

NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES SEPTEMBER 9, 2015



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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Once again, we want to thank Ron Batory and Francine Monteleon of Conrail for hosting the meeting and providing lunch. We especially want to thank **Neil Ferrone** of Conrail for getting us a new conference room after a required change in the meeting location just before the meeting was scheduled to begin. Neil also helped Dr. Xiang Liu set up his audiovisual presentation.

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Next Meeting: **Wednesday, November 4, 2015 at 10:30 a.m.**
Location: **Hilton Garden Inn at Raritan Center, Edison, NJ**

UPCOMING EVENTS

October 5-7, 2015	Operation Lifesaver Regional Meeting, Atlantic City, NJ
October 14-16, 2015	NEARS Meeting, Philadelphia, PA
October 18-20, 2015	ASLRRA Eastern Region Meeting, Erie, PA
October 19-21, 2015	Rail Enterprise Risk Management Workshop, Rutgers University, 100 Brett Road, Piscataway, NJ

MEETING ATTENDEES

NAME	COMPANY/ORGANIZATION	TELEPHONE NUMBER
Kelvin MacKavanagh	MacKavanagh RR Consulting	609-704-1270
Bob Bailey	Munro Associates	201-232-0389
Chip Greiner	Morristown & Erie Ry.	973-267-4300
Bob Dedow	FRA	617-901-5851
Donald Hutton	NYNJR	201-433-0360
Paul L. Greene	NS	757-823-5287
Xiang Liu	Rutgers University	848-445-2868
Michael Allen	NJ Operation Lifesaver	609-929-6421
Michael R. Weinman	PTSI Transportation	201-933-5530
Jim Pfeiffer	SMS Rail	610-739-3729
Tony Macrie	Seashore Lines	609-602-1264
Ronald S. Weening	AS-W, Inc.	908-654-5144
Jon Broder	Conrail	215-209-5020
Neil Ferrone	Conrail	856-231-2007
Bob Ryan	Consultant	973-220-8963
Gary A. Brennfleck	NJDOT	609-530-2912
Kimberly N. Giddens	NJDOT	609-530-5644
Joseph Bowen	NJDOT	609-947-9409
Mike Fesen	NS	717-319-6870
John K. Fiorilla	Capehart & Scatchard	856-914-2054

MEETING MINUTES

On account of the sudden change in the meeting location, NJSLRRA president Bob Bailey delayed the start of the meeting until 10:45 a.m. He then conducted a safety briefing and held a round of introductions.

1. Discussion of support for the Regulatory Accountability Act of 2015 (S.2006).

The U.S. Chamber of Commerce has solicited the support of the Association for this bill; it is designed to increase transparency and hold the federal regulatory agencies accountable for the quality of their rulemakings.

The members voted unanimously in favor of joining the multi-industry sign-on letter in support of the bill.

2. Presentation about the development of rail-related education and research at Rutgers University.

Dr. Xiang Liu of Rutgers gave a very interesting and informative presentation about rail-related education and research at Rutgers and on the state of railroad engineering education elsewhere in the United States.

Dr. Liu, who is a native of China, said that there are less than seven universities in the US which teach railroad engineering; in China there are three universities just for railways.

He would like to have strategic cooperation with the railroad industry. Dr. Liu currently has seventeen students in his railroad courses; most of them are graduate students. He hopes that Rutgers will eventually offer a degree in railroad engineering.

Neil Ferrone said that Conrail is always looking for summer interns in engineering; a bunch of these were brought in from Penn State this summer. Conrail hopes these students will join the industry after graduation.

Paul Greene said that Norfolk Southern recruits a lot of students who majored in logistics.

Mike Weinman asked if any universities are teaching courses in managing commuter rail operations.

Dr. Liu's slide presentation is attached to these minutes.

3. Rail Enterprise Risk Management Workshop at the Rutgers Center for Advanced Infrastructure and Transportation on October 19-21, 2015.

Dan Collins, who had planned to attend the meeting and talk about the Workshop, suffered a knee injury the day before the meeting and could not be with us.

The flyer with the registration information is attached to the minutes.

4. ASLRRA Eastern Region meeting in Erie, PA on October 18-20, 2015.

Besides the excellent program, the meeting will feature a tour of the General Electric locomotive manufacturing plant on Tuesday afternoon, October 20.

5. Operation Lifesaver regional workshop at the Tropicana in Atlantic City on October 5-7, 2015.

The tentative schedule for this workshop is attached.

Michael Allen briefed the members on the workshop and on current developments within the Operation Lifesaver organization. The Operation Lifesaver Board is now larger.

Neil Ferrone of Conrail is a member of the Board; they would also like to have a short line member from New Jersey join the Board.

The next meeting of the New Jersey Operation Lifesaver Board will be on Tuesday, December 8, 2015 at the Monmouth Jct. Fire House at 9:00 a.m.

6. NEARS meeting in Philadelphia on October 14-16, 2015.

The meeting of the North East Association of Rail Shippers (NEARS) will be at the Philadelphia Marriott on October 14-16. The sessions will begin in earnest on the morning of October 15 and conclude at 12:30 p.m. on Friday, October 16.

