came from, because the short line industry has undergone tremendous change in the last 30 years.

There have always been short lines, but today's short lines are far different than the short lines of the past. They come in all shapes and sizes, some privately owned, some government owned, some traded on the national stock exchanges. Some are members of rail holding companies, some are large regional entities, some are small family owned businesses. Together they represent a diverse, dynamic and entrepreneurial collection of small businesses that have moved well beyond the traditional short lines of America's railroad lore. These are aggressive and agile companies which have invested in modern equipment and new technologies. They employ a skilled, productive workforce, offering them a good quality of living and place considerable emphasis on training them to be as safe as possible. They are aggressive marketers that fight as hard for single carload business as they do for unit trains.

I think it can be fairly said that today's short line industry was launched by the federal government's decision in the 1980's that it was better to save light density branch lines than to abandon them. Short lines have grown from 8,000 miles of track in 1980 to nearly 50,000 miles today. There are over 500 short lines operating in 49 states. In five states short lines operate 100 percent of the state's rail network. In 10 states they operate more than 50 percent of the railroad network and in 30 states at least one quarter of the rail network. In the Chairman's home state of Minnesota short lines operate 30 percent of the state's total network. In Florida, the home of Railroad Subcommittee Chairwoman Brown and Ranking Member Mica, short lines operate 39 percent of the state's total railroad network.

Short lines are the "first mile-last mile" for over 14 million carloads of goods annually – nearly one out of every four carloads moving on the national rail network. This interchange with our partners, the Class I railroads earns for those Class I railroads 18 to 20 percent of their revenues.

The short line railroad industry has preserved and grown railroad service and jobs for a number of reasons and I think it is important that key decision-makers such as you understand those reasons.

First, as I mentioned beginning in the 1980's the federal government made changes to outdated laws and regulations that made it more economically sensible to save light density lines than to abandon them.

Second, and I say this at the risk of sounding boastful, the short line industry is blessed with a large number of entrepreneurs who took large financial risks to purchase and subsequently rehabilitate these light density lines. Most of us borrowed heavily from the bank and contributed substantial amounts of our own capital to make these new ventures go.

Third, short lines have worked very hard on building relationships with their Customers. In the beginning many of them were our partners in helping save the most marginal lines. They did so by helping finance rehabilitation through realistic rates and by agreeing to meaningful traffic volumes. We have continued to work closely and cooperatively with our Customers. As you all know the short industry undertook an aggressive campaign to secure a rehabilitation tax credit and I am pleased to say that our Customers played an active and perhaps decisive role in that effort. To date over 1,000 individual shippers have publicly supported the creation and extension of the credit and I have attached a newspaper ad they approved in that regard. In the course of organizing that effort we have collected many testimonials from our Customers and I have also attached a sampling of those so you can get some sense of the importance of short line service to railroad Customers.

Fourth, short lines reinvest on average nearly 30 percent of their annual gross revenues in repairing and upgrading their infrastructure. As a rail industry, we believe this is higher than almost any other industry in the country.

Fifth, that private investment has been supplemented by some very important help from the federal government, much of it developed by and moved through Congress by Members of this Committee. The short line rehabilitation tax credit which was enacted for a three year period in 2004 and subsequently extended through 2009 has allowed the short line industry to maximize investment in track rehabilitation. Just to give you some idea of the magnitude of this the National Railroad Tie Association estimates the tax credit has resulted in the purchase of an additional 750,000 ties annually by short line railroads. I might add, in the spirit of Economic Stimulus, that every one of those ties are produced in the United States. Short lines must spend \$1 dollar for every 50 cents in

credit up to a credit cap equivalent to \$3,500/mile. Thus the tax credit is leveraging significant additional private investment.

The Railroad Rehabilitation and Improvement Financing or so-called RRIF loan program has provided another important tool in our effort to maximize rehabilitation spending. The Transportation and Infrastructure Committee developed this program in 1998, has improved it over the years and perhaps most important, has been steadfast in protecting the program from those in previous Administrations who would have killed it. I want to particularly call out Congressmen Oberstar, Corrine Brown, Bill Shuster and Jerry Moran who led the charge last year to put a stop to a set of Administration proposed rules that could have effectively killed the program through the back door.

Like the tax credit, the RRIF loan program leverages substantial private investment in short line infrastructure. These are loans that must be paid back in full. The relatively low interest rate and the 35 year amortization are terms short lines cannot secure in the private market and the program has allowed those who have taken advantage of it to undertake projects that could not have been done or that would have to have been stretched out over many years. I am proud to say in the ten years the RRIF loan program has been on the books, not a single short line railroad has missed a single quarterly payment on its debt. In today's world we might be one of the only groups that can say that.

One of my own short lines, the Stillwater Central in Oklahoma secured one of the very first RRIF loans in Feb. 2004. That loan was very important in acquiring and preserving that property. Since 2004 the Stillwater Central has increased carloads by 30 percent, improved its profitability by 40 percent and increased jobs by 20 percent. In addition to this, we have kept rates beneath the increases in inflation, while investing millions of dollars in our infrastructure.

Infrastructure funding is at the center of the current discussions over economic recovery. The government is looking to fund "shovel ready" projects that result in immediate job creation, that use materials made in the United States, that help leverage additional private investment and that provide long term benefits to our transportation network. It will come as no great shock to the Committee that we believe that increasing short line spending meets every one of those criteria. The Short Line Association has proposed a number of programs, including an extension of our existing tax credit and changes to the existing RRIF program and I have attached a paper describing that proposal to my written testimony. Time does not permit reviewing that proposal and, in any event, I suspect that I am preaching to the choir on most of these items.

The long term success of the short line industry is directly related to sustained economic growth, to heavy investment in infrastructure improvements and to our capacity to adapt quickly to changing conditions in the marketplace as our Class I partners seize new opportunities and implement new strategies and technologies. Change is always challenging, and it is particularly challenging in today's very difficult economic climate. But is our responsibility to understand and adapt to that change. Rail customers and the

Class I community need and expect short lines to meet this challenge by moving freight consistently, efficiently, safely and at competitive rates. This is particularly important if the national railroad system is to handle the large freight increases expected over the next 10-15 years.

We in the short line industry believe we have succeeded during some very tough times in the past. I won't say we began our new companies with just a wing and a prayer, but we did take on a big challenge in preserving rail infrastructure that most thought was lost. We got a lot of help from our Customers, our people and from good government policies. With the continued help of all three we are confident we can continue to grow and play an important role in the national transportation network.



Why Include Short Line Railroad Infrastructure in a Stimulus Bill

America's 545 short line and regional railroads operate 50,000 miles of track or approximately one third of the national rail network. They operate in vast areas of the country no longer served by the seven large Class I railroads and keep tens of thousands of small businesses and communities connected to the national main line rail system.

