

NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES JANUARY 11, 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 first meeting of the New Jersey Short Line Railroad Association in 2012 took place at the Hilton Garden Inn at Raritan Center in Edison, NJ. We especially thank Eyal Shapira and his staff at the Raritan Center Railway for hosting the meeting and for paying for lunch, refreshments, and all expenses associated with the meeting. The hotel staff also did a great job!

TABLE OF CONTENTS

List of Attendees	Page 3
Meeting Minutes	Page 4

Next Meeting: Wednesday February 29, 2012
Location: Conrail offices at 1000 Howard Blvd., Mount Laurel, NJ

UPCOMING EVENTS

March 4-6, 2012	CSXT Short Line Workshop, St. Augustine, FL
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

NAME	COMPANY/ORGANIZATION	TELEPHONE NUMBER
Kelvin MacKavanagh	MacKavanagh RR Consulting	609-704-1270
Arthur C. Ivins, Jr	Hatch & Kirk, Inc.	215-499-3275
Wesley Weis	Morristown & Erie Ry.	973-639-8404
Ted Matthews	NJTPA	214-551-3025
Chris Mazzei	Morristown & Erie Ry.	973-267-4300
John McHugh	East of Hudson Task Force	212-483-0875
Joe Zarriello	KS Engineers	856-206-0892
Dan O'Connell	UTU	609-396-1994
Jim Purcell	J.J. Purcell, PC	609-498-5753
Denise Bailey	Norfolk Southern	215-756-1497
John McCreavy	SMS	609-868-1342
Bob Bailey	NYNJ	201-232-0389
Eyal Shapira	Raritan Central	617-388-2446
Miki Krakauer	NJDOT	609-530-4574
Thomas Noon	FRA	732-329-3025
Paul Gessner	GTC LLC	908-591-4418
Bob DeSando	NJDOT	609-530-5032
Howie Samelson	New Jersey Rail Carriers	973-344-2220
Gordon Fuller	Green Zephyr	908-313-4366
Trevor Hengehold	Raritan Central Ry.	617-459-8533
Charlie Barker	NS	610-832-1946
Rob Robinson	Norfolk Southern	540-985-6021
Bill Goetz	CSX	215-209-1350
Joe Bowen	NJDOT	609-947-9409
Fred Winkler	Winchester & Western	856-451-6400
Dave Luvara	RCCSJ	856-423-2220
William Sheppard	Atlantic Rail Services	856-983-9226
John Scullin	Conrail	856-231-2010
Tony Giobbie	CSX Transportation	856-778-5119
Michael Allen	CMSL	616-218-3212
Jack Lettiere	Lettiere Consulting	609-213-5266
Rich Green	FRA	973-209-4316
Ray Hufnagel	Plastic Express	626-818-6665
Anne Straus-Wieder	A. Straus-Wieder Inc.	908-654-5144
Brian DiPinto	Pioneer Commodities	732-672-0412
John B. Fenton	NYSW	607-592-2816
Ronald S. Weening	AS-W Inc.	908-654-5144
Bob Dedow	US DOT/FRA	732-422-4876

MEETING MINUTES

Bob Bailey, the NJSLRRA president, called the meeting to order at 10:36 a.m. He then led a moment of silence for Alex DeCroce, the late NJ Assembly minority leader who passed away suddenly on the evening of January 9 when the NJ Legislature was winding up its final session of the term.

Bob then said that Alex was a great friend of all transportation; he always listened and was a great leader who was respected by both sides of the aisle. Other tributes followed.

Alex DeCroce was also the former chair of the NJ Assembly Transportation Committee and a fixture as the master of ceremonies at TransAction, the annual New Jersey Transportation Conference. Alex was a co-recipient with Fred Winkler of the 2004 Benjamin J. Friedland Award for meritorious service to the short line railroad industry. There is a photo of Alex, Fred, and Bob Bailey on the NJSLRRA website, www.njshortline.com.

The NJSLRRA will make a contribution in Alex's memory to a requested charity.

A round of introductions by the meeting attendees followed.

