

NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES JANUARY 19, 2011



THE NEW JERSEY SHORT LINE RAILROAD ASSOCIATION IS AN ORGANIZATION MADE UP OF RAILROADS SERVING THE GREAT STATE OF NEW JERSEY. THE PURPOSE OF THE ASSOCIATION IS TO ADDRESS CONCERNS AND PROBLEMS WHICH FACE SHORT LINE RAILROADS AND TO FIND MEANS OF MITIGATING PROBLEMS AND FINDING SOLUTIONS THROUGH COLLECTIVE EFFORT AND COOPERATION.

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The first New Jersey Short Line Railroad Association meeting of 2011 was held at the Conrail offices at 1000 Howard Blvd. in Mount Laurel, NJ. As is customary, we thank Karen Rosella and Ron Batory of Conrail for hosting the meeting and providing lunch.

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Next Meeting: Thursday, March 3, 2011
Location: Conrail offices, 1000 Howard Blvd., Mount Laurel, NJ

UPCOMING EVENTS

March 6-8, 2011	Annual CSX Short Line Workshop, St. Augustine, FL
April 6-8, 2011	TransAction 2011, Tropicana Hotel, Casino, and Conference Center, Atlantic City, NJ
April 30-May 3, 2011	ASLRRA Annual Convention, San Antonio, TX
July 14, 2011	Railroad Day on Capitol Hill, Washington, DC

MEETING ATTENDEES

<u>NAME</u>	<u>COMPANY/ORGANIZATION</u>	<u>TELEPHONE NUMBER</u>
Kel MacKavanagh	MacKavanagh RR Consulting	609-704-1270
Steven Friedland	Morristown & Erie Ry.	973-267-4300
Chris Mazzei	Morristown & Erie Ry.	973-267-4300
Dale Lessne	NJ AG's Office	609-292-5958
Erik DeLine	Morris County DOT	973-829-8125
Ron Moore	Pennoni Assoc.	856-692-5081
Art Ivins, Jr.	American Railcar	215-968-1974
Jeff Sutch	SMS Rail Lines	856-467-4800
John K. Fiorilla	Capehart & Scatchard	856-914-2054
John Fenton	NYS&W	607-592-2816
Denise Bailey	Norfolk Southern	215-756-1497
Bob Bailey	NYNJR	201-434-8373
Tony Macrie	Seashore Lines	609-602-1264
Bob Dedow	FRA	732-422-4876
Thomas Noon	FRA	732-438-6843
Pat McWilliams	River LINE/ Bombardier	856-580-5637
Bill Sheffield	River LINE	609-352-5908
W.G.M. Goetz	CSX	215-209-1350
Gary Brennfleck	NJDOT/G&P	609-530-2912
Paul Mulligan	Seashore Lines	609-577-3813
William Sheppard	Atlantic Rail Services	856-983-9226
Ron Weening	ASW Inc..	908-686-8491
Walter Hughes	Railroad Construction Co.- Paterson	973-413-1796
Fred Winkler	Winchester & Western	856-451-6400
Bob Goslin	STV Inc.	609-530-9607
Laura Eytan		609-577-1813
Jim Savage	John Heffner LLC	202-296-3335
Miki Krakauer	NJDOT	609-530-4574
Jim Purcell	"Free Agent"	609-498-5753
Charles Barker	Norfolk Southern	610-832-1946
Thomas Washbon	Norfolk Southern	215-448-4216
Paul Gessner	GTC LLC	908-591-4418
Neil Ferrone	Conrail	856-231-2007
Tony Giobbie	CSX	856-778-5119
Philip Bell	Go21	201-602-4934
Harold Neil	HDS	609-638-3731
Dominick Critelli	NJDOT	609-530-2847

MEETING MINUTES

NJSLRRA President Bob Bailey began the meeting at 10:32 a.m. by wishing everyone a Happy New Year and conducting a safety briefing. A round of introductions followed.

NJDOT Commissioner James Simpson had been scheduled to attend this meeting. However, on January 14, Governor Christie scheduled a meeting for January 19 which Commissioner Simpson had to attend. Commissioner Simpson is now scheduled to attend the next NJSLRRA meeting on March 3, 2011.

1. Status of NJDOT Rail Program grants.

Dom Critelli said that he expects to have a program for next year. Although funding is in a state of flux everywhere, he is proceeding as if there will be a complete program; he hopes to get close to a full program.