Today's short lines were the abandonment candidates of a Class I railroad industry that could no longer make a profit operating these light density lines. As such, every new short line company began its existence with track that had received little investment under previous owners. Short lines invest nearly 30 percent of their gross revenues in infrastructure repairs and maintenance, a figure several times greater than the national average for business reinvestment. Eliminating deferred maintenance is a particular challenge because short lines serve smaller customers which do not ship the large volumes needed to generate the extra revenue needed for capital investment.

Using Existing Authorizations to Fund Short Line Capital Projects

- Appropriate \$100 million over two years for capital grants for Class II and III railroads, as authorized by the Energy Independence and Security Act of 2007 (49 USC 22301; as amended by Pub.L. No. 110-140).
- Extend the short line rehabilitation tax credit (26 USC 45G) through 2015 and raise the credit cap from \$3,500 per mile to \$10,000 per mile (credit currently expires Dec. 31, 2009).
- Appropriate \$500 million to reduce the interest rate to one percent on Railroad Rehabilitation and Improvement Financing for eligible projects. This subsidy would support over \$1 billion in loans. The RRIF program is currently authorized at \$35 billion (45 USC 822).
- Allow RRIF principal payments to be deferred for up to six years.

What is the Stimulus Impact?

- Most short line capital projects require no additional engineering or other lead time. Short lines are constantly installing new rail and ties, the amount limited only by funding availability.
- Most short line capital investment is made on existing company owned rights-of-way, requiring no regulatory or environmental delay.
- Most short lines do not have the in-house manpower to undertake these projects and must hire contractors and laborers to do the work. The Federal Railroad Administration estimates that nearly 50 percent of every railroad capital dollar goes to labor.
- Rail projects require the purchase of large quantities of materials such as timber and steel, almost all of which is manufactured in America, and are currently experiencing a downturn.
- The short line tax credit requires the railroad to spend two dollars for every one dollar in credit, thus leveraging substantial additional private infrastructure spending.
- RRIF is a loan program where the federal government will be repaid in full. In the program's 10-year history not a single short line RRIF recipient has missed a single quarterly payment.

Short Line Railroad Customers Talk About Service and the Short Line Rehabilitation Tax Credit

R.A. Geurts, AVP & General Manager – Cargill, Inc., Wahpeton, North Dakota
A Customer of the Red River Valley & Western Railroad

Cargill's Wahpeton facility ships thousands of cars a year over the Red River Valley & Western (RRVW). It operates on a 24/7 basis and cannot afford any interruption in bringing in raw materials or shipping out finished product. Said Mr. Geurts, **"The RRVW was very involved in our site selection process for this facility and has provided exemplary service since the plant's inception. They understand the importance of flexible, customer-based service. They know we depend on daily high quality rail service to operate profitably. Our plant has 160 employees and I can assure you that our success as a business is important to each and every one of them."**

Steve Zika, CEO Hampton Lumber, Portland, Oregon
A Customer of the Portland & Western Railroad

"The short line tax credit helped us lower our transportation costs and sell more lumber to more customers. Hampton is one of the largest employers in rural Oregon and an efficient local railroad helps keep it that way," said Mr. Zika.

May-May Ng, Director – CK International, Ltd., Waukee, Iowa
A Customer of the Iowa Interstate Railroad

CK International, Ltd., exports Iowa agricultural products to Asia. Utilizing the Iowa Interstate Railroad allows them to ship heavier loads than can be accommodated by truck. **"The ability to load heavier freight cars reduces our freight costs by 2.5 cents per pound. In this very competitive market the ability to reduce costs by as little as 1/8 of a cent per pound can make the difference in getting the business."**

Warren Fisk, General Manager – Farmers' Cooperative Elevator, Manly, Iowa
A Customer of the Iowa Northern Railway

The Section 45G tax credit made it possible for the Iowa Northern Railway to complete a \$1.5 million track rehabilitation between Manly and Nora Springs to better serve the Farmer's Coop Elevator at Manly, and Rock Falls Grain and Cartersville Elevator at Nora Springs. Without this upgrade, the railroad could not handle the increased volume required by the customers. **Warren Fisk of the Farmers' Coop said, "The Iowa Northern track rehabilitation project will help us increase volumes and lower transportation costs and that is good for every farmer that uses the elevator. To the extent the short line tax credit made that possible it is a real success story."**

Sonia Meehl, Owner/General Manager – Crete Grain, Crete, North Dakota
A Customer of the Red River Valley & Western Railroad

Crete Grain purchases grain from North Dakota farmers for resale to exporters and domestic end-users, mostly outside of the state. The majority of the grain is moved to the Pacific Northwest ports for export. In recent years Crete has shipped over 4,000 carloads of grain per year on the Red River Valley & Western which is the only link to the Class I railroad system. **“Truck transportation is simply not feasible for moving large volumes to the west coast ports. We collect our corn from over 200 family farmers and the railroad is what allows us to find markets for this corn. Without the short line railroad these farmers would be limited to what they could truck short distances within our state. For many it is what makes their farming operation viable,”** said Sonia Meehl, owner and general manager of Crete Grain.”

David Geers, President – Michigan Agricultural Commodities, Lansing, Michigan
A Customer of the Huron & Eastern Railroad

Michigan Agricultural Commodities owns 10 grain elevators in Michigan, two of which ship some 3,000 railcars a year over the Huron & Eastern Railroad. Most of these cars are bound for processors and feed mills in the southeastern U.S. **“We purchased these two facilities in 2001 and have experienced significant growth at both. Reliable short line service has contributed to that growth. In fact, nine of our 10 locations are served exclusively by short line railroads and they are part of what has helped us make Michigan agricultural products very competitive throughout the southeastern U.S.,”** said David Geers, president of Michigan Agricultural Commodities.

Ronald Harlow, Dixie Business Director – Georgia Pacific, Naheola, Alabama
A Customer of the Meridian & Bigbee Railroad

The Meridian & Bigbee Railroad serves 22 customers in central Alabama and Mississippi. Those customers in turn employ over 3,900 high quality, industrial workers. The Section 45G credit allowed the railroad to undertake an aggressive \$5.6 million improvement project. With the renovations, the railroad will be able to attract new industries and jobs to the region while continuing to provide high quality service to existing customers. **“The Georgia-Pacific mill at Naheola depends on the Meridian & Bigbee Railroad to provide critical rail service,”** said Ronald Harlow, director of Dixie Business for Georgia-Pacific Corporation, the largest single on-line customer.

Gene Carrier, General Manager – East Texas Asphalt Company, Lufkin, Texas
A Customer of the Timber Rock Railroad

The Timber Rock Railroad provides a crucial connection to the BNSF and KCS Railroads, necessary to deliver needed aggregate into east Texas. The Timber Rock utilized the Section 45G tax credit to make needed bridge improvements to handle long heavy trains of rock cars and deliver them safely and economically to deep east Texas. **“We count on the Timber Rock to supply multiple grades of aggregate to meet the construction needs of our region,”** said Gene Carrier, General Manager of East Texas Asphalt. **“Their ability to make needed**

repairs to the railroad allows our communities to compete economically with the urban areas that have more transportation choices.”

