NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES MAY 29, 2013



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

BOB BAILEY— President 1764 Union Ave 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 New Jersey Short Line Railroad Association returned to the Conrail offices in Mount Laurel, NJ for the May meeting, Once again, we thank Ron Batory and Karen Rosella of Conrail for hosting the meeting and providing lunch and last minute audiovisual help.

TABLE OF CONTENTS

List of Attendees Page 3 Meeting Minutes Page 4

Next Meeting: Wednesday, September 18, 2013 at 10:30 a.m.

Location: Conrail offices at 1000 Howard Blvd. in Mount Laurel, NJ

UPCOMING EVENTS

June 6-7, 2013 FRA Training Seminar, Raritan Center, Edison, NJ June 17-19, 2013 Norfolk Southern Short Line Meeting, Roanoke, VA July 21-23, 2013 American Association of Railroad Superintendents

117th Annual Meeting, Newark, NJ

September 8-10, 2013 ASLRRA Eastern Region Meeting, Norfolk, VA March 13, 2014 Railroad Day on Capitol Hill, Washington, DC

April 8-10, 2014 TransAction 2014, Atlantic City, NJ April 22-25, 2014 ASLRRA Convention, San Diego, CA

MEETING ATTENDEES

<u>NAME</u>	COMPANY/ORGANIZATION	TELEPHONE NUMBER
Kelvin MacKavanagh	MacKavanagh RR Consulting	609-704-1270
Bob Bailey	NYNJ PJR	201-232-0389
Steven Friedland	Morristown & Erie Ry.	973-267-4300
Bob Tomaszewski	FRA	908-227-3547
Taimur Shamali	NJDOT	609-530-3715
Cherrie Black	NJ Homeland Security	609-306-6001
Paul Gessner	GTC LLC	908-591-4418
Brad Mason	NJ OHSP	608-658-2285
Miki Krakauer	NJDOT	609-530-4574
Jim Badgley	Eastman Linnett Assoc.	609-314-4678
JohnMcCreavy	SMS Rail Lines	609-868-1342
Joe Garofolo	Conrail	856-231-2013
John Scullin	Conrail	856-231-2010
Dominick Critelli	NJDOT	609-530-2847
Paul Martinez	Norfolk Southern	610-832-1943
Joe Connelly	Specialty Transportation	443-466-8190
Wendy Buckley	Specialty Transportation	267-324-4002
Ronald S. Weening	AS-W Inc.	908-654-5144
Arthur C. Ivins, Jr.	Hatch & Kirk	607-592-2816
Tony Macrie	Seashore Lines	609-602-1264
Michael Allen	NJ OL	609-929-6421
Bob DeSando	NJDOT	609-530-5032
Ron Baile	CMSL	609-828-9881
Tony Giobbie	CSX Transportation	856-778-5119
Ted Matthews	NJTPA	973-639-8404
Harold Neil	HDS Consultant	609-638-3731
Joe Bowen	NJDOT	609-947-9409

MEETING MINUTES

NJSLRRA President Bob Bailey called the meeting to order at 10:32 a.m. He then gave a safety briefing. This was followed by a round of introductions.

1. Discussion of Hurricane Sandy's impact on freight railroads with NJ OHSP and NJDOT representatives.

Cherrie Black, chief of the Infrastructure Protection Bureau at the NJ Department of Homeland Security and Preparedness (NJ OHSP), described how her office has met with thirteen industry sectors and subsectors to learn about the impact of Hurricane Sandy on each of them and what steps they are taking to prevent or mitigate future recurrences.

The after-action reports on these meetings, which began with the petroleum industry on January 15th and were finished by the end of March, are in process.

Some of the lessons learned from the meetings are:

- Pre-landfall surge communication was not optimal. In some cases, the information was received, understood, but not heeded.
- Access to damaged areas and key facilities was a problem for some lifeline areas.
- First responders need to receive better information.
- There were cross-sector communication challenges, especially regarding the restoration of electricity.
- There are infrastructure dependencies and inter-dependencies, e.g., between electricity and liquid fuels.
- They did not have good information on gas stations.
- We found out how dependent we are on the wastewater sector.
- There may have been problems later on with drinking water on account of the need for chemicals.
- There were movable bridges in the down position.

Brad Mason said that utilities are upgrading. One of their objectives is the ability to better communicate the recovery times for the restoration of electricity to customers.

We were asked if the short lines did after action reports. We replied that we were on the daily FRA conference calls and found out what our NJ short lines needed in the way of assistance and what they could do to help others, especially NJ TRANSIT. For example, the Morristown & Erie Railway has been repairing NJ TRANSIT locomotives in its shop in Morristown. SMS Rail Lines offered to do the same.

