



Railway Systems Suppliers, Inc.
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Newsletter

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Donald F. Remaley, Executive Director

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KANSAS CITY 2001 - An Overwhelming Success!

The days were long - some thought very long; but, the results were rewarding --many felt very rewarding. That pretty well sums up the overall feeling of those who attended the Western C&S Exhibition in Kansas City May 16th and 17th. The overall turnout far exceeded even the most optimistic projections. The new format produced over 1330 attendees - including more than 550 railroad/transit communication and/or signal people from managers to maintainers. The supplier to customer ratio of less than 1.4 to 1 was the best ratio in over twenty years.

From the comments received via the exhibition evaluation forms the overwhelming majority of attendees were extremely pleased with the new exhibition format. The new format was actually quite simple, don't charge the customer (railroads/transit attendees) to come to the exhibition, provide various complimentary refreshments during the entire show, feed the attendees well (and often), serve the food on the exhibit floor with plenty of tables to accommodate the hungry, and prohibit all private hospitality functions. This format resulted in all of the exhibitors having equal access to all of the guests 100% of the time and all levels of personnel from the railroads and transit industry having the opportunity to talk to the suppliers (and in some cases find out that more than one company produced that "very special" item).

The comments from the railroad/transit attendees were especially complimentary such as; Great show - great new concept; and fully support the revised format. Not to mention the railroad that said "next year we are bringing all of our C&S supervisors."

From the supplier standpoint the comments were just as complimentary with comments such as - best show in years; and great new format. But perhaps the best comment we heard was "My next problem is - how do I follow-up on all the leads I received?" That about says it all.

With regard to the new exhibition format we should give credit where credit is due. The new concept was the brainchild of four people -- Phil Abaray (UPRR), Denny Boll (BNSF) and RSSI Board members Dave Fox (Railway Equipment Company) and Jim Huntley (Erico). Their efforts on behalf of the C&S community are deeply appreciated.

Comments From RSSI President George Rudge



The past year has been filled with excitement as RSSI has embarked on a new exhibition format. In 2001 RSSI Director's Fox and Huntley presented a new direction for the RSSI exhibition and were fundamental in the idea being brought to fruition. Also, I can't say "thank you" enough to the RSSI staff for their work in organizing and making arrangements with the hotel and convention center.

As we move into the future we should be mindful of the needs of our customers. We as suppliers must strive for new and innovative ideas to keep the industry advancing. RSSI provides the showcase for the members to promote those ideas directly to the customer.

The 2002 Exhibition in Louisville promises to be as successful with more exhibit space and the Kansas City experience as our guide. The eastern railroads are planning meetings concurrent with our exhibit. This translates to the rail and rail transit customers being at the exhibit in large numbers -- so make your arrangements early. Where else can you interact with so many customers in such a short period of time?

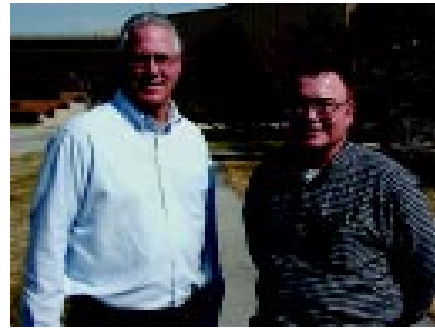
Finally, it was a privilege serving as the RSSI President and Chairman of the Board this last year. I look forward to a bright future for our organization. See you in Louisville!



New RSSI Members

We would like to extend a welcome to the twelve new members who have joined RSSI since December, 2000. Most of the new members exhibited in the 2001 RSSI Western C&S Exhibition held in Kansas City (shown in italics).

Talley Communications Corp.
PATCO Industries, Inc.
Adaptive Micro Systems Inc.
Commercial Electronics Corp.
LEM U.S.A., Inc.
Niemeyer & Associates, P.C.
Railroad Salvage & Restoration, Inc.
Aircraft & Commercial Enterprises, Inc.
Molded Fiber Glass Companies
Carmanah Technologies Inc.
JPS Communications Inc.
Reliable High Performance Products Inc.
Earthtech, Inc.



Comments from the Co-Hosts

Railway Systems Suppliers, Inc. would like to thank our co-hosts Denny Boll/Burlington Northern Santa Fe Railroad and Phil Abaray/Union Pacific Railroad for their cooperation in helping us define the new parameters for the 2001 Western C&S Exhibition which was held in Kansas City. The overwhelming support offered by both the BNSF and UP helped to make this year's show the success it was.

When asked for their final comments on the show our co-hosts responded with the following:

🚂 The format of no registration fee and longer show hours allows railroads to send more people, one group on one day and another group the next so we keep the railroad protected.