Gary Beachner, General Manager – Beachner Grain, St. Paul, Kansas

A Customer of the South Kansas & Oklahoma Railroad

The SKOL railroad installed more than 20,000 ties and relayed five miles of rail with a heavier, more secure type of steel to make the movement of trains safer and more reliable in Southeast Kansas. **Gary Beachner of Beachner Grain said, “Beachner Grain depends on the SKOL to move more than 6.5 million bushels of grain to market every year. It is critical for our business and for family farmers throughout the area that the SKOL be able to maintain an infrastructure adequate to keep Southeastern Kansas farmers competitive in the global marketplace.”**

Brian Whipple, Transportation Manager – Amalgamated Sugar, McMillan, Idaho

A Customer of the Eastern Idaho Railroad

The Eastern Idaho Railroad utilized the section 45G tax credit to provide for a major reconstruction of the main line between Burley and Twin Falls, Idaho. At a press conference in the summer of 2006, **Brian Whipple of Amalgamated Sugar said, “Without the Eastern Idaho Railroad, Amalgamated Sugar would not be able to be in business in the Magic Valley. We depend on the EIRR for inbound and outbound products to keep Amalgamated Sugar operating.”**

Mike Purdy, Owner – Delta Trading Company, Bakersfield, California

A Customer of the San Joaquin Valley Railroad

Delta Trading is a distribution facility located on the Sunset branch of the San Joaquin Valley Railroad in Bakersfield, CA. **Mike Purdy of Delta Trading said, “The track rehabilitation made possible by the tax credit is directly responsible for Delta Trading Company’s decision to invest nearly \$3 million in its facility and almost triple its number of employees. We now have a short line railroad partner that can provide the volume and level of service that allows us to significantly grow our business. This tax credit was a very smart decision by the federal government and I suspect it will more than pay for itself as our experience is repeated on short lines across the country.”**

Ron Walters, President – Erie Plastics, Corry, Pennsylvania

A Customer of the Western New York & Pennsylvania Railroad

The Western New York & Pennsylvania Railroad has used funds freed up by the Section 45G credit to match a Pennsylvania grant program to undertake a \$3.5 million project to provide stronger and higher speed railroad track that can provide more efficient and competitively priced transportation for Pennsylvania shippers. **Ron Walters, President of Erie Plastics, said, “This facility molds 30 million plastic parts a day and we bring 80 to 90 percent of our plastic resin into the plant by rail. Rail transportation is the most economical way to get our raw materials, and anything that helps make the railroad more efficient and more viable is critically important to our success.”**

Arthur Kroot, President – Kroot Corp., Columbus, Indiana

A Customer of the Louisville & Indiana Railway

Arthur Kroot and the 60 employees of Kroot Corp. are southern Indiana's principal scrap yard, working closely with the area's auto manufacturing plants and steel mills. For the past ten years, the Kroot Corp's business has heavily relied on continued investment in the Louisville & Indiana Railway, including a recent bridge replacement program made possible by Section 45G. According to Mr. Kroot, **"If we did not have this railroad, we would be out of business. The L&I has done an incredible job for us. The benefits are significant to not only industry, but the community. This is the lifeblood of our area and the auto manufacturing plants could not operate without the railroad."**

Bill Dozier, Division Logistics Rail Manager – Georgia-Pacific, Crossett, Arkansas

A Customer of the Arkansas, Louisiana & Mississippi Railroad

In Crossett, AR, the Arkansas, Louisiana, & Mississippi Railroad's aggressive tie replacement program funded by Section 45G will benefit a plywood plant, a lumber mill, a paper mill, and a chemical facility, in aggregate employing 3,000 workers. The plywood plant in Crossett is the largest softwood plant in the world and the paper mill is one of largest Georgia-Pacific plants producing tissue and other paper. **According to Bill Dozier, division logistics rail manager for Georgia-Pacific Corporation, "Our company depends on the railroad and it is important that the ALM continues to reinvest in their railroad infrastructure."**

Tony Johannesen, Manager – Dakota Prairie Ag, North Dakota

A Customer of the Red River Valley & Western Railroad

The rehabilitation of this line allows Dakota Prairie Ag, a wholesale grain, farm supplies and field bean merchant, to ship 110 pound shuttle trains to distant export and domestic markets. This marks the first time in history that the farmers in the region will have this opportunity. **"The ability to utilize these longer, heavier trains is going to reduce transportation costs by about 10 cents per bushel and that is going to make North Dakota grain more competitive in the marketplace,"** stated Tony Johannesen, Dakota Prairie Ag manager.

Cliff Forrest, President – Rosebud Mining Company, Penfield, Pennsylvania

A Customer of the Buffalo & Pittsburgh Railroad

Due to the investment funds made available by the Section 45G tax credit, the Buffalo & Pittsburgh Railroad is upgrading its tracks from Dubois to Driftwood, Pennsylvania. This \$2.2m investment will enable Rosebud Mining Company to expand its coal preparation and railcar loading facility in Penfield, Pennsylvania and expand its coal mining operations in the region. This project enables Rosebud Mining to open a new coal mine in the region with forecasted shipments of 8,000 railcars (800,000 tons of coal) annually. The upgrade provides a positive economic impact to the region by creating 45 new mining jobs, 5 new railroad jobs and 30 temporary construction jobs. **Cliff Forrest of Rosebud Mining Company said, "Having the Buffalo & Pittsburgh Railroad make this investment was essential in our decision to expand the coal load-out facility, which will now enable us to handle 800,000 tons by the opening of new coal mines."**

Butch Reed, Sales Manger – Columbus Brick, Columbus, Mississippi

A Customer of the Columbus & Greenville Railway

The Section 45G credit allowed the Columbus and Greenville Railway to undertake a \$400,000, 2.5-mile track rehabilitation to benefit Columbus Brick. As a result of this improvement, Columbus brick has increased outbound rail from 100 cars per year in 2001 to over 550 cars per year today. For the 90 employees at the Columbus facility, it is critical to have the ability to ship via rail. **Butch Reed, sales manager of Columbus Brick noted that, “by allowing us to use 100 ton rail cars, this rehabilitation project has reduced our transportation costs and made this Mississippi company a stronger and more competitive player in our industry.”**

Greg Wheelan, Plant Manager – National Gypsum, Medicine Lodge, Kansas

A Customer of the V&S Railway

The largest customer of V&S Railway is National Gypsum, a building products manufacturer and one of the leading gypsum wallboard producers in the world. Before the passage of Section 45G, track conditions limited train speed on the line to below 10 mph. Improvements made because of Section 45G have increased train speed to 25 mph. **This increase in train speed has led to improved customer service. According to Greg Wheelan, local National Gypsum plant manager. “Before the improvements, several cars of our materials would bunch up, but now we are able to get to the mainline faster. The upgrades in the track and switches provided by the short line tax credit helped speed things up, lessening delays and improving reliability to the rail line.”**

