

This month's meeting, Friday, June 22, 2001, was held at New Jersey Department of Transportation Headquarters, in Trenton, New Jersey. The Association would like to thank **TED MATTHEWS**, of NJDOT, for providing our meeting room. We also wish to thank **JEFF SUTCH**, of **SMS RAIL LINES**, for providing our lunch.

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**NEXT MEETING: FRIDAY, JULY 27, 2001**

**LOCATION: NYS&W RAILROAD PASSENGER EXTRA  
HAWTHORNE TO SPARTA AND RETURN**

**A SEPARATE LETTER WILL BE SENT TO THE MEMBERS WITH DETAILS.**

**WATCH YOUR MAIL!!!**

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Members NJSLRRA:

A recent accident, involving a truck carrying gasoline which overturned and ignited on Interstate 80 in Denville, New Jersey, illustrates the danger of transporting hazardous materials on the nation's highways. Railroads carry enormous amounts of chemicals, petroleum products and other hazardous material routinely. Trains pass by without anyone giving a second thought of what those tank cars or covered hoppers may contain. There may be an occasional event involving a derailment of such cars but this is offset by the many safe deliveries of these materials by the railroads each day. It is only logical that the more HazMat shipments, made by the railroad, the less chance there is of having another catastrophe like the one on I-80 in Denville.

A.J.E.

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

***MONTHLY MEETING***

***FRIDAY, JUNE 22, 2001***

**Attending:**

<b><u>Name</u></b>	<b><u>Company</u></b>	<b><u>Telephone No.</u></b>	<b><u>Fax No.</u></b>
Jim Turcich	Phila. Belt Line RR Co.	215-592-7775	
Tony Macrie	Cape May Seashore Lines	609-884-5300	609-567-5847
Jack F. O'Connor	Consultant	609-871-7507	
J. R. Wilson	NY & Greenwood Lake Railway	973-743-5300	973-743-4580
Rich Wisneski	NJ Transit	973-491-7808	
R. L. Batory	Conrail	856-231-2003	
Bob Bailey	Port Jersey Railroad	201-434-8373	201-434-8242
G. Fuller	M&E	973-267-4300	
Dan O'Connell	UTU	609-396-1994	
Fran Hennessey	Norfolk Southern	215-591-3653	
Bill Wright	Union County	908-272-5968	
Bill Bloomfield	NYSW	201-845-6818	
Jerry Madden	Manageering Assoc.	856-866-0500 N.J. 215-545-3900 Phila	
Jeff Sutch	SMS/Penn Jersey Railway	856-467-4800	857-467-2121
F. A. Winkler	Winchester & Western RR	856-451-6400	856-451-7016
Kel MacKavanagh	Consultant	609-704-1270	609-704-1273
Ted Gajkowski	CSX-Industrial Devel.	609-409-2034	
Mark Mastro	CSX	215-209-4359	215-209-1337
Tom Collard	SRNJ	609-871-8699	609-871-7432
Tom Noon	FRA - Region 1	732-438-6843	732-438-6843
Lawrence Kuhn	FRA - Region 2	609-670-7815	
A. J. Erdman	NJ TRANSIT	201-714-2788	201-714-2829

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

***MONTHLY MEETING MINUTES***

***JUNE 22, 2001***

**BOB BAILEY** called the meeting to order at 10:00 A.M. Bob advised the location of the Fire Exits and requested if anyone attending has CPR Training. Two attendees advised that they have CPR qualifications.

Bob reported on the recent meeting with Norfolk Southern, in Pittsburgh, Pa. It was noted that the accommodations at the Holiday Inn left much to be desired. Bob observed that the Division Map, issued by NS of all the eleven divisions, was of good quality. However, the map section showing the Harrisburg Division stopped at Newark, New Jersey and did not show any of the Conrail Shared Assets trackage. Bob noted that the Short Line Railroads were forced to establish an interchange point with Norfolk Southern prior to the merger and none are shown on the Division Map. This could confuse the Sales and Marketing Department staff and result in the "add-on" costs which have become a problem to the customers in the Shared Assets Area. Bob spoke to **JOHN KRAEMER** about this omission. This adds to the perception of "we did not know you were there" by shippers and others.

**JOE PETACCIO** felt that the meetings with the Short Line Railroads and Norfolk Southern should be boycotted by the Short Lines to show the displeasure with the direction NS is headed. **BOB BAILEY** disagreed. Bob felt that the Short Line Railroads must retain their voice with NS. Bob also advised that he and John Kraemer agreed to work towards establishing a process to allow the NS Field Managers to program and operate the interchange points with the Short Line Railroads. **KEL MAC KAVANAGH** suggested that the recurring changes in management in the Class I Railroads may be resulting in problems, which were previously solved, occurring again. **JEFF SUTCH** stated that the meetings with Norfolk Southern may not help things but they should continue to be held so the Short Lines do not lose contact with NS. These meetings also allow the Short Line Railroads an opportunity to meet the managers of NS who make decisions affecting the Short Line business.

