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NEWSLETTER

Some Bid Results

CWR & Surfacing, Lakeville, NY

1. Delta RR Const. 1,495,500
2. Balfour Beatty Rail 1,497,400
3. GW Peoples 1,588,500

Rehab Track, Lakeville, NY

1. GW Peoples 245,400
2. Balfour Beatty Rail 274,400
3. Frank Tartaglia 289,200

Rehab, Lebanon, TN

1. Railworks 2,206,800
2. Balfour Beatty Rail 2,928,100
3. Queen City 3,298,700

Rail Spur, Terre Haute, IN

1. Amtrac of Ohio 1,872,500
2. Swanson 1,879,200
3. Armond Cassil 2,032,400



Track Guy Consultants

It is now Spring in most of the country and everyone is getting ready for another outstanding work season. Contractors are very busy with most having record backlogs. Hiring is very strong and people are needed from all levels. My 20-year old future son-in-law starts as a laborer for a Track Contractor next week. Small track contractors are popping up all over.



We are still helping in Monterrey, Mexico with an extension to the existing Metro. We have given 9 training seminars so far this year with many proposals out there. We are getting ready to produce the next 2 Safety DVD's for the NRC.



Our fall Training Tour is all set with 3 seminars in Chicago, Dallas and San Francisco. Enclosed in this mailing is a registration form for you early birds. This year we are going deep with more in depth programs. We are offering some big time

savings for early registration.

Special Note: If you are receiving this Newsletter for the first time and want to continue receiving it, please drop us a note so we can switch you to our Newsletter mailing list. If you have been receiving it that will continue. Thank You.

**This is our 12th issue of "The Track Guy Newsletter"
All 12 can be viewed and printed from our website**

Spotlight: Attempted Re-Regulation

On March 14th 351 railroaders swarmed onto Capitol Hill visiting with Congressmen and women from the House and Senate. We went with a unified message focusing on 3 very important issues that affect the entire rail system in this country. The railroads are at capacity and are working very hard to increase capacity so they can handle the demand. They are re-investing up to 20% of their profits back into the infrastructure to add and maintain capacity. They get no extra money and do their own research and development. It is the truest sense of free enterprise and the foundation of what this great country was built from.

In 1980 the Staggers Act deregulated the Railroads and they began to prosper and turn a profit as well as become much safer. As a matter of fact, Railroad accidents have decreased by 72% since 1980. Railroad fatalities have decreased by 74%. This equates to saving about 2,025 lives since Congress passed



the Staggers Act. There are some Politicians that want to re-regulate the Rail Industry and set shipping rates. Rail rates only went up 12% in 10 years, fuel is up 153%. If this were to happen then the Railroads will have no money to invest into upgrades and capacity. Hundreds of Rail Contractors and suppliers would go out of business. Fuel consumption would increase dramatically because it would force shippers to trucks. Congestion on the highways would increase, more people would be killed on the highways and the infrastructure would crumble, not to mention all those trucks destroying the ozone layer. Re-regulation would put 280 trucks per train back on the highway and increase emissions by 300%. If there was ever a bandwagon to get on, this is it. SO think about it, study it, act on it and be passionate about it. The affects are devastating to us and our families. The trickle down affect will destroy this country. \$15/hour jobs with good benefits will go away. We must keep the railroads independent, they are good businessmen and women and have helped the economy of the United States over the last 157 years, and there is no reason to go back to the dark ages. **SAY NO to Re-Reg.** Another issue before Congress is the Short Line tax credit that expires December of 2007. This must be reauthorized. Without this tax credit, some Short Lines will be unable to upgrade their tracks to accept the 286 cars. That means that the lumber may not get to your local Home Depot because the track can't handle the loads. The last issue is to pass a Bill that allows Class 1 Railroads to get a tax credit for new construction. This would give the Railroads an incentive to increase capacity and ultimately attract more customers which in turn takes more trucks off the highway and can play a very important role in reducing emissions and saving the planet.



