

NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES MARCH 3, 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 second New Jersey Short Line Railroad Association meeting during 2011 had a record breaking attendance; it was held at the Conrail offices at 1000 Howard Blvd. in Mount Laurel, NJ. We want to thank **Karen Rosella** and **Ron Batory** of Conrail for hosting the meeting and furnishing lunch for everyone. Thanks, too, to Conrail's **Ray Stahl** for handling the audiovisual setup.

I also want to thank **Don Hutton** of NYNJ Rail for taking care of the minutes while I was temporarily out of the room.

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Next Meeting: **Wednesday, July 6, 2011**
Location: **Conrail offices, 1000 Howard Blvd, Mount Laurel, NJ**

UPCOMING EVENTS

April 30-May 3, 2011	ASLRRA Annual Convention, San Antonio, TX
July 10-12, 2011	NS Short Line Workshop, Roanoke, VA
July 14, 2011	Railroad Day on Capitol Hill, Washington, DC
October 1-4, 2011	ASLRRA Eastern Region Meeting, Cleveland, OH

MEETING ATTENDEES

NAME	COMPANY/ORGANIZATION	TELEPHONE NUMBER
Kel MacKavanagh	MacKavanagh RR Consulting	609-704-1270
Matt Klemchalk	Railroad Construction Co.	973-684-0362
Wes Weis	Morristown & Erie Ry.	973-267-4300
Gary T. White	FRA	732-570-5352
Steven Friedland	Morristown & Erie Ry.eie Encore Rail	973-267-4300
Larry DeYoung	L.A. DeYoung, Inc.	610-293-9098
Paul Mulligan	Seashore Lines	732-770-7186
Tony Macrie	Seashore Lines	609-602-1264
John Ledden	Seashore Lines	609-970-8520
Tony Giobbie	CSX Transportation	856-778-5119
Jim Howarth	NYS&W	607-547-2555
Bob Bailey	Port Jersey Railroad/NYNJR	201-232-0389
John McLaughlin	R.L. Banks & Associates, Inc.	856-938-4246
Rich Green	FRA	973-209-4316
	FRA	732-438-6843
	River LINE	856-580-5637
	Phila. Belt Line Railroad	215-592-7775
	NJDOT	609-530-2847
Gary Brennfleck	NJDOT/Grants & Programs	609-530-2912
Ron Moore	Pennoni Assoc.	856-656-2851
William Sheppard	Atlantic Rail Services	856-983-9226
Charles Wendel	DHS/TSA	347-263-4784
Walter Hughes	Railroad Construction Co.- Paterson	973-413-1796
Fred Winkler	Winchester & Western	856-451-6400
Elizabeth Sheridan	DHS/TSA	908-787-0642
Laura Eytan		609-577-1813
James L. Badgley	Eastman-Linnett	609-314-4678
Miki Krakauer	NJDOT	609-530-4574
David Ziccardi	Conrail	215-209-5028
Charles Barker	Norfolk Southern	610-832-1946
Thomas Washbon	Norfolk Southern	215-448-4216
James Simpson	NJDOT	609-530-3536
Chris Spiceland	Norfolk Southern	540-985-6775
Tony Giobbie	CSX	856-778-5119
Tony Macrie	Seashore Lines	609-602-1264
Dave Luvara	RCC of SJ	856-423-2220
Michael Kraft	Conrail	215-817-4152
Donald Lotz	Consultant	215-736-0173
Joe Bowen	NJDOT	609-530-3103
Bob Dedow	US DOT/FRA	732-422-4876
Shawn Gannon	East Jersey Railroad	201-823-5352
Bill Sheffield	River LINE	856-580-5637
Peter Palmer	NJTPA Freight Committee/Somerset Co.	908-231-7030
John McLaughlin	R.L. Banks & Associates	856-938-4246
Jim Savage	John D. Heffner, PLLC	202-296-3335
W.G.M. Goetz	CSX	215-209-1350
John Dourgarian	NJDOT	609-530-2124
Rich Green	FRA	973-209-4316
David Dieck	NJ TRANSIT	973-491-7920
James Daloisio	Railroad Construction Co. of SJ	856-423-2220
John Scullin	Conrail	856-231-2010

MEETING MINUTES

NJSLRRA President Bob Bailey called the meeting to order at 10:32 a.m. A safety briefing and a round of introductions followed.

1. Remarks by NJDOT Commissioner James Simpson.

Commissioner Simpson began his remarks by offering a little background about himself. He was the former Federal Transit Administrator when Amtrak president Joe Boardman was the Federal Railroad Administrator.

