

STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION

FY 2009 UPDATE
REPORT OF THE
NEW JERSEY STATE RAIL PLAN

PREPARED BY:

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CHAPTER I INTRODUCTION

The State of New Jersey has a vital interest in preserving and improving the rail freight system as part of the transportation network in this State and its support of economic development. Since 1975, the New Jersey Department of Transportation has produced annual updates of the *New Jersey State Rail Plan* (SRP) and has been disbursing State funds for eligible projects since 1983.

The program has grown to include fourteen short lines and one regional railroad operating in New Jersey to enhance their efforts to continue and improve rail freight services. The program continues to be a major factor in supporting short line viability as these railroads sometimes have difficulty in securing private funding for capital projects.

This edition of the *New Jersey State Rail Plan* presents the Fiscal Year 2009 list of eligible projects for the preservation, rehabilitation and enhancement of New Jersey's rail freight network. All the projects meet the requirements for funding as established in N.J.A.C. 16:53C.

To implement the projects recommended in this report, we have requested that State Transportation Trust Funds be appropriated for State Fiscal Year 2009 for the period from July 1, 2008 through June 30, 2009.

CHAPTER II PLAN GOALS AND OBJECTIVES

The **New Jersey State Rail Plan** is one component of a wide range of activities undertaken by the New Jersey Department of Transportation to advance the following freight movement goals:

- **Integrated Planning:** To foster increased cooperation and coordination among public agencies and between public agencies and the private sector.
- **Economic Development:** To retain and generate jobs, maintain and increase revenue, and help maintain and enhance the state's competitive position through strategic freight initiatives.
- **Mobility:** To improve access to the national freight system and improve the efficiency of goods movement.
- **Sustainable Investment:** To cultivate and protect freight initiatives which provide lasting returns on public investment.
- **Community and Environment:** To promote freight as a good neighbor and the movement of freight in a socially and environmentally responsible manner.
- **Safety and Security:** To protect people, cargo, and infrastructure.

Building upon the broader State freight goals, the primary objective of the New Jersey Rail Freight Assistance Program is to support economic activity in the state by providing a strong, multi-modal transportation system that makes rail service available and effective for as many businesses as possible.

CHAPTER III

PLANNING PROCESS AND SELECTION CRITERIA

A basic two-step process must be completed before any proposed project or improvement may be initiated. First, each project must be declared eligible for funding. Second, eligible projects must be prioritized and programmed for funding.

PROJECT ELIGIBILITY

The New Jersey Rail Freight Assistance Program is intended to provide funding for capital improvements that result in the continuation of economically viable rail freight services. All projects must show a positive benefit/cost ratio taking into consideration such factors as job creation and increase railroad revenues. Sponsors are also required to continue freight service on the improved line for at least five years after completion of the project. Additionally, proposed projects must be consistent with the following State Policies to be deemed eligible:

- Freight transportation systems will be encouraged which will emphasize operation within the private sector.
- State assistance for rail freight service will be limited to following types of projects:
 - Acquisition Assistance: Funds for the acquisition of a railroad line or property for rail freight service.
 - Rehabilitation or Improvement Assistance: One-time investment of funds to cover the cost of reconstruction, improvement or rehabilitation of rail properties.
 - Rail Facility Construction Assistance: Funds for the construction of rail related facilities for the purpose of improving the quality and efficiency of rail freight service, or providing the benefits of rail service to industries not located on existing rail lines.
 - Rail Bridge Rehabilitation or Reconstruction Assistance: Funds for railroad bridge rehabilitation or reconstruction.
 - Demonstration projects: Those instances where the quality and efficiency of rail freight service can be improved through a demonstration project having the potential for a long-term cost savings. Such projects will be funded at the discretion of the Commissioner.
- State financial assistance will not be used to subsidize the operating costs of rail freight service.
- Acquisition assistance is limited to those properties identified as part of the State Core Rail System, and only when continued operation of these properties cannot be maintained through ownership within the private sector. Sources other than the State Rail Plan will be sought before SRP funds are expended for ROW purchase.

- Financial assistance for rehabilitation or construction requires contributions to be made by the beneficiaries of the improvement project. Currently, state funding is provided at an amount of 90% of the total cost with a 10% sponsor match.
- Financial assistance may be made available to designated public agencies or private railroads for improving rail and intermodal facilities when the public benefits derived exceed the costs incurred for the specific improvement.