Ask The Track Guy



This is where you, the reader get to ask questions about Railroad Track engineering, design, construction, maintenance or anything to do with Trackwork. Simply write or e-mail a question and we will answer in a timely manner. Some questions will be published here.

How's this for a Track Job?

In the Persian Gulf on the playground of the rich and famous they are building a fully automated LRT system in Dubai. There are 7,000 workers that are working 24/7's on the 47 miles of track. How would you like to Manage that workforce? They expect the system to be open in 2009 with a cost of \$4.2b USD. Each train consist will offer 1st class and business class cars as well as a dedicated car for women and children. I wonder how this would be handled in the US? Equal Rights groups would have a field day with this one.



What happened with the DM&E?

It all boiled down to payback. The FRA rejected the Railroads RIFF loan application for \$2.5b due to insufficient collateral and a viable means for paying the loan off. In the FRA letter to the DM&E it stated that all aspects of the project have merit and excellent benefits to the communities and competitive pricing of coal. Only one aspect of the loan was questioned and that was the pay back of the loan. The FRA determined the risk of non payment to be too high. Congress has now passed legislation that no loan greater than \$1b can be given without a Congressional hearing followed by vote. The DM&E must be commended for their efforts; after all they started with over 4,000 questions to the initial environmental impact study and have overcome every hurdle that was put in their path.

I always try and look at the bright side of things and there is definitely a silver lining in this bowl. If the DM&E was to spend \$6b in 3 years to build the project, it may have been devastating to other rail projects all over the Country.



Contractors would be hiring inexperienced workers by the thousands. Suppliers may have to combine forces to meet the demand. This could put all other projects on hold. After the 3-years we could have seen a big recession in the Rail Industry and people out of work due to lack of work. I feel that a more gradual increase in volume is better. This allows everyone time to give the workers some experience before they blitz a project and run the risk of injury. The DM&E did get a \$47,000,000 loan to rehabilitate part of their existing line. That ain't chump change. My hat is off to Kevin Schieffer and we wish him luck in the quest for the Powder River Basin coal. Ethanol may serve as an alternate and the DM&E is in great country for this type of fuel. Their connection to Chicago helps also.

What is a Slip Switch?

Slip switches are fun to build and are a headache to fabricators and maintenance crews. I look at them as like a double crossover folded inward. The versatility is the same as a double crossover or a universal but uses only about 25% of the real estate. There are 12 switch points, 2 frogs and 4 guard rails. The 6 pair of points are called outside end switch points, inside end switch points and movable center switch points (some may call these, movable point frogs). Each pair of switch points needs track rods and throw rods and they all need to be adjusted. The center pair of switch points need to be all connected with linkage so while one pair is open the other pair are closed. 5 switch machines are needed to control the points properly. Just imagine all those riser plates that need to have graphite. Reading a slip can be a challenge for the train crew. Can you read the one above?



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Do you know of anyone looking for work?

We get asked this question all the time. Track Contractors are desperately looking for qualified Managers, Foreman, Estimators, Superintendents and anyone with a good attitude and a willingness to work. As always, Tamper operators are in big demand. In our Summer '06 Newsletter, we wrote about "Where have they all gone?" It seems that everyone has settled in for the big push. Retention of employees is critical in this industry since you just can't call your local employment agency and get a qualified Tamper operator or Project Manager. If you want to retain people then promoting from within will send a clear message to your employees that hard work is rewarded. Sometimes it is necessary to hire from the outside but when that person is put in charge of seasoned veterans that are capable (key point) of doing that job then morale will be affected and people will stray. The way this market is today, it is a cheap investment to do very comprehensive training so you can promote from within. Training also sends a very clear message that you care. What do you think is the #1 reason people stay where they are? It is recognition, not money. If an employee is rewarded for good work, then loyalty naturally follows. The younger generations are loyal to a boss, not the company. So teach your people how to move up the food chain.