The OHSP more than daily reports on transit and highway conditions were shared with the NJ short lines and were very helpful.

Joe Garofolo, Conrail's Superintendent-Operations, described the excellent steps Conrail took before and after the storm. Since you need employees to run a railroad, Conrail took care of its employees first. The railroad brought in fuel for their vehicles, food, and even diapers. The employees are still grateful for this help and continue to thank Conrail management. Joe said that CSX and NS did some of the same things.

As a result of these efforts, Conrail could have served customers ten (10) hours after the storm.

Regarding the damage to NJ TRANSIT locomotives and rolling stock from flooding, Joe said that he cannot fault NJ TRANSIT management for their decisions. Joe stated that he has been a Conrail manager in the area since 1985 and that the NJ TRANSIT area and South Kearny had never flooded before to the extent that they did with Hurricane Sandy.

2. Critique of ASLRRA 100th Anniversary Convention in Atlanta, GA on April 27-30, 2013.

Over 1,900 persons attended the Convention, a new record. There were also well over 500 railroaders there, again a new record. 183 companies filled 215 exhibit spaces; just before the Convention, there was still a substantial waiting list for exhibit space.

The general sessions and the breakout sessions were excellent. The NJSLRRA had a color ad in the printed program, congratulating the ASLRRA on its 100th anniversary.

There were complaints about the lack of a spouses program this year. At the ASLRRA Convention in Atlanta in 1998, the spouses enjoyed a great program. The spouses are willing to arrange and totally pay for spouses programs at future meetings.

Two large overlapping conventions (the Red Hat Ladies Convention ended on the evening of April 28) may have been too much for the Marriott. Maid service was one of the things that suffered; one GA short line person said that his room was not cleaned for two days.

3. Review of TransAction 2013 in Atlantic City, NJ on April 17-19, 2013.

Over 840 persons attended TransAction 2013. TransAction 2014 will be at the Tropicana on April 8-10; these are Tuesday-Thursday dates; we hope this will boost attendance at the sessions on the last day. It will also help exhibitors with their travel schedules.

Everyone was very disappointed with the quality of the sound system during the large buffet luncheon. The format for the luncheon may be changed next year; we may have only one speaker. The exhibit and food areas may also be rearranged.

The \$10.00 vouchers for lunch on the first and last days were very popular.

4. Update on FRA Training Seminar to be held at the Hilton Garden Inn in Edison, NJ on June 6-7, 2013.

Arrangements are in place for the Seminar. Prospective attendees have been asked to register by May 31. On account of sequestration, all of the FRA instructors will be from Region 1. Conrail's Joe Garofolo, who can always be counted upon to deliver a strong message about safety, will be the keynote speaker.

We are thankful to Eyal Shapira and the Raritan Central Railway for offering space and equipment again for field training.

5. Election of NJSLRRA officers for the 2013-2015 term beginning in July 2013.

In accordance with Article IV of the NJSLRRA bylaws, the following individuals were nominated and elected to serve as officers of the Association for the two-year term starting in July 2013:

President Robert Bailey
Vice President Jeff Sutch

Secretary Kelvin MacKavanagh Treasurer Steven Friedland

There were no other nominations from the floor of any individual for any of these positions.

6. Proposed amendment of NJSLRRA bylaws.

Since Kelvin MacKavanagh does not draw a salary from any company and is only paid a stipend for preparing the minutes of NJSLRRA meetings, the members voted to amend Article IV of the NJSLRRA bylaws to include payment of a stipend for his two days at the FRA Training Seminar plus his expenses for meals, lodging, mileage, and tolls.

7. Status of federal rail-related legislation.

Kel MacKavanagh reported that Rep. Rob Andrews has signed on as a co-sponsor for the 45G tax credit extension. However, Rep. Albio Sires, our 2013 Friedland Award recipient, has not yet done so. Rep. Sires has introduced the MOVE Freight Act of 2013 (H.R. 974). This bill, which has 15 co-sponsors, directs the Secretary of Transportation to establish a national freight network.

Besides Rep. Andrews, five other New Jersey representatives have signed on as some of the 109 current co-sponsors of the 45-G tax credit extension (H.R. 721). They are Representatives Rush Holt, Leonard Lance, Bill Pascrell, Jr., Jon Runyan, and Chris Smith.

All of this and other modal legislation is still in the relevant committees.