Although his family has been in the trucking business for decades and he began driving trucks when he was a teenager, his grandparents lived in Altoona, PA; his grandfather worked for the Pennsylvania Railroad. The commissioner said that he loves trains and has had a big O gauge model railroad which was featured in the January 2003 issue of *Classic Toy Trains*.

Commissioner Simpson said that railroads are very vital to the state and to the country; rising fuel prices are a boon to the railroads.

Regarding the 286K gross weight on rail issue, Commissioner Simpson said that he had written to Joe Boardman at Amtrak. Amtrak has identified 31 bridges on the Northeast Corridor; 14 of these need some level of work to handle 286K equipment; the others are OK.

NJDOT is funding a Rutgers University bridge project; this project is using strain gages to measure the bridge capacities. He hopes to whittle the number of bridges which need work to 6-7 bridges. He is trying to figure out how much the upgrades will cost; Commissioner Simpson wants to get to closure in two months.

The commissioner said that New Jersey doesn't have a real statewide rail plan; there are varied stakeholder groups. He will take a hard look at grant procedures; changes have been implemented in aviation by NJDOT. The door is always open at NJDOT.

Commissioner Simpson stated that the Transportation Trust Fund has been redone without raising taxes. However, to get businesses to locate in New Jersey we must get the costs of government services and taxes down. There should not be "For Sale" signs on buildings along the New Jersey Turnpike near Exit 8A.

Regarding the NJDOT programs, the priorities are:

- Safety first.
- Repair bridges.
- Expansion through technology.

There is \$1.8 billion for four projects; \$75 million in costs at the New Jersey Turnpike have been cut.

In response to a question about increasing truck sizes and weights, Commissioner Simpson said that he has driven trucks all his life; he doesn't think they should be any bigger; many drivers today are not as experienced as they used to be. Bigger trucks would also damage the roads.

Regarding NJDOT's policy that communities must sign off on a project before grants can be awarded; the commissioner said that reversal of this policy would take a decision by the governor.

2. Status of NJDOT Rail Program Grants.

Dom Critelli said the SAGE(System for Administering Grants Electronically) program should be implemented by mid-April; it is a rolling target. The grants are fully funded at \$10M for FY11. Training for SAGE will be available. There will also be a SAGE presentation at TransAction.

Regarding the administration and management of grants, the railroad must designate a railroad person as its manager; it cannot be a consultant.

A signed resolution from the community governing body is still needed before the grant can be awarded.

Gary Brennfleck of NJDOT distributed copies of the State of New Jersey Payment Voucher Form PV/C Form to the NJ short lines. This form has also been referred to as a 'progress report'. The Vendor ID Number is most critical when submitting the form for payment. The Payee Signature must also be original.

3. Report on 286K gross weight on rail task force meeting at NJDOT headquarters on February 16, 2011.

Miki Krakauer displayed a map showing where the weight restrictions exist on New Jersey rail lines.

The Hackensack Bridge handles 7,000 cars annually.

There was a discussion about clearances for 286K on NJ TRANSIT's Atlantic City Line; freight service on this line is provided by the Southern Railroad of New Jersey.

Miki advised the group that the strategic rail freight plan for New Jersey should be completed this spring.

Miki's detailed notes from the February 16th meeting are attached to these minutes.

4. Presentation by Tony Chambers of Encore Rail Systems.

Tony Chambers of Encore Rail Systems made PowerPoint presentations on his company's wood tie and concrete tie repair systems. Encore specializes in developing

new wood and concrete tie repair application equipment for rail, curve rail, tie and maintenance gangs.

Since its entrance into the market, the average wood tie plugging material costs have been reduced from \$34.40 \$24.00 per gallon.

Encore has developed a 1:1 ratio expanding polyurethane tie plugging material for use on wood ties. Independent testing by a Class I railroad in its lab has shown that Encore's tie plugging compounds have exceptional lateral resistance and push/pull strengths.

Regarding concrete ties, Encore has developed new equipment and epoxies to repair rail seat abrasion. These helped speed up the rail relay and tie repair process to be as fast as on wood.

Among Encore's current customers are Amtrak, CN, CPRS, FerroMex, KCS, Montana Rail Link, and numerous short lines, transit companies, and railroad contractors.

Anyone desiring more information on these products may reach Tony Chambers at 773-230-8454. His email address is tc@encorers.com.

Contact me at kelmack@verizon.net if you would like to have copies of the PowerPoint presentations.

5. Update on federal legislation affecting railroads.

Kel MacKavanagh reported that the introduction of rail-related legislation has picked up in the new Congress. There are two bills to extend the 45G tax railroad track maintenance credit (S.100 and H. R. 721). Senator Kohl of WI has reintroduced his Railroad Antitrust Enforcement Act of 2011 (S. 49); Senator Rockefeller (WV) has reintroduced the Surface Transportation Board Reauthorization Act of 2011 (S. 158).