PRIORITIZATION AND PROGRAMMING

Proposed projects which meet the minimum eligibility standards enter a project pool and must compete for funding. The cost of all eligible projects in the pool currently exceeds the available resources. In selecting eligible projects to receive funding, the Department will evaluate each according to the degree that they advance the following criteria:

A. ECONOMIC CRITERIA

- Supports and promotes economic activity in New Jersey by preserving and improving the freight transportation system.
- Increases employment potential with new/improved rail freight services and intermodal facilities.
- Increases the number of businesses served by rail freight.
- Protects the Core Rail System.

B. EFFICIENT AND RESPONSIVE FREIGHT DISTRIBUTION CRITERIA

- Ensures freight movement within the State serves customers efficiently and effectively.
- Supports rail and intermodal services that exhibit potential for long-term economic viability.
- Supports competitive freight transportation services where economically viable.
- Provides transportation facilities that satisfy the requirements of freight shippers and the industries they serve.
- Promotes joint private and public funding of rail freight and intermodal improvement projects.

C. ENERGY AND ENVIRONMENTAL CRITERIA

- Maximizes the conservation of energy and reduction in emissions by promoting the use of efficient freight systems.
- Supports energy efficient aspects of rail freight and intermodal transportation.
- Supports rail freight and intermodal services that minimize detrimental environmental impacts and support the goals of the Clean Air Act.

D. HIGHWAY CONGESTION MITIGATION CRITERIA

- Reduces vehicular traffic by providing viable alternative to long haul over the road freight shipments.

- Supports the development of team track with freight distribution and storage facilities.
- Supports the development of transload facilities, intermodal services.

**CHAPTER IV
PROJECTS FOR INCLUSION IN THE 2009 STATE RAIL PLAN**

The following table lists all new rail projects deemed eligible for entry into the State Rail Freight Assistance Program for State Fiscal Year 2009. Projects may be completed in a single year or staged over a period of several years. The new projects will be added to prior year unfunded projects, to generate a pool from which projects will be selected from this year's funding. Unfunded projects will remain in the pool for consideration for two subsequent years following receipt of the application. Twenty-One (21) new projects valued at \$23,764,602.00 are being added this year for inclusion in the State Rail Freight Assistance Program.

**FY 2009 ELIGIBLE PROJECTS
(Alphabetical by Railroad and Project)**

| | | |
|---|---|----------------|
| <u>Belvidere & Delaware River Railway</u> | | |
| 1 | Three Bridges Interchange Improvements | \$245,000.00 |
| <u>Conrail</u> | | |
| 2 | Flashbutt welding and new turnouts; Beesley Point Secondary | \$500,000.00 |
| 3 | Rehab of Occidental lead track | \$250,000.00 |
| 4 | Track Improvements at Marisol and Reagent Chemical | \$593,825.00 |
| <u>CSX</u> | | |
| 5 | West Trenton, replace crossover switch | \$2,557,000.00 |
| <u>Morris County Board of Chosen Freeholders</u> | | |
| 6 | Dover & Rockaway Line track repair | \$366,044.00 |
| 7 | High Bridge Line surfacing | \$854,920.00 |
| 8 | Kenvil Team track expansion | \$ 223,200.00 |
| <u>Morristown & Erie Railway</u> | | |
| 9 | Roseland Runaround | \$305,225.00 |
| <u>New Jersey Rail Carriers</u> | | |
| 10 | Containerized Barge to Rail Operation | \$2,500,000.00 |

New York New Jersey Rail, L.L.C.

11 Marine Rail Bridge Rehabilitation \$4,739,500.00

New York Susquehanna and Western Railway Corporation

12 Wel-in-place between MP 13.8 & 18.6 \$960,000.00
13 Rehabilitation between Ridgefield Park (MP18.600 and Hawthorne (MP 23.3) \$1,754,500.00