1. Update on federal rail-related legislation.

Kel MacKavanagh said that Rep. Jerry Nadler (D.- NY-8th District) had told the East of Hudson Rail Freight Operations Task Force meeting on January 9, 2012 that nothing has changed on the "Transportation bill." The Senate may pass a version of Senator Boxer's bill for two years. The House has not seen Rep. Mica's bill, a \$240B bill which represents a 35 percent cut in present funding. Rep. Oberstar had introduced a six-year bipartisan bill for \$450B in 2009.

There may be no action on funding for transportation until after the November 2012 election.

Besides Kel, Bill Goetz (CSX), Rob Robinson (NS), Charlie Barker (NS), Scott Muir (NS), and John McHugh (East of Hudson's attorney) had been among the attendees at the meeting.

Senator Frank Lautenberg introduced S.1952, *the Hazardous Materials Transportation Safety Improvement Act of 2011*, on December 7, 2011. Senator Rockefeller is the lone co-sponsor thus far.

No action has been taken on modal bills or the short line tax credit extension. Republican presidential candidates Michelle Bachmann and Ron Paul are among the eight co-sponsors of the bill (H.R.801) to increase truck sizes and weights. The bill to maintain the current truck size and weight limits (H.R.1574) has 61 co-sponsors.

Regarding reregulation, Bill Goetz says the Surface Transportation Board has been getting two answers; Senator Rockefeller wants more; the House wants less.

Concerning Positive Train Control (PTC), the FRA report is due on March 1, 2012. Implementation date is 2015. High Speed Rail is not going anyplace.

There is still concern about Congress taking action to increase truck sizes and weights. Members are urged to write to our legislators to request that these sizes and weights are not increased.

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

Since the House of Representatives is going to adjourn at 3:00 p.m. on March 8 and not return until March 19, we will try to schedule appointments with NJ representatives during the morning. The Senate will be in session all day; it will not adjourn until March 9. We are looking for another excellent turnout from our NJSLRRA members.

3. Status of railroad bills in the NJ Legislature.

The NJ Legislature ended its term on January 9 without passing any railroad-related legislation. Senator Loretta Weinberg has again introduced a bill (S.966) to raise railroad franchise and property taxes to support improvements in railroad capital facilities.

4. Status of NJDOT Rail Program grants.

Miki Krakauer reported that there is still money for the rail program; it is still with upper management at NJDOT; no money has actually been spent since FY 2010.

Regarding the 286K gross weight on rail issue with Amtrak, NJDOT says it would cost \$25M to raise an alternate route to 286K; Bob DeSando says NJDOT does not have this money; we need to talk about alternatives.

Joe Zariello of KS Engineers said that strain gage tests on bridges could be done relatively cheaply; \$20K per bridge was his ballpark estimate. Miki Krakauer says that are 33 bridges; 17 of these are questionable. Members agreed that all tracks on a bridge would not have to be upgraded to 286K.

The failure to upgrade to 286K is having an economic impact on railroad and the NJ economy. Ray Hufnagel, the president of Plastic Express, a terminal and warehouse

operator in Raritan Center and in other states (its headquarters are in the City of Industry, CA) advised the members that customers are moving 300 cars a year to Philadelphia; he will send four drivers down there.

Recommendations were made to put more pressure on Amtrak, Senators Lautenberg and Mendenez, and use the media. A coalition, including affected customers such as Bay State Milling, should go to Washington.

5. TIGER III grant – Delair Bridge.

The US Department of Transportation has announced that the South Jersey Port Corporation will receive \$18.5M to repair Conrail's Delair Bridge to accommodate the transport of industry-standard 286K rail cars. Conrail itself is contributing \$12.5M to the project.

This is a very important project. If the Delair Bridge had to be taken out of service because of deterioration, there would be no rail freight traffic to or from South Jersey nor any NJ TRANSIT passenger trains on the Atlantic City Line.

6. TransAction 2012 update.

Kel MacKavanagh reviewed list of potential rail and goods movement-related topics suggested for TransAction 2012; this conference will be held at the Tropicana Resort Hotel, Casino, and Conference Center in Atlantic City on April 11-13, 2012.