Kel MacKavanagh will moderate a short line panel on Thursday afternoon, October 15. The panel members will be:

- Dan Gilchrist, vice president, marketing & sales, Reading & Northern Railroad
- Scott Harris, director-marketing, Maryland & Delaware Railroad
- Eyal Shapira, president, Raritan Central Railway

Ron Batory, Conrail's president and chief operating officer, will make a presentation about Conrail on Thursday morning.

Full information about the NEARS meeting is on the website, www.nears.org.

7. Report on federal and state rail-related legislation.

Kel MacKavanagh said that there are 135 bills in Congress which have 'railroad' somewhere in their wording. All are still in various committees.

There are at least four bills dealing with crude by rail, hazardous materials, and tank car safety.

H.R. 721, the short line tax credit bill, now has 237 co-sponsors; only five are from New Jersey (Reps. Lance, LoBiondo, Norcross, Sires, and Smith).

Although there has not been much legislative activity in New Jersey recently, Mike Fesen reported that S.2979, the bill which requires the owners of railroad bridges to submit bridge inspection reports to the NJDOT, was passed by the Senate with a 40-0 vote on June 29, 2015. Mike expects that there will be action on the companion bill (A.4592) in the Assembly this fall.

8. Status of NJDOT rail grants.

Gary Brennfleck said that Taimur Shamali has moved over to the capital programs management side at NJDOT. We wish Taimur well in his new position. Gary is now in charge of multimodal grants for NJDOT.

Gary introduced Kim Giddens; Kim, a 32-year veteran at NJDOT, is now doing rail. She has previously worked with Todd Hirt.

Nicole Minutoli is now the director of multimodal, replacing Talvin Davis; Talvin retired this summer.

Gary stated that there have been ten applications for the \$8M in the 2015 grant program. The award decisions have not yet been made. NJDOT will fund 90 percent of the projects selected.

Gary also went into some detail as to how projects are selected for awards. The criteria include:

- There must be more than one customer on the line.
- The customer must be an existing customer.
- The benefit/cost ratio should not be less than 1:1.

There were questions about whether or not job creations enter into the decision. Don Hutton of NYNJR said that in New York you will get a grant if you are getting jobs.

Bob Bailey said that NJDOT should look at jobs.

The suggestion was made that NJ should look at the grant process in other states such as Pennsylvania and New York. The Pennsylvania program has a regular budget of \$9-10M annually and also awards grants directly to customers.

Gary Brennfleck said that the 2016 NJDOT grant program will be \$10M; he is not sure when the program will open for applications.

9. Planning for TransAction 2016 meeting at the Tropicana in Atlantic City on April 12-14, 2016.

The TransAction Steering Committee held its first meeting for TransAction 2016 on August 14. Kel MacKavanagh says that there will be sessions on crude oil by rail and positive train control.

John Fiorilla is willing to do a session regarding a recent two-day conference the National Transportation Safety Board held exclusively for lawyers.

Kel asked that members think about other topics for TransAction sessions. The list should be complete no later than early January 2016; this is when the final cuts are made; there are always more sessions suggested than there are space for on the program.

10. Member reports.

a. Norfolk Southern.

Mike Fesen reported that crude oil traffic is off a little bit. He said that North Dakota won't ship oil to the East if the price per barrel drops below \$40.00.

Paul Greene introduced himself as the new NS short line person replacing Chris Spiceland. Chris has moved over to agriculture marketing. Chris came to a number of our NJSLRRA meetings over the years; we wish him success in his new position. Since a number of us have known Paul from his work in strategic planning, we look forward to working with him as a short line representative.

b. Conrail.

Conrail has been busy at the port; its traffic is dependent on CSX and NS.

The new bridge at Paulsboro should be finished within 30-40 days.

Neil Ferrone said that there would be disruptions on the last weekend of September because of the visit of Pope Francis to Philadelphia.

c. CSX.

Since Dave Scott and Rodney Oglesby had advised us previously that they would be unable to attend this NJSLRRA meeting, Bob Bailey announced the senior management changes which were in the railroad's September 8 press release:

- Clarence Gooden is appointed President.
- Fredrik Eliasson is appointed Executive Vice President and Chief Sales and Marketing Officer.
- Cindy Sanborn is appointed Executive Vice President and Chief Operating Officer.
- Frank Lonergo is appointed Executive Vice President and Chief Financial Officer.

d. New York New Jersey Rail (NYNJR).

Don Hutton told the members that the NYNJR is acquiring three new locomotives and two new, wider, carfloats. These are being paid for with federal funds through the railroad's owner, the Port Authority of New York & New Jersey.

11. New business.

Neil Ferrone advised the group about upcoming TransCAER training sessions utilizing the Dow Chemical Training equipment. The sessions are scheduled as follows:

- September 30 and October 1: Sunoco, Westville, NJ
- October 15-16-17: Conrail Oak Island Yard, Newark, NJ

The details are attached to the minutes under Dow Chemical TRANSCAER Tour. Registration is at www.transcaer.com/events.

Neil also distributed copies of Conrail's excellent new publication, EMERGENCY RESPONSE PROCEDURES TO RAILROAD INCIDENTS.

Next meeting:

The next meeting will be on **Wednesday, November 4, 2015 at 10:30 a.m.** at the Hilton Garden Inn at Raritan Center in Edison, NJ.

The meeting was adjourned at 12:30 p.m.

Kel MacKavanagh
Secretary, NJSLRRA
609-704-1270

