

STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION

FY 2008 UPDATE
REPORT OF THE NEW JERSEY
STATE RAIL PLANNING PROCESS

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* and has been disbursing State funds for eligible projects since 1983.

The program has grown to include thirteen short lines and two regional railroads throughout 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 2008 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 and Federal Highway Administration Congestion Mitigation and Air Quality Funds be appropriated for Fiscal Year 2008 for the period from July 1, 2007 through June 30, 2008.

CHAPTER II PLAN GOALS AND OBJECTIVES

The New Jersey Rail Planning Process 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 system and improve the efficiency of freight 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 area 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 Assistance: One-time investment of funds to cover the cost of reconstruction, improvement or rehabilitation of rail properties.
 - 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.
- 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 Program 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, funding is provided at 90% state share with a 10% match.
- Financial assistance will be made available to responsible parties 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 all 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 among the 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 2008 STATE RAIL PLAN

The following table lists all new rail projects deemed eligible for entry into the State Rail Freight Assistance Program for Fiscal Year 2008. 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. Seventeen (17) new projects for \$23,614,946 are being added this year for inclusion in the State Rail Freight Assistance Program.

FY 2008 PROJECTS
(Alphabetical by Railroad and Project)

<u>Belvidere & Delaware River Railway</u>		
1	Goat Curve Rail Project at MP 14.1	\$385,000.00
<u>Conrail</u>		
2	AJM Rail Spur	\$540,562.00
<u>Morris County/ Morristown & Erie Railway</u> (final sponsor to be determined)		
3	Chester Branch Rehabilitation	\$4,679,730.00
<u>Morristown & Erie Railway, Incorporated</u>		
4	Cedar Knolls Siding, Scale and Track Rehabilitation	\$1,804,424.00
<u>New York New Jersey Rail, L.L.C.</u>		
5	Marine Rail Bridge Rehabilitation	\$4,739,500.00
<u>New York Susquehanna and Western Railway Corporation</u>		
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	\$413,410.00
FY 2008 Projects Total:		\$23,614,946.00

<p>PROPOSED NEW STATE RAIL PLAN PROJECT DESCRIPTIONS <i>(Alphabetical by Railroad and Project)</i></p>
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BELVIDERE & DELAWARE RIVER RAILWAY

Goat Curve Rail Project at MP 14.1 - This project includes the replacement of 2,200 feet of track with 130# rail in a six-degree curve just north of the railroad Raritan River Bridge. Replacing this section of track will ensure the safe and reliable transport of existing 286,000 lb railcar traffic in Flemington, NJ and will help attract future businesses to utilize this line.

CONRAIL

AJM Rail Spur - This project provides for the construction of a rail spur on an existing rail line to serve a new industry that would create 238 new jobs in Cumberland County, which has the highest unemployment rate in the State of New Jersey. The siding would also be available to other users.

MORRIS COUNTY/ MORRISTOWN & ERIE RAILWAY

Chester Branch Rehabilitation - This proposal includes the complete rehabilitation of four miles of severely deteriorated freight track in Roxbury. This rehabilitation would involve the total replacement of the roadbed and track to improve the reliability and safety of this section for six current and all future customers. In addition to the customers on the Chester Branch, this improvement also serves customers on the High Bridge Branch, as that line is accessed by the Chester Branch. The final sponsor of this project is to be determined.

MORRISTOWN & ERIE RAILWAY, INCORPORATED

Cedar Knolls Siding, Scale and Track Rehabilitation - This project involves the rehabilitation of 2,500 feet of existing track as well as the installation of 1,800 feet of new rail siding and a combination railcar/truck scale. This project will provide transloading and storage for two new customers as well as additional storage and staging for existing customers.

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

Marine Rail Bridge Rehabilitation – This proposal is for the restoration/ reconstruction of Greenville Lift Bridge Number 12 and approach track, including switches. Currently only one lift bridge is functional for loading rail cars onto barges. A second bridge would be used to support increased rail traffic service requirements across the New York and New Jersey Harbor as well as provide back up for the sole operating bridge.

NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY CORPORATION

Rehabilitation between Hawthorne (M.P. 23.30) and Sparta (M.P. 63.0) ~– This project will renew 0.8 miles of 100 lb rail, renew bridge timber at two bridges, install 7,000 ties and replenish/resurface ballast over 15 miles of track. This set of improvements will provide improved freight service while supporting NJ Transit’s Bergen/ Passaic passenger service.