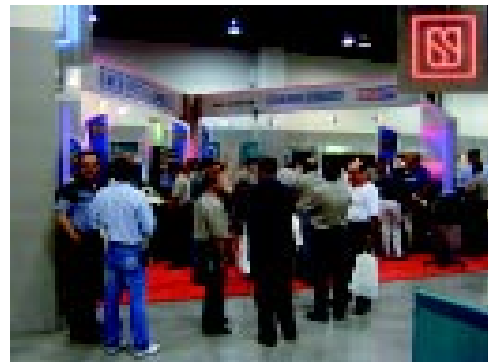
🚂 Morale booster! Several supervisors and managers appreciated the opportunity to attend; they all learned a lot and had a chance to meet several of their peers from within our railroad and other railroads.

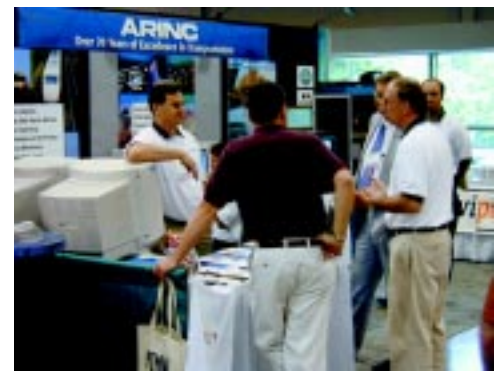
🚂 Most impressive was the interaction at meal times. I noticed a mixed group of suppliers, railroaders and FRA personnel at each table. Furthermore, people stuck around since there were no dinners or hospitality suites to go to.

🚂 In my follow-up conference call with all the people that attended from our railroad, we came up with several plans on ideas we saw or heard at the show. Ideas that will improve both the safety and productivity of our people.

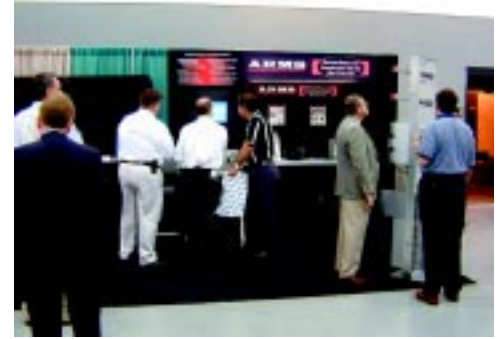
🚂 I thought it was great. The feedback from both suppliers and railroad personnel was very positive. The suppliers were appreciative of the fact that there were people that had hands-on experience viewing the equipment at their booth.

🚂 Having the meals and refreshments after five at the exhibit hall kept everyone at the exhibit. I was there until nine o'clock and I know that people needed to be told to leave.





Pictures from the Western C&S Exhibition





RPI President Matthews Highlights Annual Membership Meeting

RPI President Bob Matthews was the guest speaker at the Annual Membership Meeting held on May 17th. Bob emphasized the important role the railway supplier plays in the legislative arena equating the fact that the Defence industry has been living off of Washington for decades.

Mr. Matthews reviewed several current legislative issues that either directly or indirectly impact the railway supply industry. Some of these are:

- S.250 - The High Speed Rail Investment Act of 2001
This bill authorizes Amtrak to issue \$12 billion in bonds over ten years to help finance equipment purchases and upgrade rights of way and signaling for DOT designated high speed rail corridors.
- H.R. 1020 - The Railroad Track Modernization Act of 2001
This bill would authorize \$350 million per year for three years for capital grants to improve infrastructure of Class I and Class II railroads.
- FY2002 DOT Appropriations
This annual DOT funding bill will contain \$521 million for Amtrak; funding for the PTS/PTC efforts in Illinois and elsewhere as well as transit spending levels of about \$6 billion as determined by TEA21.

Mr. Matthews pointed out that these bills will make available over \$19 billion in federal money that would be spent with the railway supply industry. In addition there is other pending legislation that would save money for railroads which the supply industry could reasonably expect to share in.

- H.R. 1140 & S.697
This legislation implements a labor/management agreement modernizing the railroad retirement system resulting in a savings to the railroads of approximately \$450 million a year in payments.
- H.R.1024 & S.661
This legislation would repeal the 4.3 cents deficit reduction tax the railroads pay for each gallon of diesel fuel they purchase. Direct savings for the railroads would be \$170 million per year.

These two add up to an additional \$610 million per year.

Looking ahead to 2002 and 2003, RPI President Matthews pointed out that Congress will consider other legislation of direct benefit to the railway supply industry. Such as:

- Amtrak Reauthorization
Due to be considered in 2002, it will determine the future structure of Amtrak and set spending levels through 2007. Amtrak projects a need of \$1.5 billion per year to fund capital projects. Potential benefit to our industry - \$7.5 billion over five years.
- TEA21 Reauthorization
TEA21 expires in 2003. This legislation sets spending for transit and the Section 130 rail/highway grade crossing program. Potential impact on the supply industry - \$6 billion per year, anticipated over a period of five years period for a total of some \$30 billion.

