

This month's meeting, Friday, February 16, 2001, was held at New Jersey Department of Transportation Headquarters, in Trenton, New Jersey. The Association expresses its appreciation to **TED MATTHEWS**, of NJDOT, for providing our meeting room.

The Association also wishes to thank **JIM WILSON** OF THE New York and Greenwood Lake Railroad for providing lunch.

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**NEXT MEETING: 10:00 A.M., FRIDAY, MARCH 16, 2001**

**LOCATION: NJDOT HEADQUARTERS  
1035 PARKWAY AVENUE  
TRENTON, NEW JERSEY**

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Members NJSLRRA:

Our cyclical economy is at least showing its consistency to past behavior. The current downturn will begin to affect us all, including the Class I railroads on which we depend. This should be a time for encouragement in that there is plenty of business out there, we just have to go after it. Where there is a will there is a way. We all have the way, which is the railroad. Now is the time to have the will and to grow our business to even greater levels.

A.J.E.

***NEW JERSEY SHORT LINE RAILROAD ASSOCIATION***

***MONTHLY MEETING***

***FRIDAY, FEBRUARY 16, 2001***

**Attending:**

<b><u>Name</u></b>	<b><u>Company</u></b>	<b><u>Telephone No.</u></b>	<b><u>Fax No.</u></b>
Jack F. O'Connor	Surface Transportation Board	609-871-7507	
J. R. Wilson	NY & Greenwood Lake Railway	973-743-5300	973-743-4580
Joseph R. Iadanza	East Jersey Railroad	201-339-4639	
Ronald J. Marx	FRA	973-398-8794	
Fred Winkler	Winchester & Western RR	856-451-6400	856-451-7016
Jeff Sutch	SMS/Penn Jersey Railway	856-467-4800	857-467-2121
Tom Collard	SRNJ	609-871-8699	
Tony Macrie	Cape May Seashore Lines	609-884-5300	
Steven Friedland	Morristown & Erie	973-267-4300	
Bill Hickey	Bethlehem Steel Railroad	610-694-1312	
Michael Aller	Eastern Rail	609-683-0356	
Ed Fink	Eastern Rail	732-906-5654	
Eric S. Strohmeyer	Eastern Rail	908-872-4592	
Bob Bailey	Port Jersey Railroad	201-434-8373	201-434-8242
Fran Hennessy	NSRR	215-591-3653	
John Fiorilla	WSFR	732-545-2250	
Kel MacKavanagh	CSX Transportation	609-704-1270	609-704-1273
Bill Wright	Union County	908-272-5968	
Frank Reilly	Morris County	973-829-8101	
Jerry Madden	Manageering Assoc./ J.M. Cain Co.	856-866-0500 NJ 215-545-3900 Phila.	215-985-5704
Mark Mastro	CSX	215-209-4359	
J. Petaccio, Jr.	SRNJ	215-634-2582	
A. J. Erdman	NJ TRANSIT	201-714-2788	201-714-2829

***NEW JERSEY SHORT LINE RAILROAD ASSOCIATION***

***MONTHLY MEETING MINUTES***

***FEBRUARY 16, 2001***

**BOB BAILEY** opened the meeting. The first subject of this month's meeting is the Tax Issue. Bob handed out a fact sheet discussing the tax issue prepared by **JOHN FIORILLA**. This form explained how to accurately calculate your New Jersey tax rate. Also explained is how to establish your class of railroad. Bob felt that the effects on his railroad operation seemed fair. John advised that the New Jersey Department of Taxation will make a presentation to the NJSLRRA members on the issue of proper calculations of the tax rate. John noted that the Railroad Tax is not an income tax but a real estate tax. He also advised to avoid a re-appraisal of the property, as this could result in a rate increase. John reminded the members that if you sell a piece of property make sure you notify the State so you will not be taxed on it. If you purchase property enter this fact on the long form. If you encounter any problems, you can request a meeting with the Director of Taxation to explain your issue.

John related a tax issue regarding the CSX Intermodal Yard Office, in South Kearny, New Jersey. This facility was constructed by Conrail prior to the CSX/NS merger. The town of Kearny is continuing to tax Conrail for this facility.