Due to an ongoing investigation of prior work by an NJDOT employee, his group is redoing work on the FY10 awards; this should be completed within the next few days.

All grants will now be advanced through the SAGE (System for Administering Grans Electronically); this system will be on board during the first quarter of 2011. Applications will be submitted through SAGE; agreements will also be executed and administered through SAGE.

Although there will be some growing pains, Dom Critelli anticipates a number of efficiencies through SAGE. There will be a training seminar at NJDOT headquarters on its use. SAGE is now in use in NJ counties and municipalities receiving local aid grants.

NJDOT will fund grants for construction only; these may not be in sync with the construction seasons.

NJDOT will be looking for contract documents signed by a licensed professional engineer (P.E).

Invoices submitted for payment should have clear and concise backup information to help speed up the payment process; turnaround time in the rail group is usually five days. The invoices then go to NJDOT's accounting group; it may take accounting 90 days to pay the invoice because of staff reductions.

2. Update on federal legislation related to railroads.

Only two railroad-related bills and resolutions have been introduced thus far in the new Congress. H.R. 30 the 'Taking Responsible for Community Safety Act', would require the Surface Transportation Board consideration of the impact of certain railroad transactions on local communities and for other purposes.

House Resolution 28 would express the sense of the House of Representatives that the Transportation Security Administration should, in accordance with existing law, enhance security against terrorist attack and other security threats to our Nation's rail and mass transit systems and other modes of surface transportation, and for other purposes. Except for the passage of the 45G tax credit extension for two years in the final days of the lame duck session of the 111th Congress, none of the mode-related bills introduced in that Congress became law.

Attention on railroad issues is now shifting to the Surface Transportation Board (STB). It will hold a hearing in Washington, DC on May 3, 2011 to explore the current state of competition in the railroad industry and possible policy initiatives to promote more rail to rail competition.

Due to a change in dates on which Congress will be in session, Railroad Day on Capitol Hill has been rescheduled for July 14, 2011; it was supposed to be on March 24, 2011. The new date is expected to boost attendance for the annual event.

Phil Bell of Go21 said that the hot issues, namely Positive Train Control (PTC) and High Speed Rail, are in the Obama administration; they are being managed by the Federal Railroad Administration.

High Speed Rail is becoming a partisan issue because of its cost.

The railroads would like to see PTC repealed, or at least delayed. Steve Friedland of the ME said that there is no production hardware for PTC; Metro-North needs more channel space than is available. Steve also stated that the Alaska Railroad has been testing PTC for several years.

Jeff Sutch of SMS suggested that there be a pilot program; he also observed that the customers will ultimately have to pay for PTC in their freight charges.

3. Proposed increases in truck sizes and weights.

Phil Bell stated that Go21 and The Coalition Against Bigger Trucks are focusing on this issue. For example, the Massachusetts Turnpike now permits a tractor to haul two 53-ft. trailers in tandem. Larger truck sizes and weights could take away 71 percent of merchandise traffic from the Class I railroads.

Phil passed around a sign-up sheet for members to send letters to our NJ congressional representatives and to participate in district meetings with them.

Fred Winkler of the Winchester & Western asked where the insurance companies stand on this issue; Phil said that he would check on this.

4. Status of railroad bills in the NJ Legislature.

There continues to be no action on the two railroad bills; these are S.860, a bill which would increase railroad franchise and property taxes to support improvements to railroad capital facilities, and A.1584 , a bill which would criminalize certain actions in or on railroad property.

5. Discussion of the latest FRA Switching Operations Fatality Analysis (SOFA) Report.

The 4th Quarter 2010 SOFA Report was discussed. Two of the eight switching fatalities in 2010 have been in New Jersey. Two of the eight fatalities nationwide have also occurred on short lines. December and January are historically very bad months.

Most fatalities and severe injuries happen to employees who are riding in the open on moving equipment.

Neil Ferrone of Conrail said that younger employees would rather ride than walk on a short shove movement. Conrail is teaching them not to do this. Conrail used to stress **how** to ride equipment; it now stresses **when** to ride equipment.

The Conrail employee who was killed in September chose to ride equipment on a short shove move rather than walk 200 feet. He was killed on a close clearance with another car he had placed the evening before and which had not moved.

Equipment should not be left out where it would foul another movement or train.