Greg Gould, Vice President – Rogers Group, Inc., Bloomington, Indiana

A Customer of the Indiana Rail Road

Rogers Group, Inc. of Bloomington, IN provides customers with crushed stone, sand and gravel, asphalt, and concrete masonry. Funds made available by Section 45G have allowed Indiana Rail Road to haul 3,000 tons of stone per week from the Rogers Group limestone quarry to a Hoosier Energy electrical power plant to reduce air pollution emissions. **“This simplified the transportation dynamic for our customer, who already had existing rail infrastructure. The movement of the products by rail replaced all the truck traffic, increasing safety and reducing energy consumption. The customer service provided to the power plant improved the delivery speed and reliability of our product,”** continued Gould. The dependability and sustainability of the improvements also created job security for the fifty employees at the Rogers Group location. **“Stimulating the economy, economic development and creating new jobs through the short line tax credit are the things we need to continue doing,”** lauded Gould.

David Roche, President & CEO – Minn-Dak Farmers Coop, Wahpeton, North Dakota

A Customer of the Red River Valley & Western Railroad

The timely and safe rail transportation provided by the Red River Valley & Western Railroad is essential to the business of the Minn-Dak Farmers Coop and its 250 employees. The Coop ships 95% of their outbound sugar and sugar products over the RRVW and they receive 100% of their

inbound coal and limestone via the short line. According to Mr. Roche, **“Short lines excel in meeting the individual needs of their customers. They are local companies that are in daily contact with us and the work overtime tailoring their service to our particular needs. They do so over track which requires substantial capital investment both to make up for past neglect and to meet the ever increasing requirements for heavier cars and faster turn around times.**

Steve McLaurin, Live Production Manager/Operations Manager – Peco Foods, Bay Springs, Mississippi

A Customer of the Mississippi Southern Railroad

The Mississippi Southern Railroad (MSR) was able to utilize the Section 45G tax credit to insert thousands of cross ties into their main line between Newton and Bay Springs, Mississippi. Until that point, this line had been embargoed by the previous Class I railroad owner due to poor track conditions. The MSR was able to use the tax credits to install enough ties on the line to re-open the railroad and resume service to their customers. **According to Steve McLaurin of Peco Foods “Our company feeds tens of thousands of chickens every day, and we count on the Mississippi Southern Railroad to be able to deliver the necessary corn and soybean meal in an economical fashion. Without the MSR being in business, and without their ability to rehabilitate and upgrade their track, we would have had to close our doors, which would have meant a meaningful loss of jobs and a major direct economic hit to our community.”**

Roger Simon, Vice President – Alma Iron and Metal, Alma, Michigan

A Customer of the Huron & Eastern Railroad

The City of Alma worked for some time to move the Alma Iron and Metal facility from its present downtown site along the Pine River mill pond so the city could redevelop the river front. That goal was recently accomplished when the company was able to justify relocation to an industrial park site formerly occupied by Total Petroleum. **“The availability of direct rail service at the site was a major factor in making the economics of the move work. When you consider that one railcar holds four truckloads, the economics become real clear. Ours is a very price competitive business and we cannot get to the markets we need to reach without good short line rail service,”** said Roger Simon, VP of Alma Iron and Metal.

Cliff Vennix, President – Auburn Bean & Grain, Auburn, Michigan

A Customer of the Huron & Eastern Railroad

Auburn Bean and Grain is a major rail shipper based in Auburn, MI. AB&G, which also has locations in Oakley, Hemlock, and Saginaw, is in the business of seed cleaning and processing and has a combined storage of 13 million bushels. **“Auburn Bean and Grain depends on the Huron and Eastern Railroad to move some 2,200 cars a year to get its product to market. The short line operates in areas the large Class I railroads no longer serve and over track that received limited investment by previous owners. The rehabilitation tax credit has allowed the railroad to increase its annual track investment by approximately \$300,000 per year. Those track improvements are critical to the success of agricultural shippers in Michigan. They improve service and help keep transportation cost down. It's a smart program that should be continued,”** said Cliff Vennix, president of Auburn Bean & Grain.

David Skjaerlund, President – Liberty Renewable Fuels, LLC, Owosso, Michigan
A Customer of the Great Lakes Central Railroad

“Short line railroads like Great Lakes Central provide service over track that was going to be abandoned by the large Class I railroads. For that reason most of this track received little or no investment for many years prior to the purchase by the short line. Catching up is very expensive and in rural areas such as ours small shippers do not generate enough volume to fully foot the bill. The tax credit has helped fill that gap. It allows the short line to catch up and lower operating expenses so that there is more revenue left to finish the necessary rehabilitation.”

Jerry Moen, General Manager – Larson Grain Co., LaMoure, North Dakota
A Customer of the Red River Valley & Western Railroad

Larson Grain Co. collects grain from 150 family farmers in Southeastern North Dakota. **“It is not an exaggeration to say that if this railroad could not serve our facility we would have to close down. We ship approximately 10 million bushels a year and it is just not feasible to move that kind of volume by truck. Even if could, the damage that level of truck traffic would do to our local roads would be enormous.”**

Brian Arnhalt, GM – Minn-Kota Ag Products, Breckenridge, Minnesota
A Customer of the Red River Valley & Western Railroad

Minn-Kota collects grain from Minnesota and North Dakota farmers and ships approximately 4,500 rail cars per year over the Red River Valley Railroad (RRVW). According to Mr. Arnhalt, **“the tax credit is more than just the credit itself. My company recently helped RRVW finance the rehabilitation of two yard tracks that were needed to load heavier, longer trains. The tax credit helped make this upgrade economically feasible for the railroad and their willingness to proceed is what convinced us to participate. It seems to me this is a very positive outcome that the government should continue to encourage in the future.”**

OVER A THOUSAND REASONS TO SAVE SHORT LINE RAILROADS.