Keep in mind that the required forms must be filled out even if there are no charges.

**FRED WINKLER** stated that one third of the tax is supposed to go to local road projects. John replied that currently the tax collected goes into the general fund.

John advised that there is no agreement with the Department of Taxation for this year. The Department of Taxation stated that they will attempt to simplify the instructions which are now used to calculate taxes.

It was noted that **SENATOR JOSEPH F. VITALE** (District 19), is sponsoring a bill to address the tax issue. **JOHN FIORILLA** explained that the City of Perth Amboy wanted to construct a new municipal building on the Perth Amboy Branch. The city wanted to avoid the expense of relocating the track around the new building stating that the track was "abandoned". The track is not abandoned or out of service, it is just not being used currently. Perth Amboy cannot sever the track otherwise the Surface Transportation Board becomes involved. If you have property not being used it is still considered "of railroad use". Some communities are attempting to have this changed.

**BOB BAILEY** reported that he has spoken to **ASSEMBLYMAN ALEX DE CROCE** on Assembly Bill 3714 for help in changing the tax law. Alex immediately sent a letter of support to have the tax law changed. Alex has always been supportive of the Short Line Railroads.

Bob reminded the members to make certain that if you operate any railroad outside New Jersey, make sure the Accounting Books are separated from New Jersey operations.

On other issues, Bob reminded the attendees that the *TransAction Conference 2001* will be held in Atlantic City, New Jersey on April 10, 11 and 12, 2001. U.S. Department of Transportation **SECRETARY NORMAN Y. MINETA** has been invited to attend as keynote speaker. We are awaiting his reply.

**FRANK REILLY** advised that the new flyers are being mailed out and will include the list of workshops that are being held. So far, 47 tables have been sold and registrations are ahead of last year's number.

**TOM COLLARD** reported that on April 10<sup>th</sup>, at 10:00 A.M., the Town of Pleasantville will dedicate their new Transportation Center. The Pleasantville Director of Urban Enterprise Zone will be asking for a Business Car to bring the Governor, Commissioner of Transportation and NJ Transit Executive Director there to hold a reception. Tom inquired if the NJSLRRA would want to hold a reception on Wednesday night, April 11<sup>th</sup> on the Business Car. **JEFF SUTCH** suggested that **JACK QUINN** and **MIKE FERGUSON** be invited to speak.

**FRANK REILLY** advised that after the Tuesday evening Hospitality Suite, the attendees like to go to the casinos afterwards. We may want to provide a shuttle between the hotel and the Atlantic City Rail Station.

**BOB BAILEY** reported other upcoming events of interest. March 14 and 15 is the American Short Line and Regional Railroad Association sponsored "Railroad Day on the Hill", in Washington, D.C. Bob also noted that he will be attending the CSX Short Line Railroad Caucus Committee Meeting on March 12 and 13, in Jacksonville, Florida. Bob asked that if the members have any issue they want to have Bob discuss to send Bob a memo outlining same.

**TED MATTHEWS** advised the members that he has forwarded a copy of the Oklahoma State Railroad Map to the NJDOT Graphics Department to use as a basis for the New Jersey Railroad Map. Ted is having **PAUL SCHNEIDER** locate the railroads on the GIS to get their proper location on the map. **GREG WALTERS** will visit each railroad to obtain a photograph of each railroad's locomotive and a brief description will accompany each railroad on the map. **STEVEN FRIEDLAND** noted that he has photographs of each member's locomotives which are used on the Web Site.

**DAVE MEYERS**, of FRA Region II, reported to **TOM COLLARD** that the BNSF was able to close over 600 highway crossings at grade on that system. Of course, some of these crossings are farm or cattle crossings in desolate areas. **JEFF SUTCH** noted that the State of Pennsylvania has a DOT Fund set up for grade crossing improvements and renewals. The funding comes from fees from license plates.

**JOHN FIORILLA** reminded the members that if you improve any crossing, on your railroad, you must get the approval of the NJDOT before performing such work.