Bob Bailey said that employees should make sure that equipment is stopped when mounting or dismounting.

6. Review of Conrail monthly safety meetings.

Kel MacKavanagh said that he is impressed with the Conrail safety meetings and urged our short line members to attend these. Conrail is placing great importance on improving walking conditions and eliminating tripping hazards and close clearances. SOFA accident reports are also posted on bulletin boards.

7. Update on the 2011 TransAction Conference topics. TransAction will be on April 6-8 in Atlantic City.

Kel MacKavanagh briefed the meeting on the sessions he is coordinating at TransAction:

- Truck Sizes and Weights: Should They Be Increased?
- Operation Lifesaver: What You Learn Here Could Save a Life.
- Security Preparedness for Goods Movement.
- Impact of Positive Train Control on Industrial Development and Transloading.

- CSX and Norfolk Southern Intermodal: Ambitious Plans are Now a Reality.
- The Delaware River Port Authority: Moving People.
- The NJ Transportation Transition Team: Why the Governor and the Legislature Should Be Listening.
- New Jersey Strategic Freight Rail Plan.
- NJ Transportation: What Our Warfighters Need.

Information about session schedules, registration, etc. is now available on the TransAction website, www.njtransactionconf.com.

8. Friedland Award nominations.

Since no other nominations had been received, the members voted to have the nominations closed. The members then voted to present the 2011 Benjamin J. Friedland Award for meritorious service to the short line railroad industry to former NJDOT Commissioner Jack Lettiere.

9. Report on the 2011 ASLRRA Annual Convention in San Antonio, TX (April 30-May 3).

Steve Friedland, who is a member of the convention planning committee, said that the mailer with the convention information will be sent out shortly. Two hotels will be used for the convention this year. Although there will be more exhibit space this year, exhibitor booths are nearly sold out. He urged people planning to attend the convention to make their hotel reservations as soon as they receive the convention information.

John Fiorilla reported that he and Nathan Fenno of the NYSW are going to do a session on cooperation between in house and local counsels.

10. 2011 NJSLRRA dues.

Kel MacKavanagh stated that he had sent out invoices on December 23. NJSLRRA Treasurer Steve Friedland said that five members have paid their 2011 dues thus far. The NJSLRRA treasury balance is about \$14,700.

11. Jeff Sutch being honored as the Traffic Club of Philadelphia's Transportation Person of the Year.

SMS Rail Lines President Jeff Sutch is being honored by the Traffic Club of Philadelphia as its Transportation Person of the Year at its annual dinner on January 25. Members applauded the announcement.

Bob Bailey congratulated Jeff, saying that Jeff has worked hard for his company and also worked hard to make the railroad industry better.

12. Member reports.

a. CSX.

Tony Giobbie again advised the short lines that the annual CSX Short Line Workshop will be held in St. Augustine, FL at the World Golf Village on March 6-8, 2011. There will be electronic registration.

2010 was a good year for the railroad. There was a 10 percent growth in volume at the end of the year, led by metals and chemicals. Northeast short lines were higher than any other region, registering growth of almost 8 percent.

b. Norfolk Southern.

Charlie Barker stated that NS experienced growth of over 10 percent in 2010. Short line growth systemwide was over 12 percent. The Heartland Corridor project is complete; work on other corridors is continuing. NS has also purchased nearly 100 new locomotives.

Norfolk Southern is hiring 1600 new engineers and conductors; employees previously furloughed had all been called back to work by mid-summer. NS is running double shifts for training.

The NS Short Line Focus Group will meet in February. The movement of locomotives between short lines will be one of the topics on the agenda. Jeff Sutch requested that the NS restriction on the movement of locomotives to only those with self-aligning couplers be addressed. Jeff said that it costs almost \$56,000 to put in self-aligning couplers.

c. NJDOT.

Miki Krakauer said that the 286K Task Force will meet on February 16 at NJDOT headquarters in Trenton.

She also thanked those members who submitted their responses to Matrix 4 on the proposed Freight Rail Plan.

13. New business.

New business was covered under previous items.

Next meeting:

The next meeting will be on **Thursday, March 3, 2011** at the Conrail offices at 1000 Howard Blvd. in Mount Laurel, NJ.

The meeting was adjourned at 12:04 p.m.

Kel MacKavanagh
Secretary, NJSLRRA
609-704-1270