ALABAMA: Balkwin Transfer; Buchanan Hardwoods; Farmers' Cooperative Market; Fink Currie Gin Co.; Huxford Pole & Timber Co., Inc.; Inco Materials; Kimberly-Clark Corp.; Lafarge Aggregates Southeast; Meador Warehousing & Distribution, Inc.; Nucor Steel Distribution; Onys Inc.; Red Fox Fertilizer; Renonl Seating LLC; Selma Oil Mill, Inc.; UAP Distribution, Inc.; Vulcan Materials Co. ARIZONA: Apache Nitrogen Products, Inc.; Fertizona; Vulcan Nutrition LLC; Superior Concrete; Tesendero Kenley Inc. ALASKA: Lynden Incorporated. ARKANSAS: Donnar Corp.; Frostyate of Arkansas, Inc.; Giff Hard Ragon Owen & Sherman, P.A.; Hanna's Cattle Co.; Keith Smith Co., Inc.; North Little Rock Economic Development Corp.; OK Industries; Pointsett Rice and Grain (Cherry Valley, Corning, Diaz, Jencor, Osceola, Waldenburg); Powell & Powell Milling; Producers Rice Mill; Ridgewood Timber Corp.; Soutlock Industries; Skelton Motor Co., Inc.; Tyson Foods (Nashville, Springdale); Wayne Farms LLC. CALIFORNIA: Aetaron; Amber Chemical; AmeriGas Propane L.P.; Artois Feed Inc.; Basic Chemical Solutions; Bell Center Foods, Inc.; Best Logistics, Inc.; BMD; Button Willow Wine Co.; California Family Food; California Grain & Spice Corp.; California Portland Cement Co.; Canam Minerals/Kleinberg; Channel Lumber Co.; Compton Ag Services, LLC.; Crisp Warehouse; Dairyman's Feed & Supply Corp.; Delta Trading; F Street Cold Logistics; Ferro Metal, Inc.; Frito Lay-Kern; Gang Nall Trust Co.; Global Auto Processing Services, Inc.; Golden State Metals; Harbor Association of Industry & Commerce; Hobbs Contract Co.; MTTT Richmond CA; Ingomar Packing Co., LLC; Innovative Cold Storage; Jim Hicks & Co., Inc.; Johnson Trading; Ken Oil & Refining Co.; Klean Bulk Absorbents; Lento-Richmond Terminal; Liberty Packing Co. (Morning Star); L.A. Angles; Harhor Grain Terminal; Los Gatos Tomato Products; Madam Inc. "Lumber Wholesale"; Martinez Trucking, Inc.; M1 Soybean North Pacific; Pacific Coast Producers; Pacific Coast Recycling, LLC; Pacific National Transportation Value System Corp.; PDM Steel; Plastic Express; Port of Stockton; Richard Best Transfer, Inc.; Rio Bravo Tomato Co.; San Joaquin Refining Co., Inc.; Skelton United Terminal; Speckels Sugar Co.; Sun Valley Rice Co., LLC; Superior Soil Supplements; Taiga Building Products, The J. M. Smucker Co.; The Morning Star Packing Co. (Las Bajas, Williams); Toro MTB; Tiro Refinery; Truck-Rail Handling, Inc.; TXI Riverside Cement; Univar USA, Inc.; Weber Distribution; West Coast Warehousing; Westway Terminal Co.; Yandell Truckway, Inc. COLORADO: Absolute Logistics; Catlemen's Choice Loomis; Donnan Bros. LLC; Dry Creek Seed Co., LLC; FAS, Inc.; Flagler Coop Association; GCC of America; High Sierra Energy, LLC; Lodgepole Energy Marketing LLC; MATX, Inc.; Stratton Equity Cooperative; The Western Sugar Company CONNECTICUT: 7 DII Lumber; 7 D Lumber; Anastasio & Sons/Creole of Life; Atlas Containers; Atoglas N.A., Inc.; Babylon, LLC; C. C. Lounsbury Inc.; Capital Recycling; Enfield Lumber; Fordein Steel Co., Inc.; Hartford Tractors; Headquarters Resources, Inc.; Kimberly-Clark Corp.; Kolkoff Feed; Laurens Lumber; Loggers USA, Inc.; Pioneer Valley Refining Warehouse; Willamette Waste Paper Co. FLORIDA: Accurate Containers; Aljama Lumber, Inc.; Arizona Chemical Berg Steel Pipe Corp.; Bernan Bros., Inc.; Central Packaging Distributors, Inc.; Crouch Ready Mix USA-Coastal Division; Douglas Fertilizer & Chemical, Inc.; Ferris Moving & Storage Co., Inc.; Fiskars Beak, Inc.; Gerdau Ameristeel; Gold Coast Beverage Distributors, Inc.; Landless Auto Recycling; Ocala/Maiton County EDC; Panama City Port Authority; Plastic Conversion Services, Inc.; Rehman Properties, Inc.; Rinker Materials-Quarries; Steel Building Supply; States Shaws, Inc.; Titan America-Florida; W. Therox Locomotive Svc.; West Florida Gin Co. GEORGIA: Ampco Products Inc.; Beadles Lumber Co.; C. S. Grain, LLC; C. Thompson & Associates; Carlo Ceramics; Eka Chemicals Inc.; Imerys; Langboard, Inc.; NuStar Energy; Osmose, Inc.; Paper & Forest Industry Transportation Committee; Rayonier; Shaw Industries, Inc.; Tankersley & Associates, LLC; Tronox Pigments; Wayne Farms LLC IDAHO: Agri Trading; Bennett Lumber Co.; Busch Agricultural Resources; Challenger Pallet; Coleman Oil Co.; ConAgra Foods aka Peavey Grain; General Mills; Genesee Union Warehouse; George F. Hovick & Sons; Idaho Beefers; J. D. Henshall & Co.; Johnson Grain; Mountain West Trading; Pacific Steel & Recycling; Port of Lewiston (John Falls); Performance Plus; Plum Creek Northwest Lumber; Plym Products, Inc.; Rite Grain; Rocky Mountain Agronomics; Sabaloka Farms Transportation LLC; Taylor Producers; The Amalgamated Sugar Co., LLC ILLINOIS: Agrivalue, LLC; American Milling LLC; AMG Resources Corp.; Acumatic Renewable Energy, Inc.; Barilla America, Inc.; Behr Iron & Steel; Caterpillar Logistics Services, Inc.; ConAgra International Fertilizer Co.; Corn Products International, Inc.; Danforth Gilman Grain Co.; E.F. Jay Motor Transports, Inc.; GrainLand Cooperative; Great Northern Lumber; Ikl Barge Services; Jack Kennedy Metal Products & Bldgs., Inc.; JRS United, Inc.; Kyrstone Steel & Wire Co.; Packaging Corporation of America; Plains Marketing Canada, L.P.; PMP Fermentation Products, Inc.; Prairie Central Cooperative, Inc. (Chenoa, Fairbury, Meadows, Weston); Rickett Grain Co.; Sinaifit Stone Container; Steel Warehouse; UPM Kymene; Weaver Popcorn Co. INDIANA: Boys Grain; Calumet-Cotton Valley; Calumet-Precorator; Ceres Midland Inc.; Co-Alliance, L.L.P.; CountryMark Cooperative, L.L.P.; Farmers Cooperative Co.; H. C. Spinks Clay Co.; Indianapolis Power & Light Co. (Campbells, Indianapolis, Petersburg); JEM. Farm Services, Inc.; Kenlund Elevator & Supply Inc.; Lawe's Pellets & Grain, Inc.; Midwest-Agrt, Inc.; OmmSource Coop; Vection Fick, Inc. IOWA: Active Link Logistics (Des Moines, Waukeg); Ag Partners, LLC; American Profol Inc.; Besser Lumber; Bettendorf Chamber of Commerce; C. K International, Ltd.; Central Petroleum Co.; Cary Carbon Recycling; Cooperative Elevator Ass'n; Detman Industries, Inc.; East Central Iowa Coop; Farmers Co-op Elevator; Farmers Farmers Cooperative (Mable Creek, Farmingtonville); Farmers Co-operative Society; Farmers Food & Grain, Inc.; Farmingtonville; Farmers Co-operative Society; Hensley, Goldfield & Grain Processing Corporation; Great Lakes Cooperative; Heartland Co-op; Homeland Energy Solutions; Innovative Ag Services; Iowa-MN IC&S Shippers Assoc.; MacVittie Cooperative; Merchants Distribution Service; North Central Cooperative; North Iowa Cooperative; Northern Country Coop; On-Fine Delivery LLC; Renewable Energy Group, Inc.; River Gulf Grain Co.; Serthness Products Co.; Shear Elevator, Inc.; Stetelone Cooperative; Tama-Benton Cooperative; Twin State, Inc.; Verzon Charles City; Williams Bulk Transfer KANSAS: ADM Grain; Applmark LLC; Alvena Agri Services; Ash Grove Cement Co.; Beecher Grain Inc. (Altamont, Chanute, Humboldt, Independence, Neodesha, St. Paul, Thayer); Cairo Cooperative; Central Plains Co. op (Atchaf, Smith Center); Coffey Food Processors, Inc.; Clean Harbors; Cloud County Co-op Elevator Assn; Colleyville Resources; Cullyville Resources Terminal, LLC; Compass Minerals Intl.; Conoro Materials;