**BOB BAILEY** asked **TED MATTHEWS** about the condition of bridges in New Jersey. Ted replied that there is approximately \$30 Million in repairs or replacement needed on railroad bridges.

Ted also noted that CSX has approached the Commissioner on the closure of grade crossings in New Jersey. Currently, a study is underway.

**BOB BAILEY** will be contacting **ALEX DE CROCE** soon to schedule the annual meeting with the NJSLRRA, the Commissioner and Alex.

**TED MATTHEWS** asked the members to send him any project proposals requiring State funding.

**KEL MAC KAVANAGH** inquired on the status of the Portway Project. Ted replied Portway is being supported by the Governor and is moving ahead.

**BOB BAILEY** asked about the connection between the Staten Island Railroad and the Chemical Coast Secondary in Bayway. Ted noted that the Port Authority is proceeding with this project. Bob also asked about increases in weights allowed on New Jersey highways. Ted noted that the State permit procedures for excess weights addresses that issue for now. Currently, 80,000 pounds is the maximum axle loading limit. Portway will be designed to carry heavier loading between the connecting container terminals. European highways permit weights 11 tons heavier than roads in the U.S.

**BILL WRIGHT** asked about the deep draft ships accessing New York Harbor. It had been discussed that the deep draft ships would use the former Military Ocean Terminal-Bayonne (MOT-B) site for these ships account of its deep channels. There has not been a decision on use of MOT-B for this purpose but use for shipping, in general, is a good possibility.

**FRANK REILLY** asked about the proposal to sell used track material from NJ Transit to the Short Line Railroads. **BOB BAILEY** replied that this material is sold in bulk to scrap dealers. This is more efficient for NJ Transit than selling material that is on the ground and arranging for purchasers to pick up on site. An alternative would be to work with NJ Transit and the salvage company to purchase a part of the scrap for Short Line Railroad use.

**TOM COLLARD** suggested that if an approved NJDOT project were involved, there may be a way to obtain this material by the Short Line Railroads.

**MARK MASTRO** reported that the Connecticut DOT recently made over 30,000 used ties available for bid by the Short Line Railroads.

**FRANK REILLY** reported that the Federal Highway Administration did a survey on wear and tear on the national highway system and one - 40 foot tractor trailer does the damage of 8226 automobiles.

**BILL WRIGHT** noted that many truckers operate on the highways with 15 tons above the legal weight limit.

**FRED WINKLER** stated that trucking company J. B. Hunt is having problems with truck drivers abandoning their rigs on the highways.

**BOB BAILEY** stated that the Federal Railroad Administration will be holding seminars in Scranton, Pa. and Rome, New York on 49CFR Railroad Regulations. On March 20, the FRA will conduct federal regulatory lectures on Hours of Service, Operating Practices, Track Inspections, etc. for the American Short Line and Regional Railroad Association.

**DAVE MEYERS**, of FRA Region II, will try to attend the next NJSLRRA Meeting to make a presentation.

**ART ERDMAN** advised that he has completed the emergency notification listing for the **New Jersey One Call** service and has forwarded same to them. He included emergency numbers for CSX, Norfolk Southern, Conrail, Amtrak and NJ Transit.

**JACK O'CONNOR**, of the STB, reports that his contract with the STB runs out in March and this will be the last NJSLRRA Meeting he will attend. **BOB BAILEY** requested that Jack continue to attend the NJSLRRA Meetings. Bob asked Jack if he would want to be a Consultant to the NJSLRRA. Jack said he would like that and he suggested that he would be available to assist without any formal arrangements.

**FRANK REILLY** related that the New Jersey Transportation Planning Authority has formed a new freight traffic committee to study goods movement in New Jersey.

The **Somerset Terminal Railroad** has applied for membership in the NJSLRRA. The STR operates outside of Manville, New Jersey and handles waste transfer traffic in that area.

The meeting recessed for lunch. The NJSLRRA thanks **JIM WILSON**, of the New York and Greenwood Lake Railroad for providing a sumptuous lunch.

The meeting resumed at 12:45 P.M.