Raritan Central Railway

14 Passing Sidings Project \$348,150.00
15 Vesuvio Lead \$194,600.00

SMS Lines

16 #10 Switch in SMS yard \$988,000.00

Salem County Board of Chosen Freeholders

17 Salem County Short Line Track Rehabilitation \$1,500,000.00

South Jersey Port Corporation

18 Track Rehabilitation and Upgrading of the Broadway Terminal \$2,745,000.00

Southern Railroad of New Jersey

19 Rehab Line to FRA Class I Standards \$498,580.00
20 Construct 2 Passing Sidings \$1,028,058.00

Winchester and Western Railroad

21 Runaround, Siding Track \$613,000.00

FY 2009 Projects Total: \$23,764,602.00

| |
|---|
| <p>PROPOSED NEW STATE RAIL PLAN PROJECT DESCRIPTIONS <i>(Alphabetical by Railroad and Project)</i></p> |
|---|

BELVIDERE & DELAWARE RIVER RAILWAY

Three Bridges Interchange Improvements - This project is a follow up to other facility improvements at the Railroad's Three Bridges interchange with the Norfolk Southern and other infrastructure improvements which allow the B&DR to continue handling heavier 286,000 lbs. gross railcars safely and efficiently.

CONRAIL

Flash butt Welding Curves - This project will weld 500 joints in curves between MP 36 and MP 54 by removing the joints bars. This will change the bolted rail into CWR. Adjust and anchor the rail, Install 3 new turnouts.

International Paper-Rehabilitation – International paper proposes to locate their facility on Conrail’s Occidental Lead Track at MP1.7, estimated volume of 3,000 cars of paper per year. The Occidental lead will require upgrading to support this traffic. Conrail proposes to install cross ties, gauge and surface the track.

Track Improvements at Marisol, Inc – This project will eliminate the restriction and increase the efficiency of the Conrail crew serving these customers

CSX

Replace # 10 Crossover with #20 - This project will provide greater flexibility to the operation and dispatching thereby reducing delays currently being experienced by the time sensitive freight goods and the passengers of SEPTA

MORRIS COUNTY BOARD OF CHOSEN FREEHOLDERS

Dover & Rockaway Line Track repair - This project will allow the M&E to operate safely through 2 towns with multiple grade crossings. It will restore the line to Class II status by installing 1,500 crossties and apply 2000 tons of stone for washouts and new low spots due to erosion.

High Bridge Line Surface – The upgrade to the physical plant will allow for more efficiency operation in the delivery and pick up of rail cars. Higher track speed by installing 3000 ties, replace curve worn rail, remove encroaching vegetation, install 9500 tons of new ballasts and raise line.

Kenvil Team Track Expansion – This project will add a second and third track to Kenvil Team Track to enable additional boxcar unloading and secure Lumber center beam unloading. It would also assist in the railroads ability to serve additional customers at this secure site.

MORRISTOWN & ERIE RAILWAY

Roseland Runaround - This project will construct 700 ft runaround at the end of Whippany Branch to serve 4 new customers. The runaround will allow safe and efficient handling of customer’s cars.

NEW JERSEY RAIL CARRIERS

Containerized Barge to Rail Operation – This project will realign tracking system in the facility by putting additional track paved area. Install extra lighting system for nights and safety. Moving containerized freight by rail and barge will develop a larger customer base and reduce highway traffic.

NEW YORK NEW JERSEY RAIL, L.L.C.

Marine Rail Bridge Rehabilitation – This project will enhance and provide reliability to the Greenville Rail Yard. This will facilitate an expanded cross-harbor freight service, to support increase rail traffic service requirements across the NY and NJ Harbor.

NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY

Weld in place 112# Rail between MP 13.80 and 18.60 – This project will weld in place 4.80 miles of 112# rail for more reliable freight service and will allow customers to ship heavier railcars (286K+).

Rehabilitation of Southern Division Main between MP 18.60 and 23.30 – This project will renew 2.20 miles of 100# rail, 5 turnouts, install 6,250 ties, ballast/resurface the line to move railcars more efficiently with improved rail safety.

RARITAN CENTRAL RAILWAY

Passing, Sidings Project – This project will replace an old passing sidings along the main line of the railroad and a switch to the Vesuvio Lead. The 1,275 feet passing siding is also being used to stage plastic cars.

Vesuvio Lead – This project will remove and dispose approx. 850 TF of existing track, furnish and place 520 NT of 11/2” clean stone for track construction, raise, surface, align and install track and turnout. The reconstruction Lead will allow to receive additional traffic including refrigerated heavy cars.

