

NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES NOVEMBER 4, 2016



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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We want to thank Eyal Shapira and the Raritan Central Railway for hosting the meeting at the Hilton Garden Inn in Raritan Center. The hotel staff, especially Carol, did a great job in taking care of our group. We were sorry that Eyal himself was unable to attend the meeting.

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Next Meeting: Friday, February 3, 2017 at 10:30 a.m.
Location: Conrail offices at 1000 Howard Blvd. in Mount Laurel, NJ.

UPCOMING EVENTS

March 2, 2017	Railroad Day on Capitol Hill, Washington, DC
March 5-7, 2017	CSXT Short Line Workshop, St. Augustine, FL
April 4-6, 2017	TransAction Conference, Atlantic City, NJ
April 22-25, 2017	ASLRRRA Convention, Grapevine, TX
May 22-23, 2017	Norfolk Southern Short Line Meeting, Norfolk, VA

MEETING ATTENDEES

<u>NAME</u>	<u>COMPANY/ORGANIZATION</u>	<u>TELEPHONE NUMBER</u>
Kelvin MacKavanagh	MacKavanagh RR Consulting	609-704-1270
Bob Bailey	Munro Associates	201-232-0389
John Fiorilla	Capehart & Scatchard	856-914-2054
Melanie Boyer	NYSW	607-547-2555
Neil Ferrone	Conrail	856-231-2007
Bernie Maylie	Conrail	856-231-2017
Bob Baylor	Conrail	856-231-2048
Michael Allen	NJ Operation Lifesaver	609-929-6421
Jim Pfeiffer	SMS Rail	8564674800 Ext. 303
Mike Stephenson	TRANSCAER	551-777-0631
Mike Fesen	NS	717-319-6870
Jim Orgill	NJ OHSP	609-584-4269
Kinberly N. Giddens	NJDOT	609-530-5644
Deven M.Patel	NJDOT	609-530-2912
Dianne Dino	ePath Learning	908-272-8525
Paul Gessner	GTC LLC	908-591-4418
Michael Weinman	PTSI Transportation	201-933-5530
Tony Giobbie	CSX (retired)	609-932-4528
Pat Abusi	RCCSJ	856-423-2220
GeorgeAnne Tutunjian	Orgo-Thermit	732-657-5781
Paul L. Greene	NS	757-823-5287
Wesley Weis	M&E	973-267-4300
Chris Mazzei	M&E	973-267-4300
Andrew Smith	U.S. DHS	202-875-1034
William Sheppard	Atlantic Rail Services	856-983-9226
Rodney Oglesby	CSX	610-660-7729
Dave Scott	CSX	856-778-5119

MEETING MINUTES

NJSLRRA president Bob Bailey began the meeting at 10:38 a.m. with a safety briefing and a round of introductions.

1. Passing of Jim McClellan on October 14, 2016.

Kel MacKavanagh told the group that he had been friends with Jim McClellan since they were both studying Transportation at Wharton in 1959; Jim was an undergraduate; Kel was a graduate student. After commanding the NROTC battalion at the University of Pennsylvania, Jim went on active duty in the Navy.

Following his release from active duty, Jim joined the Southern Railway, then moved up to New York and went to work for the New York Central in 1965. During the first year of the Penn Central merger, he returned to Washington and worked for Amtrak, the US Railway Association, and other agencies before returning to the Southern Railway.

As senior vice president of planning for Norfolk Southern, he played a major role in the split-up of Conrail and the set-up of Conrail Shared Assets.

A period of silence was held in Jim's memory.

Paul Greene said that he had worked under Jim for four years and learned a great deal from him.

2. NJDOT Rail Grant Status.

Now that the Transportation Trust Fund has been renewed, Deven Patel said that there is \$8M available thus far for FY 2017. Letters regarding applications will go out on November 15. Applications must be filed from December 1, 2016 to January 15, 2017.

FY 2016 grants are still in the Governor's office for approval.

3. New NJDOT Freight Advisory Committee.

This new committee held its first meeting on October 26; its purpose is to update the 2007 freight plan and make it compliant with MAP-21 and the FAST Act. NJSLRRA is a member of the committee.

The minutes of the October 26 kickoff meeting are attached.

4. Proposed NJ State Police Joint Working Group on freight and passenger railroads and state and federal agencies.

Andy Smith, now with DHS, told us that the NJ State Police wants to have a joint working group involving freight and passenger railroads, and state, federal, and private security. Issues addressed would include emergency management, security, shared track and other issues.

LT John Marley of the NJ State Police is the point of contact for the rail security working group. Meetings would be held quarterly at the OHSP Regional Operations Intelligence Center.

5. Update on current federal rail-related legislation.

Kel MacKavanagh said there are 196 bills which have the word 'railroad' somewhere in the bill and 283 bills which have the word 'railroads' in them. Most of these were introduced in 2015 and are still in committees.

From a short line standpoint, the most important bill is H.R. 4626, the BRACE Act (Building Rail Access for Customers and the Economy). This bill, which would make the 45G tax credit permanent, now has 221 co-sponsors. Only four of the co-sponsors are from New Jersey (Reps. Lance, Pascrell, Payne, and Sires). Three congressmen who co-sponsored H.R. 721, the 45G tax credit bill which does not make the tax credit permanent but extends it to the end of 2016, have not yet co-sponsored the BRACE Act bill (Reps. Coleman, LoBiondo, and Norcross). H.R. 721 currently has 262 co-sponsors.

The 45G tax credit, although it has a majority of the House as co-sponsors, has never been passed as a 'stand alone' bill; it has always been attached to other funding legislation. We hope the tax credit will be passed in the lame duck Congress.