**BOB BAILEY** related a conversation with **JOE PETACCIO** concerning an issue of insurance coverage for meetings of the NJSLRRA. Joe observed that there is a liability issue with holding meetings for large groups of people. Insurance coverage of \$1 Million for a year would cost about \$350.00. Bob agreed and recommended that the NJSLRRA obtain this protection.

Bob notified the members that **STEVEN FRIEDLAND** has agreed to become Secretary-Treasurer of the NJSLRRA upon the departure of **ART ERDMAN**.

**GORDON FULLER, JEFF SUTCH** and **BOB BAILEY** met with **LINDA MORGAN**, Chairman of the STB, recently. The primary issue discussed was developing and growing business for New Jersey and helping its economy. Bob spoke to Linda about recent remarks attributed to **JIM MC CLELLAN**, of Norfolk Southern. Linda stated that the remarks, which became controversial, had not been made by Jim McClellan. These remarks were made by a shipper at an RSTAC (Rail Shippers Transportation Advisory Committee) Meeting and had been reported as having been said by him. Bob requested, from Linda, that he become a member of RSTAC. A letter was sent to the STB requesting membership for him. One issue, Bob related, was that in Conrail Shared Assets Area, proposals are made and if one of the parent railroads opposes a proposal the issue dies.

**JEFF SUTCH** advised that he spoke with **MELVIN F. CLEMENS**, Director of the Office of Compliance and Enforcement for the STB. The meeting with the STB lasted 90 minutes and covered many issues. Issues were discussed concerning situations which have happened after the Short Line Railroads had been given assurances that they would not happen prior to the CSX/NS merger with Conrail. Linda understood the issues and she will work with the Class I Railroads to try to address them.

**MARK MASTRO** reported that the Shared Assets Area has a new President, **GREG WEBER**. Mark suggested writing him a letter inviting him to a NJSLRRA Meeting.

**JOE IADANZA** asked if there may be any more personnel changes on Conrail.

**BOB BAILEY** reported that **RON BATORY**, Senior Vice President of Conrail, has indicated that he is interested in attending the meetings of the NJSLRRA and working with the member railroads. Some of the members spoke about problems in the Shared Assets Area with cars being returned to them after being delivered for return to their home railroad. This seems to occur in traffic originating on Norfolk Southern. **FRAN HENNESSEY**, of NS, will look into this and try to get it fixed.

**MARK MASTRO** related he attended a meeting in Selkirk, New York, with top CSX officials to explain the CSX goals. Mark felt that the new executive team is focused on real life operations. CSX has recently transferred its TransFlo operations to CSX Intermodal to operate. CSX wants to attract new business from the highways and not take business away from other railroads. CSX will be establishing a new Short Line Railroad web site soon.

**FRAN HENNESSEY** reported that NS has established a new operation called Modal-Gistics to handle its bulk cargo business. They will work with customers to get the best shipping rates for them. There are plans to establish "mixing centers" for bulk products similar to those used for automobile traffic. **JEFF SUTCH** noted that this could affect Short Line Railroad business bypassing deliveries by railroads to truck traffic. Fran also advised that **GREG LEWIS** has been appointed to Marketing and Sales for Short Line Railroads at NS. Fran handed out several information papers on staffing at NS.

**ERIC STROHMEYER**, President of Eastern Railroad Investment Corporation, gave a briefing on the operation of our new member, the Somerset Terminal Railroad. They are headquartered in Bridgewater, New Jersey and have 2 miles of track between Bridgewater and Manville. They handle 4500 cars a year of waste transfer material.

**BILL WRIGHT** asked the members if they want to become involved with preserving the Bergen Archways, in Jersey City, as a rail corridor.

**JACK O'CONNOR** suggested the Bergen Archways be looked at as an alternative route for diesel service to Hoboken when the NJ Transit Bergen Tunnel Project begins.

The meeting concluded.

**NEXT MEETING: 10:00 A.M., FRIDAY, MARCH 16, 2001**

**AT  
NJDOT HEADQUARTERS  
1035 PARKWAY AVENUE  
TRENTON, NEW JERSEY**