

NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES NOVEMBER 16, 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.

VISIT OUR WEBSITE: WWW.NJSHORTLINE.COM

ROBERT BAILEY—President
1764 Union Avenue
Hazlet NJ 07730
(732) 264-7264

JEFF SUTCH—
Vice President
PO Box 711
Bridgeport NJ 08014
(856) 467-4800

STEVEN FRIEDLAND—Treasurer
PO Box 2206
Morristown NJ 07962-2206
(973) 267-4300

KELVIN MacKAVANAGH -
Secretary
PO Box 294
Cedar Brook NJ 08018-0294
(609) 704-1270

The last meeting of the NJSLRRA in 2011 was held at the Conrail offices in Mount Laurel, NJ. We want to thank Karen Rosella and Ron Batory of Conrail for hosting the meeting and providing lunch. We also give our thanks to Neil Ferrone of Conrail for setting up the audiovisual presentation.

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Next Meeting: Wednesday January 11, 2012
Location: Hilton Garden Inn at Raritan Center, Edison, NJ

UPCOMING EVENTS

March 8, 2012	Railroad Day on Capitol Hill, Washington, DC
April 11-13, 2012	TransAction 2012, Atlantic City, NJ
April 21-24, 2012	ASLRRA Annual Convention, Indianapolis, IN
July 18-20, 2012	Norfolk Southern Short Line Meeting, Roanoke, VA

MEETING ATTENDEES

<u>NAME</u>	<u>COMPANY/ORGANIZATION</u>	<u>TELEPHONE NUMBER</u>
Kelvin MacKavanagh	MacKavanagh RR Consulting	609-704-1270
Arthur C. Ivins, Jr	Hatch & Kirk, Inc.	215-499-3275
Steve Friedland	Morristown & Erie Ry.	973-267-4300
John Gravenkemper	Hatch & Kirk	214-551-3025
Chris Mazzei	Morristown & Erie Ry.	973-267-4300
James Badgley	Eastman Linnett Assoc.	609-314-4678
Steve Kerr	SRNJ	609-567-4190
Dan O'Connell	UTU	609-396-1994
Jim Savage		908-361-7097
Denise Bailey	Norfolk Southern	215-756-1497
John McCreavy	SMS	856-467-4800
Bob Bailey	NYNJ	201-232-0389
Tom Washbon	NS	215-448-4216
Miki Krakauer	NJDOT	609-530-4574
Thomas Noon	FRA	732-329-3025
Tony Macrie	Seashore Lines	609-602-1264
Bob DeSando	NJDOT	609-530-5032
Jim Turcich	Philadelphia Belt Line.	215-592-7775
Gordon Fuller	Green Zephyr	908-313-4366
Gary T. White	FRA	732-540-5352
Charlie Barker	NS	610-832-1946
Chris Spiceland	NS	540-524-6775
Bill Goetz	CSX.	215-209-1350
Joe Bowen	NJDOT	609-947-9409
Fred Winkler	Winchester & Western	856-451-6400
Dave Luvara	RCCSJ	856-423-609-530-4574
William Sheppard	Atlantic Rail Services	856-983-9226
Neil Ferrone	Conrail	856-231-2007
John McLaughlin	R.L. Banks & Associates	856-958-4246
Michael Allen	NJ Operation Lifesaver	616-218-3212
Walter Hughes	RCC	973-413-1796
Tim Tierney	Conrail	856-231-2021

MEETING MINUTES

NJSRRRA President Bob Bailey called the meeting to order at 10:35 a.m. He then asked everyone in attendance to introduce themselves..

1. Presentation on Low Lube Oil Consumption Power Assemblies.

John Gravenkemper, regional sales manager for Hatch & Kirk, described the production, assembly, and quality process for Hatch & Kirk's aftermarket EMD power packs. H&K remanufactures power assemblies to a standard that meets or exceeds EMD technical and dimensional standards.

These remanufactured power assemblies save lube oil and fuel. John cited the presentation on fuel savings by David Powell of the Genesee & Wyoming at the ASLRRRA Eastern Region meeting in Cleveland in October; the GNWR is a customer.

Hatch & Kirk began sales to short line railroads about 25 years ago; short lines are now its largest customer base.

Hatch & Kirk does power assemblies for the 567 and 645 EMD engines.

Hatch & Kirk remanufactures every component in the power assembly. They put a new piston and new piston pins in every power pack. A complete power assembly costs \$1500-1900. A two-year warranty costs \$1000.

John Gravenkemper's PowerPoint presentation is attached to the email transmission of these minutes.

John may be reached at 214-551-3025 if you want more information. His email address is jgravenkemper@hatchkirk.com

2. Critique of FRA Training Seminar on October 20-21 at Raritan Center.

Over 110 people attended the FRA Training Seminar which was hosted by the Raritan Central Railway. Conrail alone sent 38 employees. Other representatives came from the Black River & Western, Cape May Seashore Lines, CSXT, the Hainesport Industrial Railroad, the Morristown & Erie, New York New Jersey Rail, NJDOT, NJ Rail Carrier, NJ TRANSIT, the North Jersey Transportation Planning Authority, the Raritan Central, the River LINE, SMS Rail, and the Winchester & Western.

In response to a feedback email sent to participants after the meeting, there were suggestions for better signage for rooms on the first day of the meeting, more printed session schedules, directions to nearby restaurants for lunch, and more time for socializing. Participants were pleased with the training.

The next FRA Training Seminar for NJ railroads will probably be held in May **2013**.

