

NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES FEBRUARY 29, 2012



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 New Jersey Short Line Railroad Association returned to the Conrail offices in Mount Laurel, NJ for our second meeting of the year. We thank Ron Batory and Karen Rosella of Conrail for hosting the meeting and providing lunch. We also thank Conrail's Ray Stahl for helping with the audiovisuals.

TABLE OF CONTENTS

List of Attendees	Page 3
Meeting Minutes	Page 4

Next Meeting: Thursday, April 12, 2012
Location: Tropicana Resort Hotel, Casino, and Conference Center, Atlantic City, NJ

UPCOMING EVENTS

March 8, 2012	Railroad Day on Capitol Hill, Washington, DC
April 11-13, 2012	TransAction 2012, Atlantic City, NJ
April 12, 2012	NJSLRRA Meeting, 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
Trevor Hengehold	Raritan Central Railway	617-459-8533
Steven Friedland	Morristown & Erie Ry.	973-267-4300
Dominick Critelli	NJDOT	609-530-2847
Chris Mazzei	Morristown & Erie Ry.	973-267-4300
Taimur Shamali	NJDOT	609-530-3715
Joe Zarriello	KS Engineers	856-206-0892
Dan O'Connell	UTU	609-396-1994
Miki Krakauer	NJDOT	609-530-4574
Denise Bailey	Norfolk Southern	215-756-1497
Jeff Sutch	SMS	609-467-4800
Jim Turcich	Philadelphia Belt Line RR	215-592-7775
Edrees Siddiqi	Burns & Fiorina	732-320-6426
GeorgeAnne Tutunjian	Orgo-Thermit	732-657-5781
Thomas Noon	FRA	732-329-3025
Kamal Shahid	KS Engineers	973-332-5930
Bob Tomaszewski	FRA	732-548-1809
Jim Savage	James H.M. Savage	908-361-7097
Carl Morey	R.L. Banks & Associates	610-716-9265
Paul Mulligan	Seashore Lines	732-770-7186
Gary A. Brennfleck	NJDOT Grants Program	609-530-2912
Charles Barker	NS	215-280-8928
Tony Macrie	Seashore Lines	609-602-1264
Michael Allen	Seashore Lines	616-218-3212
Ronald Weening	AS-W Inc.	908-654-5144
Fred Winkler	Winchester & Western Railroad	856-451-6400
Dave Luvara	RCCSJ	856-423-2220
William Sheppard	Atlantic Rail Services	856-983-9226
Tom Washbon	Norfolk Southern Corp.	215-485-3300
John Fenton	NYSW RR	607-592-2816
Jon Broder	Conrail	215-209-5020

MEETING MINUTES

In the absence of Bob Bailey, the NJSLRRA president, treasurer Steve Friedland chaired the meeting at the request of Jeff Sutch, the NJSLRRA vice president. Bob Bailey had a dental emergency.

The meeting was called to order at 10:33 a.m. A safety briefing and round of introductions followed.

1. Brief presentation by Edrees Siddiqi of Burns & Fiorina, a NJ-based scrap metal and demolition company.

Edrees said that Burns & Fiorina is a small family run business which specializes in the purchasing, dismantling, and removal of surplus or retired railway equipment and materials. They take apart whole equipment and preserve parts which can be reused. They also purchase scrap rail and other track material.

As a small company, they don't have a lot of overhead; they form a lot of relationships with end users. These savings result in a higher purchase price for the seller.

Burns & Fiorina has small crews which dismantle on-site. They work closely with customers.

Burns & Fiorina focuses on customers in New Jersey, eastern PA, Ohio, and Indiana. Among their customers are Amtrak, SEPTA, CSXT, NS, the EPRY, and RBMN. They work out of Richmond Yard in Philadelphia.

They have a separate company which does equipment valuations.

A more detailed description of the company is attached to the minutes.

2. Presentation and discussion of KS Engineers bridge management program proposal.

Joe Zarriello and Kamal Shahid of KS Engineers mad a PowerPoint presentation of their proposal to develop a bridge management system for the New Jersey short line railroads. A copy of the presentation is attached to the minutes.

Class III railroads must have a bridge management program in place by September 2012.