NOTE: The following topics survived the final cuts at TransAction Steering Committee meetings on January 13 and January 20:

- **New Jersey's New State Rail Plan.**
- **Ports – How is NJ Faring Against Other Ports?**
- **Industrial Land Development – North Jersey and South Jersey.**
- **Rail Sabotage-New Threat to the Rail Community.**
- **The 286K Gross Weight on Rail Issue: Where Are We?**
- **New FMCSA Hours of Service Regulations.**
- **How does NJ TRANSIT Compare with Other States?**

The first mailing about TransAction will be going out shortly. Information about TransAction 2012 will also be posted on the website, www.njtransactionconf.com and will be periodically updated as we get closer to the event itself.

7. Nominations for the 2012 Benjamin J. Friedland Award.

Four persons have been nominated as the recipient of the 2012 Benjamin J. Friedland Award for meritorious service to the short line railroad industry. They are:

- John Fiorilla, Capehart & Scatchard
- John Scullin, Conrail
- Jeff Sutch, SMS Rail Service

- Tim Tierney, Conrail

The vote for this year's honoree will be taken by written ballot at the NJSLRRA meeting on February 29, 2012.

8. Report on the 2012 ASLRRA Annual Convention in Indianapolis, IN on April 21-24.

Planning for this year's convention is going very well; the 180 exhibit booths have already been sold out. There will also be a train ride on the Indiana Rail Road; this may be a 'first' for an annual convention, at least in recent memory (since 1983).

9. 2012 NJSLRRA dues report.

Dues invoices were sent out in mid-December. Most members have already paid their dues; **thank you!**

10. Member reports.

a. Norfolk Southern.

Rob Robinson stated that 2011 was a very good year for NS; it was its best year ever for safety. The focus in 2012 will be on service. NS will also have a record capital budget this year.

Norfolk Southern has turned back a number of leased locomotives and is doing rebuilds at Juniata Shops in Altoona, PA.

2011 was a record year with its short line partners. For example, NS handled 44,000 carloads of Marcellus Share business and expects to transport 75,000 cars in 2012.

The Norfolk Southern Short Line Meeting will be in Roanoke from July 18-20, 2012. It will begin on Wednesday, July 18, with a golf outing and tours of the O. Winston Link and the Roanoke Transportation Museums. The meeting itself will start on Thursday. NS believes "less is more." There will be more emphasis on opportunities to meet with NS personnel. There were 182 individual meetings in 2011; these will conclude on Friday, July 20.

b. CSXT.

Tony Giobbie said that 2011 was also a very good year for CSX. Home building and construction commodities did well; intermodal was strong. The Class Is are spending billions each in their capital budgets.

The annual CSXT Short Line Workshop will again be held at the World Golf Village in St. Augustine, FL on March 4-6, 2012. The trade show will be on Monday afternoon. There will also be plenty of opportunities for face to face meetings. Tony hopes more NJ short lines will be able to attend the Workshop this year.

c. FRA.

Rich Green reported a recent maintenance of way fatality on the BNSF in Texas; a rail grinder had moved, killing an employee. He reminded everyone that the winter months are dangerous.

Rich also said that the final rule on emergency notification numbers on highway-rail crossing devices should be out in March 2012. Tom Woll, who has been in charge of this program, just retired from the FRA after many years there.

d. Conrail.

John Scullin said that the level of service is up; local service is good; it's 92 % on ISM and 95 % on NS. Conrail will be rolling out the NS remote terminal in South Jersey.

e. Raritan Central Railway.

Bob Bailey thanked Eyal Shapira for hosting the meeting and the luncheon. In turn, Eyal thanked everyone for coming and recognized Trevor Hengehold, the RCRY's general manager, for his efforts in putting the meeting together.

11. New Business.

Any new business was covered under the previous items.

Next meeting:

The next meeting will be on **Wednesday, February 29, 2012 at 10:30 a.m.** at the Conrail offices at 1000 Howard Blvd. in Mount Laurel, NJ.

The meeting was adjourned at 12:10 p.m.

Kel MacKavanagh
Secretary, NJSLRRA
609-704-1270