Inc.; Copperstone Ag; D.E. Boudarant Grain Co.; Darling International; DeHance Grain; Decatur Coop Association; Delphos Coop. Assn.; F + F Iron & Metal Co.; Farmers Coop; Farmway Co-op, Inc.; FCE Farmers Coop Equity Co.; Frontier Ag, Inc.; Fuller Brush Co.; Garvey Public Warehouse; Golden Valley Cooperative; Golden Valley, Inc.; Great Bend Cooperative Association; Hall Industrial Services, Inc.; Heckert Construction; Horizon Milling, LLC; Kanorado Cooperative; Kansas Quality Stone; Kaw River Shredding; KC Hardwood; Klaver Construction; Lafarge North America; Laminate Works, Inc.; McKinnis Iron and Metal; MGP Ingredients, Inc.; Mid State Farmers Coop, Inc.; Midland Marketing; Midway Coop Assn.; Midwest Iron and Metal; Monarch Cement; National Compressed Steel; Pawnee Co. Coop; Pitt Plastics; PQ Corporation; Prairie Horizon Agri-Energy; Pro-Ag Marketing Assn., Inc.; Rangeland Cooperative, Inc.; Republican Valley Cattle Feeders, Inc.; Rich Hill; Rubbermaid Products; Salina Area Chamber of Commerce; SEK Grain Inc. (Colleyville, Liberty); Silca Grain; The Secular Co.; Valley Coop, Inc. (Barden, Winfield); VVC, LLC; Weyershaeuser Co.; Wichita Iron & Metals; Wight-Lorenz Grain Co., Inc.; KENTUCKY: CC Metals & Alloys LLC; Dairyman's Supply Co., Inc.; FOM U.S.; MARITS, Inc.; Old Hickory Clay Co.; Parker Commercial Storage & Distribution, Inc.; Steel Technology; Grain and Barge; Mike Baker Brick Co., Inc.; Calumet Lubricants; Consolidated Grain and Barge; Milwaukee L.L.C.; Valerite Chemicals; Westway Trading Corporation; MAINE: DCP Midstream; Fore River Distribution Center; In-Terminals Services; NEW JERSEY: Safe Handling, Inc.; The Maine Wood Treater, Inc. MARYLAND: Behr Road Supply Co., Inc.; Congleton Corporation; Kemar Fertilizer, Inc.; Laurel Sand and Gravel, Inc.; Lehigh Cement Co.; Reisterstown Lumber Co.; Snavely International; UFFM/ASSACHUSETTS: A & R Packaging and Distribution; A&R Transportation Inc.; American Carbonated Corp.; American Dry Ice Corp.; Ashland, Inc.; Jan Cox Inc.; JEP, Inc. d/b/a Delta Bulk Transport; Kleer Lumber, LLC; Little Hill Corporation; Maplefield Distribution Services, Inc.; Mass Solar, Inc.; Quality Carriers/Transplants; Sonoma Products Co.; Southern State Coop; United Cooperative Farmers, Inc. MICHIGAN: Active Feed Co.; Agrum U.S. Inc.; Alma Iron & Metal Co., Inc.; Anshun Bean & Grain; Bay Logistics; BaySide Best Beans L.L.C.; Bulk Materials International; Burroughs Materials; Central Warehouse Operations, Inc.; Cooperative Elevator Co. (Alton, Bad Axe, Deckerville, Edilton, Fairgrove, Pigeon, Ruth, Schewaling); Edmore; Edmore Cooperative; Fremont Co-operative Corp.; Frutley; Genm Co.; Haines' Truck Technologies; Inner Bean & Grain; Liberty Agricultural Commodities, Inc. (Blissfield, Breckinridge, Boyce City, Michigan Agricultural Commodities, Inc. (Blissfield, Breckinridge, Boyce City, Michigan Agricultural Commodities, Inc. (Blissfield, Boyce City, Caro, Carrollton, Crosswell, Schewaling); Midwest Agri-Commodities (Boy City, Caro, Crosswell, Schewaling); Nugent Sand Co., Inc.; Precision Poly Inc.; RSI Logistics, Inc.; Star of the West Milling Co. (Frankenmuth, Gera, Gilford, Sagawau, Vassar); Van's Logistics Service, LLC MINNESOTA: Agassiz Valley Grain, LLC; Agriliance; Al-Corn Clean Fuel; Bamboth Concrete, Inc.; Cold Spring Lumber Co.; Community Specialists Co.; Coop Country Farmers Elevator (Danube, Olivia, Renville, Sacred Heart); Del Monte Foods; Farmers Co-op of Dakota; Farmers Co-operative Elevator Co.; Farmers Elevator Co.; Frank Busch & Grain Co.; Grain Millers, Inc.; Martin Marietta