Similar bills were introduced in the 111th Congress. However, with the exception of the 45G tax credit which was extended in the lame duck session at the end of 2010, none passed.

6. Discussion of the truck sizes and weights issue.

Two bills, the Safe and Efficient Transportation Act of 2011 (H.R. 763), and the Truck Weight Uniformity Act of 2011 (H.R. 801) have been introduced in Congress; both would increase truck sizes and weights. A bill to maintain the current standards has not yet been introduced.

Since groups in favor of increasing truck sizes and weights were going to visit Capitol Hill in early March, Bob Bailey and Kel MacKavanagh sent letters on NJSLRRA letterhead to the New Jersey congressional delegation; these letters oppose the increases.

Bill Goetz of CSX, Anthony Livingston of the Coalition Against Bigger Trucks, Fred Winkler of the WW, Kel MacKavanagh of the NJSLRRA, and Earl Gage, Clerk for the Salem County Freeholders, met with Rep. Frank LoBiondo in his district office in Mays Landing, NJ on January 31, 2011 to discuss the truck sizes and weights issue. Although Congressman LoBiondo's family has been in the trucking industry for many years, he said that he would not co-sponsor legislation which would either increase truck sizes and weights or keep them at the current sizes and weights.

7. Status of bills in the NJ Legislature.

There has been no action on S. 860, a bill which would increase railroad franchise and property taxes, nor on A. 1584, a bill which would criminalize certain actions in or on railroad property.

8. Update on TransAction 2011 sessions.

Kel MacKavanagh reviewed the railroad-related sessions at TransAction 2011. Bob Bailey will moderate the session on Positive Train control and its Impact on Industrial Development and Transloading. Jim Howarth of the NYSW and John McCreavy of SMS will be the panelists.

Don Lotz will moderate an intermodal panel with Jeff Heller of NS and Ryan Houfeck of CSX. There will also be an Operation Lifesaver panel and one on truck sizes and weights.

Full information about TransAction 2011 is available on the website, www.njtransactionconf.com.

9. Report on the ASLRRRA Annual Convention in San Antonio, TX on April 30 – May 3, 2011.

Bob Bailey said that plans for this are going very well. The hotels are nearly sold out. Details are on the ASLRRRA website, www.aslrra.org.

10. Conrail monthly safety meetings.

Bob Bailey and Kel MacKavanagh again stressed how worthwhile these meetings are. Mike Kraft of Conrail said that Conrail is getting switch badges from CSX.

11. NJSLRRA 2011 dues.

Kel MacKavanagh said that he had sent out 26 invoices for 2011 dues in December 2010; about half have been paid.

12. Member reports.

a. CSX.

Tony Giobbie said that two-thirds of its short lines are experiencing growth.

The CSX Short Line Workshop will be held on March 6-8 at the World Golf Village in St. Augustine, FL. Over 200 people have signed up, including five of the twelve NJ short lines.

b. Norfolk Southern.

Charlie Barker stated that its short line connections are also ahead of NS itself in traffic growth. The NS Short Line Caucus met two weeks ago. One outcome of the meeting is that alignment blocks are now acceptable for use in the movement of locomotives in NS trains.

c. FRA.

Rich Green informed the group that the emergency order regarding cell phones becomes a regulation at the end of March. Also, the Section 218 regulation on hand-operated switches applies to both main and yard tracks.

13. New business.

Rich Green said that the FRA wants to do a short line seminar in South Jersey in May; he is working with Jeff Sutch on dates. Jeff has volunteered to host the meeting. Rich would like feedback on what the NJSLRRA members would like to hear about and what training they would like. The two-day seminar would also cover regulations which are in force and which will be coming up.

Note: Since the meeting, we have tentatively scheduled the seminar for May 25-26 in Bridgeport, NJ. Besides NJ short lines, we expect to invite short lines from Delaware, Maryland, and eastern Pennsylvania. More details will follow.

Next meeting:

The next meeting will be on **Thursday, April 7, 2011 at 8:00 a.m. at the Tropicana in Atlantic City during TransAction 2011.** The meeting will be in the Carousel Room. Assemblyman John Wisniewski, deputy speaker of the NJ Assembly and chair of the NJ Assembly Transportation, Public Works and Independent Authorities Committee, will be the featured speaker.

The meeting was adjourned at 12:35 p.m.

Kel MacKavanagh
Secretary, NJSLRRA
609-704-1270