**BOB BAILEY** spoke on a recent presentation he attended on railroads attempting to capture freight business on the I-81 Truck Corridor. This truck traffic would be of various bulk commodities and would terminate at the NS Rutherford Yard near Harrisburg, Pa., from there the traffic would be hauled by truck to destinations in New Jersey and the New York Metropolitan Area. This method of rail/truck transfer results in increased highway congestion and pollution. NS also feels that this method will reduce the need for additional rail infrastructure investments in New Jersey. Railroads should transport freight as close to its destination as possible before transferring the commodity to truck. **KEL MAC KAVANAGH** asked about how the I-95 Corridor Coalition felt about this. **JACK O'CONNOR** wanted the New Jersey DOT to become more involved in this development. **TED MATTHEWS** replied that NJDOT is involved. NJDOT is reviewing the capacity of the New Jersey freight yards to determine if these facilities could handle the traffic now being grounded at Allentown and Rutherford Yard. Ted also noted that New Jersey brownfields are being surveyed to see if they could be used for rail freight yard expansion.

**BILL WRIGHT** noted that brownfields could be covered over and not excavated for intermodal terminal use to reduce any chance of releasing any environmental situations. **GORDON FULLER** inquired if the development of intermodal vs. boxcar facilities would create a reduction in rail freight business for the members. **BOB BAILEY** replied that both modes need to be addressed. **JEFF SUTCH** added that Norfolk Southern understands that Short Line Railroads are interested in boxcar traffic or “Carload Direct” service. **FRED WINKLER** ventured that if the country experiences another fuel shortage, shippers will be scrambling for boxcar shipments. **BILL WRIGHT** stated that the “Just in Time” inventory concept is losing support. The cost of JIT cannot be justified with the current low interest rates.

**GORDON FULLER** observed that at the beginning of the CSX/NS/Conrail merger, complaints against CSX and Norfolk Southern were equal. Now most complaints are against NS, so progress is being made. **FRED WINKLER** explained the concept of “Inventory in Transit” which some shippers are using. By storing commodities in rail cars, the companies avoid building storage tanks and also the tax which is placed upon the tanks.

**KEL MAC KAVANAGH** asked **BILL BLOOMFIELD** how NYS&W is doing with its new carload traffic service. Bill replied that the service has increased 35%.

**BOB BAILEY** inquired about the New Jersey Budget shortfall and its effect on rail projects. **TED MATTHEWS** replied that the Commissioner advised that \$10 Million has been removed from the state highway budget and transferred to the Office of Management and Budget for the general fund. The amount could be further reduced.

**TED MATTHEWS** advised that on Thursday, June 28, at 10:00 A.M. there will be a meeting in the All Purpose Room, at NJDOT Headquarters, in Trenton, to discuss Rail Freight Construction in New Jersey. This issue will be discussed at this meeting. Woodbridge Mayor **JIM MC GREEVY** is expected to attend this session, the members are encouraged to attend. **BILL WRIGHT** noted that the state has appropriated \$29 Million for lane widening on certain highways, which will benefit the trucks.

**BOB BAILEY** spoke on the progress of the New Jersey State Railroad Map now being developed. Bob asked for suggestions on what could be placed on the reverse side of the map for each railroad that serves New Jersey. **KEL MAC KAVANAGH** reported that CSX is considering producing a map on the New York and Philadelphia/South Jersey metropolitan area railroad map. **TED MATTHEWS** expressed his thanks to **PIPPA WOODS** for her support in the production of the New Jersey Railroad Map.

**BOB BAILEY** spoke with **BOB KURDOCK** and reported that Bob K. will be available to attend the next NJSLRRA meeting. At that meeting, the “**BENJAMIN J. FRIEDLAND AWARD**” will be presented on behalf of the NJSLRRA. **WALTER RICH** has generously offered to operate a Passenger Extra for this event. This meeting is tentatively scheduled for Friday, July 27<sup>th</sup>. The special train will depart from Rochelle Park and Hawthorne on the NYS&W and operate to Sparta, New Jersey and return. Further details will follow.