SMS LINES

#10 Switch in SMS' Yard – This project will remove and build 7 new switches. Build 4,631 ft of tracks, install 5 drainage pipes beneath the track bed to aid draining water. The upgrade will increase the railroad by increasing traffic flow.

SALEM COUNTY BOARD OF CHOSEN FREEHOLDERS

Salem County Short Line track Rehabilitation – This project will remove and recycle 1.8 miles of century old 85# rail and ties, level old rail bed and replace ballast, woods, ties and rail with # 1 relay, 115#.

SOUTH JERSEY PORT CORPORATION

Rehabilitation and Upgrade of the Broadway Terminal Track – This submission provides for the rehabilitation and upgrading of the lead track servicing the Broadway Terminal. The upgrade will result in more reliable service from the port.

SOUTHERN RAILROAD OF NEW JERSEY

Rehabilitate Line to FRA Class I Standard – The improvement will allow SRNJ to initiate regular service to A.E. Stone and Tri County Lumber that will eliminate an estimated 14,000 truck movements in the area.

Construct 2 Passing Sidings – The improvements will reduce reliance on NJ Transit for run-around movements and reduce street blockages as the train is moved through Pleasantville.

WINCHESTER & WESTERN RAILROAD

Runaround, Siding Track Construction – This project will help relieve yard congestion and improve direct service to several customers by allowing the construction of a runaround track and a yard track.

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| <p style="text-align: center;"><u>Program History</u> Projects entered into the State Rail Program FY 2006-2008 and Funding Status</p> |
|--|

| | FY 06 Projects | State Share |
|---|---|--------------------|
| | <u>Canadian Pacific</u> | |
| 1 | Rail Safety Scale | \$ 196,600 |
| 2 | Concrete Pad | \$ 100,000 |
| | <u>Conrail</u> | |
| 3 | Robbinsville Track Rehabilitation | \$ 2,472,500 |
| 4 | Tie Replacement on the Southern Secondary | \$ 504,000 |
| 5 | Pemberton Industrial Track Runaround | \$ 505,000 |
| | <u>East Jersey Railroad and Terminal Company</u> | |
| 6 | Station 1 Rehabilitation | \$ 493,790 |
| 7 | Shook Track | \$ 91,400 |

Morristown & Erie Railway

| | | | |
|----|---|----|-----------|
| 8 | Kenvil Succasunna Branch Rehabilitation | \$ | 3,834,270 |
| 9 | Cedar Knolls- Siding, Scale, Track | \$ | 1,305,457 |
| 10 | Kenvil Transloading | \$ | 245,000 |

New York Susquehanna and Western Railway

| | | | |
|----|------------------------------------|----|------------------|
| 11 | Sparta Sidings | \$ | 643,500 |
| 12 | Public bulk facility at Sparta | \$ | 877,200 |
| 13 | Expansion of Intermodal Facility | \$ | 3,000,000 |
| 14 | Welded Rail Elmwood Park to Sparta | \$ | 1,250,000 |

Raritan Central Railway

| | | | |
|----|--|----|------------------|
| 15 | Rehabilitation of Main Line | \$ | 78,470 |
| 16 | HO-RO / Riviana | \$ | 277,250 |
| 17 | Rehab of Riviana/ KTN Lead | \$ | 122,625 |
| 18 | Rebuild Pershing Avenue Extension Tracks | \$ | 1,346,300 |
| 19 | Dual Track on Pershing Lead | \$ | 118,350 |

Southern Railroad Company of New Jersey

| | | | |
|----|-------------------------------------|----|-----------|
| 20 | Secure Hazmat Storage Yard | \$ | 795,000 |
| 21 | Reconstruct Port Branch W. Broadway | \$ | 197,000 |
| 22 | Anchor Lead Curve | \$ | 165,000 |
| 23 | Oldmans Creek Trestle | \$ | 2,000,000 |

SMS Lines

| | | | |
|----|-------------------|----|----------------|
| 24 | Paulsboro Branch | \$ | 968,095 |
| 25 | Bridgeport Branch | \$ | 904,297 |

Winchester and Western Railroad

| | | | |
|----|------------------------------------|----|----------------|
| 26 | Track Welding Southern Main Branch | \$ | 165,600 |
| 27 | Rail Replacement Seashore Branch | \$ | 223,250 |
| 28 | Bridgeton Junction Yard Track | \$ | 447,620 |
| 29 | Millville Runaround Track | \$ | 571,500 |