KS Engineers are willing to develop a Bridge Management System (BIMS) for the NJ short line member railroads for a lump sum fee of \$50,000. The NJSLRRA member railroads would decide their share of the contribution to the \$50,000 fee based on the number of bridges to be managed by each member railroad.

The fee would also cover bridges operated in other states (e.g., NY, PA) by a NJSLRRA member railroad.

The \$50,000 fee would also include two-day training sessions and the licensing of the software to every member railroad.

The BIMS system is an online system which will be in the railroad's system. The asset inventory and the inspection modules are most important. There would be customized reports for inspections.

Joe Zarriello (609-613-8646) and Kamal Shahid (973-332-5930) can provide additional information and answer questions. Their website is www.kseng.com.

3. Update on federal rail-related legislation.

The House and Senate are beginning to move on transportation legislation. The House Transportation and Infrastructure Committee has voted to freeze truck sizes and weights at 80,000 lbs. GVW for at least three years while the USDOT studies the impact of increased truck sizes and weights on roads and bridges, as well as on highway safety.

The bill would also extend the deadline for the installation of Positive Train Control to December 31, 2020 from the current deadline of December 31, 2015.

These proposals, plus many others, are contained in H.R. 7, *The American Energy and Infrastructure Jobs Act of 2012*. This bill is over 880 pages long.

4. Railroad Day on Capitol Hill – March 8, 2012.

The annual Railroad Day on Capitol Hill will take place on March 8 in Washington, DC. We will be using a new hotel, the Renaissance Washington DC Downtown at 999 Ninth Street, NW, as our headquarters. The DC Metro station for this hotel is still Metro Center.

Registration will commence at 6:30 a.m.; Railroad Day Orientation will begin at 7:00 a.m. and last until 8:30 a.m. Appointments on the Hill will be from 9:00 a.m. until 4:30 p.m. The Rail Industry Reception and Dinner will be from 6:00 p.m. to 9:00 p.m. at the Renaissance Hotel.

The renewal of the 45G tax credit will be one of the subjects we will be discussing with the members of Congress and their staffs.

Members of the New Jersey contingent will gather at the end of the Orientation to decide which of us will cover particular appointments with the NJ representatives, senators, and their staffs.

The House of Representatives will adjourn at 3:00 p.m. on March 8 and will be in recess until March 19. The Senate will be in session all day and will not adjourn until March 9.

5. Status of railroad bills in the NJ Legislature.

S.966, a bill to increase railroad franchise and property taxes to support improvements in railroad capital facilities, is still the only railroad bill filed in the NJ Legislature thus far. This bill was introduced by Senator Loretta Weinberg from District 37 (Bergen). No action has been taken yet on the bill.

6. Status of NJ Rail Program grants.

Dominick Critelli advised the group that FY10 was the last year in which grants were actually paid for projects; we are now in FY12. They are trying to do FY11; this has been held up by internal issues within NJDOT.

They may have performance issues on FY10 projects; Dominick's office will be looking for explanations as to why vouchers have not been received by NJDOT; they will be happy to work with the railroads.

They anticipate a FY12 program with changes,

Funds which have been appropriated for projects are being held until the SAGE (System for Administering Grants Electronically) program is ready; it is now 70 percent complete for rail and 95 percent complete for aeronautics. SAGE will be one-stop shopping.

There will be certain limits on what the NJDOT staff can and cannot do. They cannot help a railroad prepare its application, but can answer technical questions. Resolutions of support from municipalities will still be required for projects.

NJDOT cannot pay for routine or scheduled maintenance or environmental remediation. The department will no longer pay for design work but will pay for construction. A hold has also been put on certain types of charges (e.g., meals, travel, and lodging) pending a ruling from the New Jersey Attorney General's office.

Dominick introduced Taimur Shamali, a newly hired structural engineer who reports to Gary Brennfleck.

Regarding payment of vouchers, Dominick Critelli said that his policy to get them through his office in five days. They then go to NJDOT Accounting for payment; NJDOT is not subject to prompt payment laws, although there is a vendor help desk.

7. Upcoming NJ State Rail Plan Open Houses.

Miki Krakauer, who has been working on the NJ Strategic Rail Freight Plan, invited everyone to attend the Open Houses for the NJ State Rail Plan. This plan includes both passenger and freight. She hopes it will give the public who attend the Open Houses more exposure to freight; they tend to just think about rail passenger service.