Rehabilitation between Butler (M.P. 40.0) and the NYS Line (M.P. 81.20) – This project includes installing ties, replenishing ballast and surfacing 28.20 miles track (MP 63-81.2 and 40-50). Additional work will include renewing bridge timber and the installation of a hot box detector. This upgrade will up allow the transport of heavier rail cars (286,000 pounds) and improve safety. The work will also complement NJ Transit’s Bergen/ Passaic passenger service.

Rehabilitation between Stockholm (M.P. 50.0) and Sparta (63.0), including a siding at Newfoundland – This proposal includes the installation of ties, ballast and surfacing over 13.0 miles of track, and the construction of a two mile siding at Newfoundland. This effort will improve safety and meet customer needs while supporting NJ Transit’s Bergen/ Passaic passenger service.

Welded Rail Between Sparta (M.P. 63.0) and the NYS Line (M.P. 81.20) ~ NJT Bergen/Passaic Project – This project includes the welding in place of 15.41 miles of 131,000# rail and the replenishing/resurfacing of 15.41 miles of ballast. This upgrade will support the transport of 286,000 pound rail cars, increase safety and reliability and complement NJ Transit’s Bergen/ Passaic passenger service.

Bridge Repairs at M.P. 38.17 – This project would provide steel structural repairs to the bridge located at M.P. 38.17, maintaining critical infrastructure.

Welded Rail from M.P. 8.30 to 10.80 – This improvement provides for the welding in place of 2.5 miles of 112 pound rail between M.P. 8.30 and M.P. 10.80. This upgrade will support the transport of 286,000 pound rail cars, and increase safety and reliability.

Electric Welding of 500 Joints from MP 23.00 to 81.20 – This project includes the electrical welding of 500 joints in welded rail between M.P. 23.0 through M.P. 81.20. This upgrade will increase safety and reliability and meet customer needs.

RARITAN CENTRAL RAILWAY

Loop Track – Waterfront Area – This project will restore a 50-year-old rail line running 4,600 along an old army pier including the construction of two culverts and three turnouts. The Loop Track will enable the Raritan Central to increase its rail capacity for handling unit trains of products. Current and anticipated customers foresee unit trains of bio-fuels and structural steel for major construction projects in the region. Reconstruction of the rail line will also support renewal of the pier at Raritan Center.

Construction of Grant’s Lead – This proposal is for the restoration of approximately 1,650 rail lead to a current customer receiving alcohol in tank cars for its manufacturing process. Rehabilitation of the lead will also provide service to two additional customers as well as provide for increased railcar loadings for plastic resins for a third customer.

SMS LINES

Bridgeport Transload Expansion – This project entails the construction of a second track, three storage tracks, turnouts, and a runaround track, as well as upgrading approximately 12,800 L.F. of rail to handle increased traffic flow. These upgrades to the existing infrastructure would provide much needed car storage space to meet customer demands in support of 350 new permanent jobs.

SOUTH JERSEY PORT CORPORATION

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

WINCHESTER & WESTERN RAILROAD

Rehabilitation of Runaround Sidetracks – This proposal will rehabilitate sidetracks in Newport and Bridgeton. The project will provide car storage and help relieve rail yard congestion, improving service to customers.

<p><u>Program History</u> Projects entered into the State Rail Program FY 2005-2007 and Funding Status</p>

FY 05 Projects	ESTIMATED COST	FUNDED 05-07
<u>FAPS</u>		
1 FAPS, Inc. Add 24 Rail Car Spots	\$ 1,700,000	Y
<u>Southern Railroad Co. Of New Jersey</u>		
2 Pleasantville Meadows Upgrade	\$ 836,000	Y
3 Cedar Lake Bridge Mp 110.3	\$ 375,000	Y
4 Winslow Junction Conrail Interchange	\$ 490,200	Y
<u>Raritan Central</u>		
5 Classification Yard Reconstruction	\$ 550,000	Y
<u>New Jersey And Northern Railway</u>		
6 Rehabilitation Of Former VA Supply Depot	\$ 2,200,000	Withdrawn
<u>Canadian Pacific Railway</u>		
7 Oak Island Renewal	\$ 471,500	Y
<u>SMS Lines</u>		
8 Paulsboro	\$ 810,750	Y
9 Bridgeport	\$ 879,000	Y
<u>The New York, Susquehanna And Western Railway Corp.</u>		
10 Departure Track Siding Ridgefield Park	\$ 534,567	Y
11 Storage Track At Ridgefield Park	\$ 742,863	N
12 Upgrade Rail Between Ridgefield & Wortendyke	\$ 1,607,000	N
13 Upgrade Rail Between Elmwood Park & Hackensack	\$ 932,000	N
14 Weigh In Motion Scale & Runaround Siding	\$ 340,769	Y
15 Expansion Of Sparta Terminal	\$ 738,716	Y
16 Rehabilitation Of Overpeck Creek Bridge	\$ 92,858	Y
17 C&D Facility At Paterson	\$ 446,980	W
18 Bogota Public Team Track to load/unload bulk liquid products at	\$ 954,121	W

East Jersey Railroad & Terminal Co.