Aggregates; Mathews Co. Construction Co.; McNeilus Steel, Inc.; Minnesota Grain and Feed Assn.; Minnesota Valley Regional Rail Authority; Minn-Rota Ag Products, Inc.; New River Quartzite; Northern Cantours; Peterson Grain & Bookkeeping Co.; Red River Grain Co.; Renewable Products Marketing Group, LLC; River Region Coop; Robsday Farmers Co-op; Simonson Lumber; Southern Minnesota Best Seed Co. Coop.; Sun Opta Sandliner; Sunopta MICHIGAN: COLUMBIA: Ag, Valley Fishbelt Tech, Inc.; Greenville Port Terminal; Heritage Plastics, Inc.; Indefield, Inc.; Matte Chemicals, Inc. MISSOURI: Abengoa Bioenergy Corp.; Albert Farm Lumber; Carter-Waters; Central Missouri Retail; Chuka Farmer's Cooperative; CIBER Corp.; Compass Big Bats; Consumers Oil & Supply; Dye Industries, Inc.; Ecl-Lube; F.C. Stone; Four State Distribution; Gundersen; Intermountain Reload; Jde; Joplin Building Material Co.; Lafarge Cement; Longleaf Energy Associates, LLC; Maneval Inc.; Meck's Building Centers; MFA Inc.; Missouri Metal Recycling; Plyma Blends; Prairie Pride, Inc.; Redland Brick; Scoular Co.; Strong Steel; Summit-Sono Container; Standard Transportation Services, Inc.; Variform Plastics MONTANA: Bitterroot Valley Forest Products; Brenntag Pacific, Inc.; Bull Mountain Coal Mining, Inc.; Conex Supply & Mining; Inc.; Columbia Grain Int.; Eagle Sand Mill; Gwynn Lumber and Reload; J & R Planing; Montana Turnek Mining, Inc.; MT West; Northwest Drywall & Building Supply Inc.; Pacific Steel & Recycling (Kalispell, Sidney, Great Falls); Plum Creek Marketing, Inc.; Plum Creek Northwest Lumber (Idrope, Kalispell, Pablos); Plum Creek Northwest Plywood; Plum Creek Timber; Powe; Townsend; R & S Supply, Inc.; Sidney Sugars, Inc.; Simkins-Hollin Lumber; Specialty Spunite; Superior Propane; Timberwell Manufacturing; Tico; Trossell; U.S. BRASKA; Ag Valley Lumber; W.E. Dust Control & De-Icing, Inc.; Mid America Bio Energy Cooperative; Agri Co-op; Hansen Mueller, Inc.; NEVADA: Enerchitect Services Inc. NEW HAMPSHIRE: Gas Supply Resources; Inaction Structural Steel, Inc. New England Wood Pellet, LLC. NEW YORK: NEW JERSEY: Campbell Soup Co.; GAF/ELK Corp. NEW YORK: Allied Fire Protection Systems; Cass Creek International, LLC; Community Development Association, LLC; Elm Global Logistics; Feed Incentive Trading Corp.; Germet Asphalt Products, Inc.; Great Lakes MDP, LLC; Inland Midstream LLC; Interstate Commodities, Inc.; King Forest Products; King Timberlands, LLC; L & L Sawmills, Inc.; Larsen Farms Hay Terminal, LLC; Nucor Steel Auburn; Sweetwater, Inc. NORTH CAROLINA: 84 Lumber Co.; Ararat Rock Products; Bessie; Braswell Milling Co.; C. A. Perry; Cape Fear Bulk; Carolina Marine Terminal; Circle S Ranch, Inc.; Cohen & Green Salvage Co., Inc.; Colonial Materials of Fayetteville, Inc.; Croton Creek Chip Co.; DuBois Steel; FCL; Grossman Iron & Steel; Gulsport Corp.; Jordan Lumber & Supply; Locust Lumber Co.; McDonald Brothers Inc.; Mid-Atlantic Transloading; Parks Building Supply; Perdue Farms Inc.; Polybin Fibres; Raelhof Hoke Economic Development Commission; The Contractor Yard; BMW NORTH DAKOTA: CHS Milling; Colter Farmers Elevator; Cote Grain Co.; Dahlen Farmers Elevator; Dierck Grain, Inc. (Bismarck, Wymore); Paulville Cooperative Market Association; Lake Region Grain Coop; Lacsan Grain Co.; Miam Dak Farmers Cooperative; Munch Elevator Co.; Osmack Farmers Elevator, Renville Elevator Co.; Souris River Coop; Sun Prairie Grain OHIO: Antwerp Equity Exchange Co.; Candle-Lite, Inc.; Champaign Landmark; Cincinnati Bulk Terminals; D+D Ingredient Distributors; Dysart Corp.; Empire