8. Status of NJDOT rail grants.

Dominick Critelli advised the group that the FY 2013 grants are being advanced. The proposed projects will be presented at the annual NJDOT rail plan public hearing on Tuesday, June 25, 2013 at the NJDOT headquarters in Ewing, NJ. The hearing will be from 1:00 to 4:00 p.m.

9. Current rail-related legislation in the NJ Legislature.

Nothing is happening on Senator Loretta Weinberg's bill to increase railroad and property taxes (S.966) or Assemblyman Charles Mainor's bill (A.4587) which would permit cities of the first class to operate weigh stations and to inspect vehicles and railroad cars transporting hazardous materials within their jurisdiction.

NJ Assembly Bill A.2641, which would authorize creation of stormwater utilities for certain local government entities, was passed by the Assembly on October 18, 2012. No action has been taken yet on its Senate version (S.1557); this bill, sponsored by Senator Bob Smith, is still in the Budget and Appropriations Committee.

10. Plans for ASLRRA Eastern Region meeting in Norfolk, VA on September 8-10, 2013.

Steve Friedland reported that there has been one planning meeting thus far. Kathy Cassidy, Steve, Donna Coleman of the Norfolk & Portsmouth Belt Line, and Ed Fitzgerald of the Vermont Railway are on the planning committee.

There will be a cruise around the port area.

11. Rail materials thefts (Wendy Buckley).

Joe Connelly of STARS gave the PowerPoint presentation for Wendy Buckley. Since thefts of rail materials have been a problem in NJ, Joe urged the members to propose to the NJ Legislature that it enact laws which require:

- No cash payment by the scrap dealer to the seller.
- The seller must show photo ID.
- The license plate of the delivery vehicle must be recorded.
- Records of the sale must be retained for 180 days.
- Increased penalties for anyone involved in the theft of critical infrastructure.

Joe said that he had a commitment of support from the ASLRRA. Steve Friedland recommended that he talk with Chip Greiner, the Morristown & Erie's police chief, and the ASLRRA Police Committee. Chip is the head of the committee.

Kel MacKavanagh mentioned that there are bills in Congress regarding metal thefts, namely S.394, the Metal Theft Prevention Act of 2013, and its companion bill, H.R. 867.

12. Member reports.

a. Conrail

Joe Garofolo, the outgoing president of the American Association of Railroad Superintendents (AARS), an organization founded in 1881, described the excellent program the AARS is having at its annual meeting at the Hilton Penn Station on Newark, NJ from July 21 to July 23. Among the highlights of the meeting are:

- A train ride through the North Jersey area on Sunday afternoon, July 21.
- An all-day spouses tour of New York City on Monday, July 22. This will include a harbor tour and lunch in Little Italy.
- Business sessions including fracking, the Port Authority of NY & NJ, homeland security, the needs of new management, and analysis of the rail industry by Tony Hatch.
- Dinner at Brasilias in the famous Ironbound restaurant section of Newark.

Registration charges and hotel rates are very reasonable:

- Member registration is \$295.00.
- Non-member registration is \$395.00; it only costs \$75.00 per year to become a member.
- Spouse registration is \$175.00 for both members and non-members.
- The discounted hotel rate is \$149.00 per night.

Full information is available on the website, www.railroadsuperintendents.org.

b. Norfolk Southern

Paul Martinez announced several senior management changes at NS:

- Jim Squires will become the new president on June 1.
- Cindy Earhart will become the executive vice president on June 1.
- Dave Lawson will become vice president coal marketing on July 1.
- Mike McClellan will become vice president industrial products on July 1.
- Jeff Heller will become vice president intermodal and automotive marketing on July 1.

Paul reminded the short line members that the NS Annual Short Line Meeting will be June 17-19 in Roanoke.

c. CSXT

Tony Giobbie reported:

- CSXT traffic with short lines is up about two (2) percent this year.
- The Northeast short lines are up about six (6) percent; NJ short lines are about the same.
- Industrial development projects are thin at the moment.
- Most growth is from existing customers.
- Short line scores have never been better.
- The short line caucus group will meet in Kentucky next week.

d. Operation Lifesaver

Mike Allen told the group that the invitations are out for the Operation Lifesaver trips on June 19 to Penns Grove and June 20 to Vineland. Space on the trains is limited. The trains will originate in Camden.

13. New business.

New business was covered under the previous items.

The next meeting will be on September 18, 2013 at 10:30 a.m. at the Conrail offices at 1000 Howard Blvd. in Mount Laurel, NJ.

The meeting was adjourned at 12:32 p.m.

Kel MacKavanagh Secretary, NJSLRRA 609-704-1270