Mr. Matthews also touched on possible legislation that would have an enormous negative impact on railroad revenues and thus their capital investment plans and even their routine maintenance needs. These include any successful effort to re-regulate railroads and any successful effort by the trucking industry to liberalize truck sizes and weights.

He summed up his remarks by saying that with an evenly split Senate and very slim Republican majority in the House, only noncontroversial legislation is likely to pass. Mr. Matthews also pointed out that the supply industry can make a difference and urged RSSI members to stay in touch with their members of Congress.

2001 RSSI Scholarship Program

The Eleventh Annual RSSI Scholarship Contest set a new record for applications received again this year. A total of 58 applications were received prior to the May 1st deadline surpassing the 51 applicants last year. The very difficult task of judging the applications is in process with completion anticipated by late July. At that time the two winners will be announced and all applicants will receive notification. The scholarship recipients will be featured on the RSSI website (www.rssi.org) and in the next RSSI Newsletter.



Some RSSI Members Missing the Boat

Amazingly, only slightly more than half of the RSSI member companies are taking advantage of this free member service. The C&S Buyers Guide established on the RSSI website in August, 1999 contains nearly 500 products and services provided and/or supported by RSSI member companies (additional products can be added) with hot-link capability to the member company's website. How many times are you offered a free marketing tool?

The site receives several thousand "hits" each month. If you would like more information pertaining to the C&S Buyers Guide, please contact the RSSI office at 502/327-7774.

RSSI Board Election

The Railway Systems Suppliers, Inc. Annual Membership Meeting was held May 17, 2001 in Kansas City, Missouri during the 2001 Western C&S Exhibition. Three Directors whose terms were expiring, as well as two new Board members who were filling vacancies caused by retirement or employment changes, were elected to the RSSI Board of Directors.

Ron McDaniel (Western-Cullen-Hayes), Patti-jon Christensen (PTMW Inc.) and Jim Huntley (Erico Inc.) were reelected for three-year terms. Robert L. Schwartz (Alstom) was elected to a three-year term to replace Glen Wilson (Alstom) who retired. Lloyd T. Kaiser (GE Harris Harmon Railway Technology LLC) was also elected to a three-year term replacing John W. Johnson (GE Harris Harmon Railway Technology).

Other members of the RSSI Board of Directors include:

- George W. Rudge, Union Switch & Signal, Inc.
- Robert P. DeMarco, Railway Age
- Franklin Brown, Dixie PreCast, Inc.
- David K. Fox, Railway Equipment Co.
- Phil Hess, Rails Company
- James R. Higginbottom, The Okonite Company
- George L. Kline, Safetran Systems Corporation
- Michael P. Pracht, Siemens Transportation Systems, Inc.
- Richard J. Zemencik, Progressive Railroading



Lloyd T. Kaiser



Robert L. Schwartz

Newest Board Members

We would like to take this opportunity to welcome the two new members of the RSSI Board of Directors.

Robert L. Schwartz:

After graduating from high school in 1958 Bob served four years in the United States Marine Corp. He started his professional career with General Railway Signal (now Alstom) in November 1963 as an Assistant Field Coordinator. Bob has held various sales positions with GRS and presently is the District Sales Manager - Rochester Office for Alstom Signaling Inc.

Lloyd T. Kaiser:

Lloyd graduated from Central Missouri State University in 1973 with a BS degree in Business Administration, Marketing Major and received his Masters Degree in Business Administration, Accounting and Finance Specialization from the University of Missouri - Kansas City in 1978. He joined Harmon Electronics in 1986 as General Manager of the Warrendale, Missouri plant. Since that time Lloyd has held several positions increasing responsibility within the Harmon organization. He assumed his present position of Leader Sales & Marketing for GE Transportation Systems Global Signaling (Formerly Harmon Industries, Inc) in 2000.

Louisville
Lou-a-vul
Loeey-ville

No Matter How You Pronounce It
The RSSI Exhibition in 2002
Promises to be
Bigger & Better

Contracts have been finalized and details are being worked out for the 2002 C&S Exhibition. Mark your calendars now:

May 20th through 24th
Louisville, Kentucky

If you thought Kansas City was great; wait until you see what happens in Louisville. We are reviewing the Exhibition Evaluation Forms from the Kansas City show and will try to accommodate as many of the suggestions as we can. We will also be meeting with our co-hosts (CSX and Norfolk Southern) to develop a program and schedule that best suits their needs.

The facilities at the convention center in Louisville will permit considerable ability for improvement. The 146,000 square feet of space (Kansas City was 52,000) not only will eliminate the need to limit individual exhibitor space, but also permits crate storage on-site, expanded food areas, and other improvements. Our goal is to use the Kansas City format as a baseline and improve on it.

Look for details in the next Newsletter. Exhibitor information will be distributed in early January 2002.