Wholesale Lumber Co.; Meever Landmark, Inc. (Celina, Conroy); National Lime & Stone Co.; North American Paper Co.; O-N Minerals (Michigan) Co.; Ralston Foods; Rohm and Haas; Southwest Landmark, Inc. (Catawba, Lebanon, Melvin, Pleasant Plain, S. Charleson, Wilmington); Timber Tech OKLAHOMA: ADM Grain; ADM Milling; Allied Custom Gypsum (Besse, Norman); Ambar Lonestar Drilling Fluids; Atrowhead Lumber; Ash Grove Cement Headquarters; Atlas Resin Pippants L.P.; Baker Hughes Drilling Fluid; Beaver Ace Home Center and Lumber Co.; Bluebird; Brainerd Chemical; C.G. Martin Co., Inc.; Canfinal FG; Carnegie Ace Home Center and Lumber Co.; Cassidy Grain Co. (Frederick, Hollister, Mantion); Clurecentral; City of Clinton Economic Development; Clinton Ace Home Center and Lumber Co.; Custer City Farmers Coop; Correll Ace Home Center and Lumber Co.; D&M Distribution Services; Dallas-Miller Logistics; Deane Pet Care (Ada); Durant Metal Shredding LLC; Elk City Ace Home Center and Lumber Co.; ER City Economic Development Authority; Elk Supply Co. (Ace Hardware); Equity Marketing Alliance; Farmers Coop Association; Farmers Coop Elevator Association (Anadarko, Carnegie, Hobart, Mountain); Farmers Cooperative Exchange (Besse, Clinton, Cordell); Farmers Union Coop (Jim-Humphreys (Altus, Ohstee, Tipton); Fox Building Supply; Francis Drilling Co.; Garrett Trucking; Harrison Gypsum (Anadarko, Norman); Haskell Lumber Construction Co.; Hughes Lumber Company; JBS Ace Home Center; Jones Seed; Kimberly-Clark Corp.; Lawton Coop; Lewelly Ace Home Center and Lumber Co.; Livestock Nutrition Center; Mac Steel; Major County Economic Development Authority; Mangum Ace Home Center and Lumber Co.; Martin Marietta Materials; National Standard Co.; Newport Drilling Fluids LLC (Clinton, Hammon, Krebs, Oklahoma City, Woodward, Oklahoma City); Oilfield Pipe Supply; Oklahoma City Retail; Oklahoma Construction Material (Del City, Catoosa); Oneok; Platters Coop Association (Allhus, Brokenbow, Carter, Duke, Elmer, Gotcho, Hobart, Lone Wolf, Roswell); Poshover World; Rocky Farms Coop (Del City, Gotcho, Kentucky); Sayers Ace Home Center and Lumber Co.; SemStream LLP; Semmler Farmers Coop Association (Fredrick, Okla., Inc.; Silverline Plastics; Snyder Farmers Coop Association (Fredrick, Snyder); Southwestern Tire Lumber; Stillwater Milling Co.; Stockman's Milling; Thomas Ace Home Center and Lumber Co.; Thomas Economic Development Authority; Tillman Producers Coop (Davidson, Fredrick, Hollister); Thinity Chemical Intl.; Weatherford Ace Home Center and Lumber Co.; Weatherford Farmers Coop (Cora, Weatherford); Weatherford Practuring Technologies; Wheeler Brothers Grain (Alva, Canton, Cordell, Dill City, Eagle City, Enid, Fay, Greenfield, Kingfisher, Loyal, Oklawaha, Omega, Seiling, Taloga, Thomas, Watonga); Williams Midstream Energy; Woodward Ace Home Center and Lumber Co.; Zoschke Pipe & Steel OREGON: American Bide Manufacturing; Autumn Seed Inc.; Certain Seed Corp.; City of Willamina; Collins Bide Co.; Keller Lumber Co.; Knife River-Western Oregon Div.; Lafarge NA; Mason County Forest Products; McGovern Metals Co., Inc.; Pope & Talbot Inc.; Roseburg Forest Products; Sabroso Co.; Schmitzer Steel Industries, Inc.; Smith Frozen Foods; Southport Forest Products, LLC; Simson Lumber Co.; Sincera Sawmill Co.; Teerin Bros. Land & Timber LLC; Waste Management PENNSYLVANIA, CAJON BRANDS, Inc.; Claesson Steel Co.; Crown, Cook & Seal USA; Davco Products Co.; Donnar Paper Co., LLC; Energy Link, Inc.; Eas Plastics; Eas Cement Corp.; Foxamex-Corp.; Frank Calandra, Inc.; Franklin Investment Co.; Freport Terminals; Goodman Services, Inc.; Growmark FS LLC; James Austin Co.; Koppers; Loyd Corporation; M & M Lume Co. Inc.; MHP Logistical Co.; Pennsylvania Brine Treatment, Inc.; Presque Isle Trucking; Quality Warehouse, Inc.; Reed Minerals/Lersey Corporation; Reanket Oil LLC; S & B Industrial Minerals; Superior Well Services; Tule City BRS; United Refining Co.; Waropcor Coal, Inc. SOUTH CAROLINA: Ambassador Steel; CA Sauer; Chester County; Chester Development Association; Coates Inc.; Crown, Cook & Seal; Darlington Auto Auction; Diamond Hill Plywood; Donnar Paper Co., LLC; Halesward America Limited; Georgia Pacific; Ianson Agri East; Hartsville Oil Mill; Joppy Fibres; Lancaster County Economic Development; Lydia Soybeans; National Cement; NFM Plastics; Ophiant & Inc.; Porter Warner Ind. LLC; Royster Clark Smith-Gary; Sonoco Paper; South Atlantic Canoney; Southern States; Swift Glass; Teksior Apex; Wellman, Inc. SOUTH DAKOTA: AgFirst Farmers Coop; Dakota Ag Coop; Dakota Mill & Grain Inc. (Belle Fourche, Midland, Rapid City, Wally, Dakotahand Reels, LLC); Farmers Coop Elevator Co.; Farmers Union Co-operative Elevator; GCC Dakota; Hamill Grain LLC; L.G. Everist, Inc.; Lake Preston Coop; North Central Farmers Elevator; Sioux Valley Regional Railroad Authority; Sun Farmers Coop IOWA: BARNESSEE; Burkhardt Enterprises, Inc.; International Paper; Johnson City Chemical Co., Inc.; JRC Co., Inc.; Kimbels-Clark Corp.; Kosa Ag Products; Recycling Liberty; Commercial Metals Co.; ConAgra International Fertilizer; DLX-Fairway Terminals; El Dorado Chemical Co.; Encoce Wire Limited; Farmers Coop; Farmers Coop Association (Gouldell, Kirkland); Hart Worth Grain Exchange; Gantex Industries; Gore Bros. Inc.; Gorman Milling Co., Inc.; Heuson Lumber Ltd.; Huustman Coop; Kimberly-Clark Corp.; Lattimore Materials Co., Inc.; Lonestar Distributing Inc.; MT Inc.; Newport Drilling Fluids LLC; Paris Economic Development Corp.; Peavey; Poly-America; Reagent Chemical & Research, Inc.; Snydal Products, Inc.; Temple Inland Pore Products; Texana Tank Car & Mfg. Ltd.; Texas Star Wine & Dist. Inc.; Ice Pack Logistics & Harrison, Walker and Harper; Wellstream International; William George Co., Inc. UTAH: Allied Waste; ETCRA LLC; JTC; Kimberly-Clark Corp.; Nelson & Sons, Inc.; Sinclair Oil Corp.; Western Hay Co., Inc. VERMONT: Barrett Trucking Co., Inc.; Burlington Electric Dept.; Omya Inc.; RCP Transit Inc. (Island Pond); Stevens' Gas Service VIRGINIA: Alpha National Resources; Lyall Distribution Services; Me-Blending Cogeneration; Summit Stone Container; Valley Proteins, Inc.; Vulcan Materials WASHINGTON: AFB; Aluma Farmers Warehouse Co., LTD; Budy Trucking Co., Inc.; Building Warehouse; Cascade Grain Products, LLC; Central WA Grain Growers, Inc.; Columbia Cedar Inc.; Columbia Grain, Inc.; Columbia River Fisheries; Hopium Plywood Co., Inc.; Imperium Grain Harbor; Lewis County Forest Products; Mason County Forest Products; Mountain Oil, Inc.; North American Paper Co., Inc.; Northwest Grain Growers; Omya Fine Paper Co.; Pacific Fiber & Reload; Pacific Abrasives & Supply, Inc.; Pancheck International; PLS Pole Yard, Port of Grays Harbor; Port of Shelton; Port of Whatcom County; Portne, Inc.; Reload; St. John Grain Growers; Tiger West Inc.; TMI Forest Products, Tri County EDD; Vargen Brothers Lumber; Weyerhaeuser Co.; Wheat Growers of Endicott; Whitley Field LLC; Wilbur-Ellis Co.; WEST VIRGINIA: Coastal Lumber Co.; ICG, LLC; PW Eagle, Inc. WISCONSIN: Kimberly-Clark Corp.; Seneca Foods Corporation

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