

NEW JERSEY SHORT LINE RAILROAD ASSOCIATION

MEETING MINUTES FEBRUARY 3, 2017



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

ROBERT BAILEY—President
1764 Union Avenue
Hazlet NJ 07730
(732) 264-7264

JEFF SUTCH—
Vice President
PO Box 711
Bridgeport NJ 08014
(856) 467-4800

STEVEN FRIEDLAND—
Treasurer
5 Westminster Place
Morristown NJ 07960
(973) 898-1346

KELVIN MacKAVANAGH -
Secretary
PO Box 294
Cedar Brook NJ 08018-0294
(609) 704-1270

We want to thank **Ron Batory** and the Conrail staff for hosting this meeting. This was the largest meeting we have had in Mount Laurel in ages. We especially want to thank **Neil Ferrone** and **Francine Monteleon** for all of their help. Neil did the safety briefing, helped with the audiovisual presentation, and the layout of the food for lunch. Francine had ordered the food and provided the best signage directions we have ever had to the meeting location.

TABLE OF CONTENTS

List of Attendees	Page 3
Meeting Minutes	Page 4

Next Meeting: Wednesday April 5, 2017 at 8:00 a.m.
Location: Tropicana Resort Hotel, Casino, and Conference Center, Atlantic City, 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 22-24, 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
Nathan Fenno	NYSW	607-547-2555
Neil Ferrone	Conrail	856-231-2007
Jon Broder	Conrail	215-209-5020
Tim Tierney	Conrail	856-231-2021
Michael Allen	NJ Operation Lifesaver	609-929-6421
John McCreavy	SMS Rail	609-868-1342
Jim Jordie	Stella-Jones	551-777-0631
Mike Fesen	NS	717-319-6870
Jim Orgill	NJ OHSP	609-584-4269
Mike Luczkiewicz	Winchester & Western Railroad	856-451-6400
Deven M.Patel	NJDOT	609-530-2912
Art Amador	Winchester & Western Railroad	856-451-6400
Stephen Chiamonte	WSP I PB	609-865-3930
Michael Weinman	PTSI Transportation	201-933-5530
GeorgeAnne Tutunjian	Orgo-Thermit	732-773-5039
Pat Abusi	RCCSJ	856-423-2220
Lisa Tackach	RCC Paterson, NJ	732-657-5781
Paul L. Greene	NS	973-413-1814
Ed Williams	RCC Paterson, NJ	201-289-1691
Steven Friedland	Short Line Data Systems	973-769-2505
Steve Sullivan	R.L. Banks	703-997-4294
William Sheppard	Atlantic Rail Services	609-781-0896
Rodney Oglesby	CSX	610-660-7729
Dave Scott	CSX	856-778-5119
Bob Ryan	RR Consultant	973-220-8963
Ken Spahn	Dewberry	973-780-9326
Ron Baile	Seashore Lines	609-828-9681
Tom Noon	FRA	732-397-3095
Vincent Au	FRA	617-716-9427
Harold Zayas	FRA	201-359-6384
Bill Halloran	Tracks Unlimited	201-874-0766
Jennifer Cox	Norfolk Southern	347-580-0287
Rodney Gordon	Conrail	856-231-2004
Art Ivins, Jr.	Hatch & Kirk	215-499-3275
Kristin McCormick	NJ OHSP	609-584-4805
Gary T. White	FRA	732-570-5352
Scott Parker	Jacobs Engineering	862-242-7326



MEETING MINUTES

NJSLRRA president Bob Bailey began the meeting at 10:34 a.m. Conrail's Neil Ferrone gave the safety briefing. A round of introductions for the large group followed.

1. Plans for Railroad Day on Capitol Hill on March 2, 2017.

We will do our usual group visits to the New Jersey representatives and senators and their staff members. The lobbying visits are free of charge. Pushing for the passage of H.R. 721 to make the railroad tax maintenance credit permanent will be the major objective.

2. Remarks by John Wisniewski, Chair of the Transportation and Independent Authorities Committee of the NJ Assembly and Democratic Candidate for Governor of New Jersey.

We were pleased to welcome Assemblyman Wisniewski to the meeting; he had just finished an overnight flight from California.