FY 07 Program

Canadian Pacific Railway

| | | | |
|---|----------------------------|----|----------------|
| 1 | Asphalt Road | \$ | 791,050 |
| 2 | Concrete MSW Loading Pad | \$ | 450,000 |
| 3 | Running Track Construction | \$ | 850,000 |

Cape May Seashore Lines

4 Woodbine Secondary Track Expansion \$ 2,121,000

Conrail

5 Rehabilitate Beesleys Point Secondary Track from Richland to Tuckahoe \$ 487,425

6 Upgrade Salem Running Track from Swedesboro to Woodbury \$ 6,622,646

7 Wenonah Bridge Improvements & Rail Upgrade, MP 12.22, Vineland Secondary \$ 1,422,000

CSX

8 North Bergen Intermodal Terminal Security Improvements \$ 609,000

9 Upgrade Crossover at West Trenton Train Station \$ 2,419,000

Morristown & Erie Railway, Incorporated

10 Kenvil Team Track \$ 237,875

11 Lake Junction Yard Rehabilitation \$ 609,988

12 Roseland Rail Spur \$ 181,500

New Jersey Rail Carriers

13 Double Track at Central Avenue \$ 307,780

14 Lead Track at Central Avenue \$ 599,000

15 Six Tracks at Jak-Jon Property \$ 4,200,000

16 Two Tracks and One Turnout at Central Avenue \$ 261,580

New York Susquehanna and Western Railway Corporation

17 Access Road at Sparta Salt Unloading Facility \$ 660,000

18 Jersey City Access Track to 100-acre Site \$ 1,115,004

19 Marion Yard Siding \$ 551,760

20 Various Sidings in North Bergen \$ 904,860

Port Jersey

21 New Team Track for Jersey City Paper Trans-load Facility \$ 141,900

Raritan Central Railway

22 Food Grade Terminal at Raritan Center Industrial Park \$ 412,000

23 Steel & Lumber Trans-loading Terminal at Pershing Avenue \$ 610,000

SMS Lines

24 Upgrading Weight Capacity on Paulsboro Track \$ 608,875

Winchester and Western Railroad

25 Seashore Branch Track Rehabilitation \$ 419,940

FY 08 Program

Belvidere & Delaware River Railway

1 Goat Curve Rail Project at MP 14.1 \$385,000.00

Conrail

2 AJM Rail Spur \$540,562.00

Morris County/ Morristown & Erie Railway (final sponsor to be determined)

3 Chester Branch Rehabilitation \$4,679,730.00

Morristown & Erie Railway, Incorporated

4 Cedar Knolls Siding, Scale and Track Rehabilitation \$1,804,424.00

New York New Jersey Rail, L.L.C.

5 Marine Rail Bridge Rehabilitation \$4,739,500.00

New York Susquehanna and Western Railway Corporation

6 Rehabilitation between Hawthorne and Sparta (NJT Bergen/Passaic Project) \$1,000,000.00

7 Rehabilitation between Butler and the NYS Line (NJT Bergen/Passaic Project) \$1,953,375.00

8 Rehabilitation between Stockholm and Sparta, including a siding at Newfoundland (NJT Bergen/Passaic Project) \$1,458,875.00

9 Welded Rail Between Sparta and the NYS Line (NJT Bergen/Passaic Project) \$2,207,750.00

10 Bridge Repairs at MP 38.17 \$80,000.00

11 Welded Rail from MP 8.30 to 10.80 \$425,000.00

12 Electric Welding of 500 Joints from MP 23.00 to 81.20 \$250,000.00

| | | |
|---|--|----------------------------|
| <u>Raritan Central Railway</u> | | |
| 13 | Loop Track – Waterfront Area | \$2,279,750.00 |
| 14 | Grant’s Lead | \$350,000.00 |
| <u>SMS Lines</u> | | |
| 15 | Bridgeport Transload | \$949,570.00 |
| <u>South Jersey Port Corporation</u> | | |
| 16 | Rehabilitation of the Broadway Terminal Track | \$98,000.00 |
| <u>Winchester and Western Railroad</u> | | |
| 17 | Construction of a Runaround Track and Rehabilitation of a Siding | <u>\$413,410.00</u> |

Note: Bold=Awarded

Italic= Not Awarded