19	Upgrade Rail Siding	\$	255,000	Y
20	Rehabilitation Of Existing Runaround	\$	395,000	Y

Winchester & Western Railroad Co.

21	Upgrade To CWR C&M, Southern Main Deerfield WYE	\$	300,066	Y
22	Public Siding	\$	135,800	N
23	Rehabilitation Of Bridgeton Junction	\$	212,700	Y
24	Upgrade C&M Main Line Between MP 6.9 And 7.37	\$	112,965	Y

Morristown And Erie Railway Inc.

25	Kenvil Lumber Transload Spur	\$	190,000	N
26	Rockaway Runaround	\$	295,000	N
27	Track Rehabilitation Roxbury/ Wharton	\$	1,500,000	N
28	Roxbury/Wharton Runaround	\$	315,000	N
29	Raise Berkshire Valley Rd. Bridge	\$	750,000	N

New York & Greenwood Lake Railway

30	Garfield / Monroe Street Main Track	\$	333,500	Y
31	Island Yard Track Replacement	\$	418,025	Y

Conrail

32	South Jersey Port Corporation	\$	400,000	N
33	Woodbridge - South East Connection	\$	1,829,034	Y

Norfolk Southern

34	Rehabilitation of the Passaic Rail Spur	\$	\$135,000	Withdrawn
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FY 06 Projects

Canadian Pacific

1	Rail Safety Scale	\$	196,600	Y
2	Concrete Pad	\$	100,000	Withdrawn

Conrail

3	Robbinsville Track Rehabilitation	\$	2,472,500	N
4	Tie Replacement on the Southern Secondary	\$	504,000	Y
5	Pemberton Industrial Track Runaround	\$	505,000	N

East Jersey Railroad and Terminal Company

6	Station 1 Rehabilitation	\$	493,790	Y
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7	Shook Track	\$	91,400	N
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Morristown & Erie Railway

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

New York Susquehanna and Western Railway

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

Raritan Central Railway

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

Southern Railroad Company of New Jersey

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

SMS Lines

24	Paulsboro Branch	\$	968,095	N
25	Bridgeport Branch	\$	904,297	Y

Winchester and Western Railroad

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

FY 07 Program

Canadian Pacific Railway

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

Cape May Seashore Lines

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

5	Rehabilitate Beesleys Point Secondary Track from Richland to Tuckahoe	\$	487,425	Y
6	Upgrade Salem Running Track from Swedesboro to Woodbury	\$	6,622,646	N
7	Wenonah Bridge Improvements & Rail Upgrade, MP 12.22, Vineland Secondary	\$	1,422,000	N

CSX

8	North Bergen Intermodal Terminal Security Improvements	\$	609,000	N
9	Upgrade Crossover at West Trenton Train Station	\$	2,419,000	Y

Morristown & Erie Railway, Incorporated

10	Kenvil Team Track	\$	237,875	N
11	Lake Junction Yard Rehabilitation	\$	609,988	Y
12	Roseland Rail Spur	\$	181,500	N

New Jersey Rail Carriers

13	Double Track at Central Avenue	\$	307,780	Y
14	Lead Track at Central Avenue	\$	599,000	N
15	Six Tracks at Jak-Jon Property	\$	4,200,000	N
16	Two Tracks and One Turnout at Central Avenue	\$	261,580	N

New York Susquehanna and Western Railway Corporation

17	Access Road at Sparta Salt Unloading Facility	\$	660,000	Y
18	Jersey City Access Track to 100-acre Site	\$	1,115,004	N
19	Marion Yard Siding	\$	551,760	N
20	Various Sidings in North Bergen	\$	904,860	N

Port Jersey

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

22	Food Grade Terminal at Raritan Center Industrial Park	\$	412,000	Y
23	Steel & Lumber Trans-loading Terminal at Pershing	\$	610,000	Y

Avenue

SMS Lines

24 Upgrading Weight Capacity on Paulsboro Track \$ 08,875 Y

Winchester and Western Railroad

25 Seashore Branch Track Rehabilitation \$ 419,940 Y