**BOB BAILEY** recently spoke to **STEPHEN TOBIAS**' office to attempt to resolve issues with Norfolk Southern that will involve the senior executives in these decisions. The way issues are currently handled, the issues reach a certain level and are not passed along to be resolved. Stephen had agreed to meet and try to establish a procedure to address this situation. The Short Line Railroads need to have answers to their proposals and they currently receive nothing. A process needs to be established so the Short Line Railroads can formally present their proposals to CSX and NS for consideration. Bob will attempt to schedule a meeting within the next three weeks with NS on this subject. **RON BATORY** advised that CSX and NS have already accomplished a great deal in the Shared Assets Area working together on issues and problems.

**FRED WINKLER** suggested that the railroad's attorneys be present at the first meeting so the attorneys can advise what subjects or issues are to be avoided so as to prevent any suggestion of violating anti-trust regulations.

**BOB BAILEY** also reported that Muller/Bohlen Consulting and NJSLRRA presented a check for \$22,000 for **BOB FRANKS** Republican Governor Campaign Fund. Bob Franks has sent a letter of thanks and has invited the NJSLRRA Members to attend the victory party Tuesday night, June 26<sup>th</sup>.

**JIM WILSON** advised that Norfolk Southern has begun operating commodity freight out of the east end of Croxton Yard. This traffic is resulting in second day delivery at Conway Yard and is much faster than previously handled.

**BOB BAILEY** related problems that some of the members are having with operating over NJ Transit lines with Cab Signals. The Southern Railroad of New Jersey and the Morristown and Erie Railway need more of their locomotives Cab Signal equipped to maintain their required level of service. **TED MATTHEWS** replied that the NJDOT has committed to funding Cab Signals on certain freight locomotives. Ted advised to proceed with the agreement and have the equipment installed.

CSX and Norfolk Southern have announced that they will be dropping the NORAC Rule Book in 2002 and adopting their own rules book, the Eastern Code of Operating Rules (E-COR). Some member railroads expressed concern over this change. A number of NJSLRRA members are Associate Members of NORAC and they operate over NORAC road trackage. It was decided to send a letter of concern over this issue to the Chairman of NORAC by the NJSLRRA.

**MARK MASTRO** introduced **TED GAJKOWSKI**, of CSX. Ted is Site Consultant for the Industrial and Economic Development Department. Ted would like to visit all of the members' property to familiarize himself on what potential sites may be available.

The meeting recessed for lunch. The attendees thanked **JEFF SUTCH**, of **SMS RAIL**, for providing lunch today.

## THE MEETING RESUMED

**BOB BAILEY** reported that at the NS Meeting, in Pittsburgh, it was announced that NS endorsed the Infrastructure and Railroad Retirement Bill (HR-1020). **DAN O'CONNELL**, State Legislature Director of the UTU, related his working with the NJSLRRA on safety issues with the State and Federal Governments. Dan stated the importance of this Infrastructure Bill. Both Labor and Management are behind passage of HR-1020. The Bill is currently under review by the Ways and Means Committee in Washington, D.C. Currently, it is not clear whether President Bush will sign the Infrastructure Bill but he may sign the Railroad Retirement Bill. With the Democrats now the majority in the Senate, these bills may get more support. Dan noted that there are 53 more supporters in Congress than previously last year. There are also 66 Senators supporting these bills. New Jersey has 12 out of 13 Congressmen supporting these bills. Rodney Frelinghuysen was the only Congressman that voted no on the proposed bills. Dan suggested that Rod Frelinghuysen be contacted to try to get his support.

Regarding the tax issue, from last month's meeting concerning the Transportation Enhancements Districts, **ALEX DE CROCE** has introduced a bill on Congestion Mitigation which may have an amendment to address this potential problem of adding additional taxes to the railroads. Dan stated that he will support the railroads on this issue.

**FRAN HENNESSEY**, of NS, advised that there is a representative for new business development on board, his name is **GREG LEWIS**. Greg will be visiting the Short Line Railroads to review their operations and potential.

**TOM NOON**, of FRA, introduced **LAWRENCE KUHN**, of FRA Region II.

**BILL WRIGHT** announced that Union County has finally established the Union County Railroad. This new entity will operate over the New Jersey portion of the Staten Island Railroad. It will start from the Tosco facility, in Bayway, and develop business as far west as possible, to Cranford if it can initially. They will interchange at Tosco with Conrail off the Chemical Coast Secondary. Ultimately, they hope to interchange at Cranford Junction.

**BILL WRIGHT** was recently featured on National Public Radio where he spoke on the operation and history of the Newark City Subway and mass transit in general.

**NEXT MEETING:      FRIDAY, JULY 27, 2001**  
**ON SPECIAL TRAIL OVER THE NYS&W**  
**BETWEEN HAWTHORNE AND SPARTA, NEW JERSEY**

**DETAILS WILL FOLLOW**