The Open Houses will be held:

- March 1 at the North Jersey Transportation Planning Authority in Newark.
- March 6 at the City Hall in Vineland, NJ.
- March 7 at the NJDOT offices in Trenton.

All sessions will be from 4:30 to 6:30 p.m.

Miki also mentioned the \$18.5M TIGER III grant to South Jersey Port Corp. This will be used for improvements to the Delair Bridge.

8. Friedland Award nominations and voting.

Although four excellent candidates (John Fiorilla, John Scullin, Jeff Sutch, and Tim Tierney) had been nominated at the January 18th NJSLRRA meeting, Senator Frank Lautenberg was added as a fifth nominee. During his years in the Senate, he has been a great supporter of the freight railroad industry and of Amtrak and NJ TRANSIT. Senator Lautenberg has been the public face of transportation in New Jersey.

The NJSLRRA members voted to dispense with the printed ballot and also voted Senator Lautenberg as the recipient of the 2012 Benjamin J. Friedland Award for meritorious service to the short line railroad industry.

The Friedland Award will be presented to Senator Lautenberg either during Railroad Day on Capitol Hill or at the TransAction Luncheon in Atlantic City on April 12.

9. TransAction 2012 update.

Kel MacKavanagh reported that the first mailer has been sent and is also on the TransAction website (www.njtranactionconf.com).

Besides a session on the NJ State Rail Plan (Thurs.), there will be the following sessions of interest to persons involved in goods movement:

- The 286K Gross Weight on Rail Issue: Where Are We? (Thurs.)
- Industrial Land Development – North Jersey and South Jersey (Thurs.)
- Ports – How is NJ Faring Against Other Ports? (Thurs.)
- New Federal Motor Carrier Safety Administration Hours of Service Regulations (Fri.)
- Rail Sabotage-New Threat to the Rail Community (Fri.)

The NJSLRRA will have our customary meeting during TransAction from 8:00 a.m. to 9:00 a.m. on Thursday, April 12.

10. Report on the 2012 ASLRRA Annual Convention in Indianapolis on April 21-24.

Convention chair Steve Friedland said that the Convention information is now available on the website, www.aslrra.org. Early bird registration ends on March 19. Indiana Governor Mitch Daniels is confirmed as the keynote speaker.

Although there are over 200 exhibit spaces, there is still a waiting list for these. It will be the largest exhibit ever at an ASLRRA Convention.

The 900 rooms set aside for ASLRRA registrants at the Marriott are already sold out; the Marriott Courtyard is the backup hotel. There are actually six different Marriott properties in the complex.

The service project will help the Gleaners Food Bank as will the “Party with a Purpose.”

There will be two training sessions on Sunday, April 22, on Conductor Certification and Car Hire. Breakout sessions will be held before the general sessions on Monday and Tuesday.

The 2012 ASLRRA Eastern Region meeting will be held in Scranton, PA this fall; John McCreavy of SMS is the chair for this.

11. Proposed change to NJSLRRA bylaws.

Since Bob Bailey, the NJSLRRA president, was not at the meeting, this was postponed until the next meeting.

12. Member reports.

a. Norfolk Southern.

Charlie Barker told the group that NS had \$11.2B in revenue for 2011; the dividend per share has been raised to 47 cents from 43 cents.

On the fuel surcharge, NS will be going on revenue vs. mileage. There will be no fuel surcharge on handling carriers.

The energy situation across the Northeast will drive what a Norfolk Southern does.

b. FRA.

Tom Noon said the rule on signs on grade crossing activation devices should be out in the *Federal Register* shortly.

12. New Business.

Mike Allen stated that the American Trucking Associations has filed suit against the new hours of service rules for motor carriers.

He also said that NJ Operation Lifesaver will have a table at TransAction.

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Next meeting:

The next meeting will be on **Thursday, April 12, 2012 at 8:00 a.m.** at the Tropicana Resort Hotel, Casino, and Conference Center in Atlantic City during TransAction. This will only be a one-hour meeting prior to the day's first TransAction sessions.

The meeting was adjourned at 12:17 p.m.

Kel MacKavanagh
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