



The Voice of the Railroad Construction Industry

NRC Bulletin - May 27, 2015

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Register and Make Travel Plans Now: Railroad Day on Capitol Hill is June 4, 2015

Railroad Day on the Hill is June 4, 2015. Railroad Day on the Hill has proven to be the single most effective way to get our legislative message to Congress. The size of the event, the geographical diversity of the participants, and the unified railroad industry message has focused Congress on our issues like never before.

Who Should Attend?

Attendance is open to all Class I, II, and III railroad personnel, shippers, state and local government representatives, as well as members from the contractor and supplier community with an interest in furthering the political goals of the railroad industry.

Registration:

<https://member.aslrra.org/aslrra/RRDay2015/>

The Railroad Day event registration is free, and the Thursday evening reception and dinner are \$235. This reception and dinner continues to be an annual highlight in the rail community. Please register as early as possible so we can schedule you on Hill visits. It is much easier to request meetings and put the schedule together when we know well in advance who is going to be there.

Railroad Day Schedule for Thursday, June 4

6:30am - Railroad Day Registration Begins

7:00am - 8:30am - Railroad Day Orientation. Continental Breakfast served; Pick up Hill appointment lists and leave behind materials

8:30am - Appointments start and group goes up on the Hill

9:00am - 4:30pm - Hill Appointments Take Place. Recharge in between appointments in our two Hill Lounge areas, one on the Senate side and another on the House side

6:00pm - 9:00pm - Legislative Reception & Dinner w/Entertainment

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Questions?

- **Hill Appointments:** Maitland McManus at maitland.mcmanus@cch-llc.com or 202-715-1258. If there are specific Congressmen or state delegations that you wish to be scheduled with, please contact Maitland. Otherwise, we will schedule you to the best of our ability based on your business locations and activities.
- **Registration:** Kathy Cassidy at kcassidy@aslrra.org or 202-585-3443.

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New Member

Gallagher Asphalt
Corporation



www.gallagherasphalt.com

NRC New Member Profile

[Gallagher Asphalt Corporation](#), was founded in 1928 and is one of the railroad industry's Hot-in-Place recycling (HIR) contractors. HIR is an environmentally-friendly process that saves time, improves safety, reduces truck traffic and can deliver savings of up to 30% versus the conventional resurfacing approach. Gallagher has performed large-scale railroad intermodal resurfacing work in Kansas City, Louisville and St. Louis.

For more information contact Patrick Faster, 708-922-1786, pfaster@gallagherasphalt.com.

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NRC Toolbox Talks

The NRC Safety Committee has revised and updated the NRC's Toolbox Talks. They are available for download at: <http://www.nrcma.org/safety>.

A version is available in PDF format as well as in Microsoft Word so that NRC member companies can make company or job specific changes.

Member-Get-A-Member Campaign

Help Grow the NRC and

2015 NRC Rail Construction & Maintenance Equipment Auction

Little Rock, AR - The NRC's Annual Railroad Construction and Maintenance Equipment Auction was held on April 17 at the Blackmon Auctions facility in Little Rock, AR. Thomas Blackmon, Jr. of Blackmon Auctions and his team did an outstanding job of running the auction proceedings. The auction was a success with a total of 380 pieces of equipment sold for \$1.1 million to on-site and online bidders.

Three options to help recruit new members:

1. Reply to this email with names and contact information of potential members and we'll send them a membership information package.

2. Make a quick introductory call, email the potential member and CC mbell@nrcma.org.

3. Direct a potential new member to www.nrcma.org where they can learn more about the NRC and join online.

Visit the NRC Bid Notifications page on the NRC website at:

www.nrcma.org/bids

Publicize your Rail Industry Event on www.nrcma.org/industry_calendar

If you would like to submit an event for posting on the Industry Calendar, please email info@nrcma.org.

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Auctioneers at the Blackmon Auctions facility in Little Rock, AR.