John Wisniewski said that he has been in the New Jersey Assembly for 21 years; since he is running for governor; this will be his last year. If elected, he will be New Jersey's first 'transportation' governor. New Jersey is a transportation state with tons of economic activity.

He stated that the new Transportation Trust Fund has \$25M for rail freight and \$400M for infrastructure in the counties. Railroads should make sure this money is used. There is a financial policy review board which needs experienced rail freight management help.

Although the Transportation Trust Fund still has seven and a half years remaining, he said that we should start advocating for its renewal now. We don't have the type of focus we need on rail.

Regarding the recent increase in the NJ gasoline tax to 23 cents per gallon, Assemblyman Wisniewski said that he would have liked the increase to have been 25 cents per gallon because half of the 23 cents per gallon is being used to pay down debt.

3. NJ OHSP threat briefing (Kristin McCormick).

Kristin McCormick is an intelligence analyst for the New Jersey Office of Homeland Security and Preparedness. She is one of ten analysts who focus on different areas.

Kristin said that the 2017 terror threat to the New Jersey freight sector is 'low'. The highest threat is from Homegrown Violent Extremists (HVE). ISIS, al-Qaida in the Arabian Peninsula, and other extremists here in the United States are considered to be at a 'moderate' threat level.

Anarchist extremists blocked a train at the Port of Olympia, WA. Twelve of them were arrested.

Kristin told the meeting that reporting suspicious activity is a big help.

Her PowerPoint presentation is attached to the minutes.

4. NJDOT rail grant status.

Deven Patel reported that the applications made using SAGE for the \$8M in FY 2017 grants are being reviewed. 286,000 lb. gross weight on rail restrictions and marine connectivity are important considerations.

Criteria for the \$25M in FY 2018 grants are being developed.

5. Report on the Surface Transportation Board's Railroad-Shipper Transportation Advisory Council (RSTAC) by John McCreavy, the new Chair of RSTAC.

John McCreavy of SMS Rail said that this group has fifteen members; they represent big and small railroads and big and small shippers. It is a quiet, effective group. 2017 is John's sixth and last year as a member. NJSLRRA president Bob Bailey is a former member of RSTAC.

The Surface Transportation Board uses the group to keep an eye on the balance between railroads and their customers. John McCreavy said, "If we all aren't strong, we all are weak."

John also distributed copies of the STB's brochure, *The Rail Customer and Public Assistance Program*.

6. Railroad-related legislation introduced in the new Congress.

Kel MacKavanagh said that there are twelve bills in the 115th Congress which have the word 'railroad' somewhere in them.

The major bills are:

- H.R. 721 regarding the permanent extension of the railroad tax maintenance credit.

- H.R. 547, the National Infrastructure Development Bank Act of 2017.
- H.R. 233, the Safe Freight Act of 2017.

H.R. 547 was introduced by the Democrats; it has 75 co-sponsors, all Democrats.

H.R. 233 would require at least two crew members for the operation of any freight train or light engine.

NJ Congressional representatives have not yet co-sponsored any of these three bills.

7. Status of railroad-related bills in the New Jersey Legislature.

Kelvin said that there are three of these bills in the NJ Assembly, all were introduced in 2016:

- Assembly Resolution No. 20 urges the USDOT to promulgate regulations concerning transport of crude oil by rail that ensures safety of NJ residents who live along railroads.
- Assembly Bill No. 2360 requires the owner of a railroad bridge to submit bridge inspection reports to DOT.
- Assembly Bill No. 3429 clarifies police powers of railroad police officers and imposes training requirements.

8. Report on the NJ Freight Advisory Council meeting on January 24, 2017 (Scott Parker).

This meeting focused on rail; several of the persons at the NJSLRRA meeting were also at the Freight Advisory Council meeting on January 24.

Scott Parker of Jacobs Engineering told the NJSLRRA meeting attendees that all states must have freight plans in place by the end of 2017 in order to receive federal funds. These freight plans must provide input for specific projects and programmatic improvements for the next five years and beyond. These can be for maintaining a state of good repair or upgrades.

Specific proposals can be made to NJDOT in a hard copy or electronic format. The form is attached to these minutes.

Members were urged to be as specific as possible and include:

- A project name and a brief project description.
- Mile posts.
- A rough order of magnitude estimate of the cost of the project.