S. 650, the Railroad Safety and Positive Train Control Extension Act, was placed on the Senate Legislative Calendar (No. 641) on September 22. This would extend the PTC deadline to December 31, 2020.

6. Discussion of responses to the Surface Transportation Board regarding its ongoing proceedings affecting the economic regulation of railroads. The STB Reauthorization Act of 2015 did not include requirements to conduct these proceedings.

Attached is a copy of a letter from Senators Cory Booker and Deb Fischer to the STB members expressing concerns about the impact of regulatory proposals on the economic viability of railroads. A similar letter was sent from Reps. Bill Shuster and Jeff Denham.

The railroad industry would like to have local and state officials as well as customers send similar letters to the STB before the Holiday Season. Templates are available.

7. Status of rail-related bills currently in the New Jersey Legislature:

- **A. 2463. *Hazardous Material Transport by Rail.* This bill requires the owner or operator of certain trains to have discharge response, cleanup, and contingency plans to transport certain hazardous materials by rail. It is presently in the Appropriations Committee.**
- **A. 4031. *Crude Oil by Rail Safety Task Force.* This bill creates a crude oil by rail safety task force. It has been passed by the Assembly Committee on Transportation and Independent Authorities.**
- **S. 806. *Owner or Operator of Certain Trains.* This bill requires the owner or operator of certain trains to have discharge response, cleanup, and contingency plans to transport certain hazardous materials by rail; it also requires the NJ Department of Transportation to request bridge inspection reports from the US Department of Transportation. This bill was passed by the Assembly Committee on Transportation and Independent Authorities and is now in the Assembly Committee on Appropriations.**

These bills reflect the concern of legislators about rail transportation of hazardous materials by rail in New Jersey.

The Crude Oil by Rail Safety Task Force would have 13 members; it would include three law enforcement officers and three EMS technicians, firefighters or emergency communications operators from three groups of counties. One member would have expertise in freight rail transportation; another with expertise in petroleum, petroleum products, or hazardous materials.

8. Request for session topics for TransAction 2017.

Kel MacKavanagh asked members to submit topics by November 30 if they wish to do so; final session topics will be determined by early January.

John Fiorilla has already suggested a session regarding the storage of LPG tank cars in transit in municipalities and the regulations which permit this.

9. 2017 NJSLRRA dues notices.

Kel MacKavanagh said that he would be sending out the dues notices in mid-December. Bob Bailey reminded everyone that the dues have never been increased in the 25 years since the Association was founded.

10. Environmental benefits of moving freight by rail (AAR report).

The AAR report is attached; we should promote the environmental benefits of rail transportation.

There are two new 'green' locomotives on NYNJ Rail and two on the NYSW in North Bergen, NJ; the locomotives are expensive.

Community support will help the grant process. There should be grants for short lines in the PTC situation. NJ TRANSIT and Amtrak use different PTC systems than the freight railroads.

11. Member reports.

a. Norfolk Southern.

Paul Greene stated that NS is still on the path for a 67 percent operating ratio. Carloads are down seven percent, but costs are down ten percent.

NS carloads with its short line connections are down four percent but were up six percent in the third quarter. Coal traffic actually helped the increase because of the warm summer; there are still issues with crude oil traffic.

NS sold its line from Columbus, OH to Deepwater, WV to Watco during the summer. The new railroad is the Kanawha River Railroad (KNWA).

It will sell 162 miles of its lines on the Delmarva Peninsula to Carload Express. This is the line from Porter, DE to Pocomoke, MD, plus branches.

NS also needs to redeploy its coal assets to other areas.

The annual NS short line meeting will be on May 22-23, 2017 in Norfolk.

b. CSX.

Dave Scott said that CSX carloads and revenue were down eight percent in the third quarter. Coal traffic was down substantially, but is hopefully leveling out. Productivity has increased. The CSX operating ratio was 69.0 percent.

Traffic with its short line connections is flat on volume and revenue.

The annual CSXT short line workshop will be on March 5-7, 2017 at World Golf Village in St. Augustine, FL.

c. SMS.

Jim Pfeiffer raised a question about hazmat paperwork and spacer car requirements when operating over a public grade crossing. Subsequent to the meeting, Neil Ferrone and Allen Richter of Conrail discussed this with hazmat specialists Lisa Matsinger and Jeff Moore at the FRA headquarters in Washington, DC.

They advised Neil and Allen that if you are picking up or delivering cars to a customer, you are a train and should have the required shipping papers and a non-hazmat spacer car.

They also provided the following summary from a 1996 FRA memo following a U.S. Supreme Court case:

“To summarize, if the air brake rules apply to a movement, it is a train and the train placement and hazardous materials documentation rules apply. In addition, because interchange operations involve the transfer of custody/responsibility with the cars, transfer movements, regardless of the applicability of the air brake rules, are not considered switching.”

d. Capehart & Scatchard.

John Fiorilla said that the Morristown & Erie issues are doing well. The cars at Mount Olive have all been shipped out; the case involving these is still pending.

e. Operation Lifesaver.

Michael Allen said that Operation Lifesaver will continue to provide safety training for first responders.

f. TRANSCAER.

Mike Stephenson stated that 2016 is the 30th anniversary of TRANSCAER. Norfolk Southern, Conrail, and CSXT all had training tours. The Dow and Norfolk Southern trains were both in Newark, NJ. The Dow tour is not scheduled to return until the fall of 2017.

TRANSCAER will provide LPG training for emergency responders in Morris County; this is a four-hour module.

12. New business.

New business was covered under the previous items.

Next meeting:

The next meeting will be on **Friday, February 3, 2017 at 10:30 a.m. at the Conrail offices at 1000 Howard Blvd. in Mount Laurel, NJ.**

The meeting was adjourned at 12:05 p.m.

Kel MacKavanagh
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