3. Review of the ASLRRA Eastern Region meeting in Cleveland, OH on October 1-4.

NJSLRRA members who were there thought it was a very good meeting. Steve Friedland offered kudos to John McCreavy and Bill Goetz for their panel. Attendance was down a little (about 225). The Renaissance Hotel was very nice.

Bob Bailey and Steve Friedland said that Philadelphia, Atlantic City, and Newport and Providence, RI are being considered as sites for the 2012 Eastern Region meeting.

4. Update on the 2012 ASLRRA Annual Convention in Indianapolis, IN on April 21-24, 2012.

Steve Friedland, who is the convention chairman, said that the hotel, which is the newest Marriott, is “spectacular.” Breakout topics are being submitted.

There will be 180 exhibit booths; over 100 of these have already been reserved by prior exhibitors before the notification goes out to ASLRRA members.

Mailers about the convention will go out in late January 2012. There will be a trip on the Indiana Rail Road on Tuesday afternoon (April 24).

5. Review of NJDOT 286K Task Force meeting on November, 1, 2011.

Miki Krakauer briefly reviewed the history of this project which began in February 2009 with the identification of seven lines which could not handle 286K gross weight on rail equipment. The line to Salem has since been added; the Delair Bridge should be added.

NJDOT has a team from Rutgers looking at bridges; the largest clusters of cars have been identified. Bridges have been modeled with computers; The River Draw and HX Bridge have been instrumented. Results of the analyses to date were reviewed at the November 1st meeting.

Rutgers will model the Atlantic City and the Morris & Essex lines.

286K is a high priority project at NJDOT.

6. Status of NJDOT Rail Program Grants.

There has been no change in the status of these grants. FY 2011 funds have not yet been allocated. NJDOT hopes to have SAGE fully operational by the end of the year.

7. Updates on federal and state railroad-related legislation.

Congress approved a FY 2012 federal transportation budget on November 14 (H.R. 2112, *the Consolidated and Further Continuing Appropriations Act*). It eliminates funding for high speed rail and seriously reduces funding for Amtrak. The budget does

not change truck sizes and weights. There is still a push by several large shippers to increase these.

There was no action on the two railroad-related bills in the NJ Legislature prior to the statewide election on November 8. The two bills are A.1584 which criminalizes certain actions in or on railroad property, and S.860, a bill which would increase railroad franchise taxes. It remains to be seen whether or not there will be any action on these bills during the lame duck session of the Legislature.

8. Conrail safety meetings.

Neil Ferrone, Conrail's chief risk officer, described how Conrail is redesigning its safety meetings and program. Instead of meeting monthly as a group, the safety group will be broken up into two-man teams. These teams will focus on specific tasks and inspect track and safety conditions. They will only meet as a group at the beginning of each quarter to talk about specific issues. Neil has been getting an enthusiastic response to the program.

To continue to promote safety and safer working conditions, reflectorized number plates are being applied on switches. Decals with critical safety rules are now on the train crew's lanterns; a seven-point safety message is on Conrail key chains.

9. Suggested topics for TransAction 2012.

Kel MacKavanagh said that the TransAction Steering Committee was meeting in New Brunswick at the same time as our NJSLRRA meeting. He reviewed some topics which have been suggested and asked for others. The next TransAction Steering Committee meeting will be in mid-December; the list of topics will be reviewed further at this meeting.

10. Status of Operation Lifesaver and its funding.

Michael Allen said that there have been rumors about Operation Lifesaver closing; the national organization has been funded by the FRA and FHWA; the FHWA has been questioning the funding.

The state Operation Lifesaver organization is looking at what it has to pick up. It will be looking at other sources for funds beside major railroads and will be looking for in kind support from the NJ short lines.

11. Member reports.

a. Conrail.

Neil Ferrone reported that thieves are now stealing stainless steel valves from the tops and bottoms of tank cars; this has already occurred on over 30 tank cars.

b. CSXT.

Bill Goetz stated that the Presidential Emergency Board has issued its findings; it initiated its last 30-day cooling off period which will expire on December 6, 2011 at 1201 a.m. Wages and health care are the concerns; about one-half of the Class I railroad workers have ratified the new labor agreement.

Danny O'Connell of the United Transportation Union said that his union had approved the new agreement unanimously; he doesn't want to see a strike.

c. Norfolk Southern.

Chris Spiceland reported that NS traffic with its short line connections is up 8 percent; its own carload business is up 5 percent. The main drivers have been export coal and the Marcellus Shale business. Three out of every four carloads of Marcellus Shale business touch short lines.

Chris said that the annual NS Short Line Meeting will be on July 18-20, 2012 in Roanoke.

Tom Washbon spoke briefly about the future of petrochemicals in New Jersey. PBF Energy has taken over Valero's refinery and reopened the refinery in Delaware City, DE.

Some Bakken crude oil is heading East since imported crude oil costs \$30.00 more per barrel. CPRS has sent its first train of Bakken crude to Albany, NY. Availability of tank cars is a problem on account of the new demand. We will see big changes in the next 12-18 months.

d. Winchester & Western.

Fred Winkler said that companies are now drilling the Utica Shale deposits in Ohio.

e. FRA.

Tom Noon told the group that the Federal Railroad Administration has gotten good feedback on the FRA Training Seminar on September 20-21.

12. New Business.

New business was covered under the previous items.

Next meeting:

The next meeting will be on **Wednesday, January 11, 2012 at 10:30 a.m.** at the Hilton Garden Inn in Raritan Center in Edison, NJ.

The meeting was adjourned at 12:15 p.m.

Kel MacKavanagh
Secretary, NJSLRRA
609-704-1270