If members have questions or want to discuss the request or the plan development, please get in touch with Scott Parker at scott.parker@jacobs.com (862-242-7326) or Stephen Chiamonte at Chiamonte@pbworld.com (609-865-3930).

These projects must be submitted to NJDOT by September 2017.

9. Sessions approved for the TransAction 2017 Conference at the Tropicana in Atlantic City on April 4-6.

Kel said that final cuts of topics submitted were made at the last TransAction Steering Committee meeting on January 31, 2017. Among the 76 approved sessions are:

A session on Positive Train Control by NJ TRANSIT.

A review of a federal and NJ state regulations regarding the storage of railcars containing hazardous materials in towns in New Jersey by John Fiorilla.

Railroad bridge inspections. How do railroads maintain them and assure the public that they are safe?

Kelvin said that he is also coordinating a session about distribution centers and another regarding highway I-78 between Allentown, PA and North Jersey.

10. Utility attempts to force crossings of railroad rights of way in NJ.

John Fiorilla reported that Eagle One Resources, LLC had petitioned the New Jersey Board of Public Utilities to amend the current rules in order to establish a set rate to be charged for a review of a plan filed by a utility to cross a railway corridor.

The Board of Public Utilities denied the petition on the grounds that railroads are not within its jurisdiction. The decision was published in the *NJ Register* on January 17, 2017. John expects Eagle One to make the same petition to NJDOT. He says that the New Jersey Short Line Railroad Association may want to take a position on this.

John said that this was a major topic of discussion at a recent American Railway Development Association meeting in Atlanta, GA. Eagle One wants to do this all over the United States; Eagle also wants to have longitudinal access to the railroad right of way. CSXT has taken the lead in opposition to Eagle One; Norfolk Southern is also involved.

11. Driverless trucks (Mike Fesen, NS).

Mike Fesen discussed the issue of driverless trucks and their impact on the railroad industry. Experiments with driverless trucks are underway in California. There has been one accident there with driverless trucks.

Questions about driverless trucks which were raised by Mike included insurance and whether or not driverless trucks would have dedicated lanes or just be used on interstate highways.

Mike also brought up drones. He said that these can be sent ahead of trains to inspect track.

12. NJSLRRA 2017 dues payments.

NJSLRRA treasurer Steve Friedland stated that about half of the suppliers and half of the railroads have paid their 2017 dues. Dues invoices were sent out on December 19, 2016 by Kelvin MacKavanagh.

13. Plans for the ASLRRA Convention in Grapevine, TX on April 22-25, 2017.

Registrations for the Convention and the hotel are already open (www.aslrra.org). There is a wide range of sessions and also a train ride available.

14. Member reports.

a. Norfolk Southern.

Mike Fesen briefly talked about Hunter Harrison's resignation from the Canadian Pacific's Board of Directors and his desire to become CEO of a major US Class I railroad, currently CSX is his preference.

NS short line traffic volumes are up two percent; its total traffic is down. Its coal carloads are up in the first quarter of 2017; metals are up, too. Aggregate carloads are up on account of a passenger rail project in Florida.

The Norfolk Southern Short Line Meeting will be on May 22-24, 2017 in Norfolk, VA.

Paul Greene also announced that Doug McNeil, who came from Conrail, is the new AVP in charge of the NS Short Line group. Doug has succeeded Rob Robinson who has retired.

b. FRA.

Tom Noon said that Administrator Sarah Feinberg is gone; Patrick Warren is the Acting FRA Administrator. There is a hiring freeze at the moment.

c. CSXT.

Dave Scott said that CSXT's short line business is stronger than the railroad's overall business.

The CSXT Short Line Workshop will be on March 5-7, 2017 in St. Augustine, FL.

15. New business.

New business was covered in the previous items.

Next meeting:

The next meeting will be on **Wednesday, April 5, 2017 at 8:00 a.m. at the Tropicana in Atlantic City. Since this is during the TransAction Conference, the meeting will only last for one hour.** The first TransAction sessions begin at 9:15 a.m.

The meeting was adjourned at 12:21 p.m.

Kel MacKavanagh
Secretary, NJSLRRA
609-704-1270 (office)
609-472-8748 (cell)