The 380 pieces of rail construction equipment ranged from pallets of spare parts to anchor squeezers, backhoes, ballast regulators, grapples, hi-rail trucks, rail cranes, rail threaders, rail saws, speed swings, spike drivers & pullers, tampers, and tie excavators. High profile pieces auctioned included a Fairmont Jr. Switch Tamper, a TKO tie remover/insertter, and a Case 580M loader backhoe. The auction was heavily attended, with participation from both old friends and new faces. Equipment prices were competitive, with the typical auction surprises on both the high and the low side, but overall were reasonable and reflected a healthy market for used and rehabilitated railroad construction and maintenance equipment.

The auction committee, including Danny Brown of V&H Trucks, Mark Gaffney of Stacy & Witbeck, Jay Gowan of Harsco Rail, Paul Laurello of Delta Railroad Construction, Dean Mackey of Progress Rail Services, Dan Samford of Herzog, and Greg Spilker of Encore Rail Systems, were instrumental in getting the equipment there and spreading the word throughout the industry.

Along with consignments from dozens of contractors, suppliers, and railroads, equipment donations to the NRC Auction this year were an adzer from Balfour Beatty, a plow for a ballast regulator from Delta Railroad Construction, two boxes of wood tie plugging compound from Encore Rail Systems, a rotary scarifier from Nordco, and a partial donation of a TKO from Railway Equipment Services. Funds from these donations will go to the NRC Safety & Education Training program, which will allow the NRC to continue to strengthen its efforts to ensure the safety of everyone in the rail industry. The NRC greatly appreciates these companies for recognizing the importance of this opportunity and making a true investment in railroad contractor safety.

It's not too early to start making plans to consign or donate equipment for the 2016 NRC Auction next year. Please feel free to call the NRC office at (202) 715-1247 for more information.

For more information on the NRC Auction, visit:
www.nrcma.org/auction.

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NRC Legislative and Regulatory Update from NRC President Chuck Baker

Passenger Rail/Amtrak Reauthorization: The passenger rail/Amtrak reauthorization bill (<https://www.congress.gov/bill/114th-congress/house-bill/749>) that passed out of the U.S. House of Representatives on March 4 still awaits action in the Senate. Senate action is expected shortly, but has been delayed in the aftermath of the Amtrak accident in Philadelphia. We are expecting that the Senate bill will contain some additional positive provisions beyond what was included in the House version, including more funding for Amtrak, more funding for States to invest in intercity passenger rail projects, RRIF loan program improvements, project expediting/permitting improvements, and now likely some additional safety measures responding to the Amtrak accident. The NRC will continue to work to further improve the bill before passage into law.

Environmental Permitting: Senator Roy Blunt (R-MO) and Sen. Manchin (D-WV) introduced S.769, the Track, Railroad, and Infrastructure Network (TRAIN) Act (<https://www.congress.gov/bill/114th-congress/senate-bill/769>) on March 18, which would streamline the environmental permitting for freight and passenger rail projects. The bill would ensure that historic preservation protections do not apply to active rail line, and also provide more efficient project development procedures for rail projects that require federal approval, similar to the process created for highway and transit projects in MAP-21. The NRC supports this commonsense legislation. Senate Commerce Committee, full Senate, and then House action awaits, or alternatively portions of this legislation may be included in the Senate version of the passenger rail authorization legislation discussed above.

Positive Train Control: The Senate Commerce Committee passed a

bill on March 25 (<https://www.congress.gov/bill/114th-congress/senate-bill/650>) that would delay the PTC implementation deadline from 2015 until 2020, with 2 additional 1 year extensions available on a case-by-case basis. A smaller group of mostly CA and NY Senators introduced a competing bill on April 16 (<https://www.congress.gov/bill/114th-congress/senate-bill/1006>) that would only offer 3 possible 1 year extensions on a case-by-case basis. Negotiations to settle on a compromise between those positions are underway. As the Amtrak accident appears to have likely been a PTC-preventable accident, the political calculus behind supporting a delay has changed, although the reality that a delay is needed has not changed.

Fiscal Year 2016 Transportation Appropriations:

The House has marked up its FY16 transportation appropriations bill. Not surprisingly given the tight overall budget for domestic discretionary investments and allocation given to the transportation sub-committee, the funding for the accounts that the NRC is most interested in is insufficient:

	FY14 Actual	FY Actual	Administration FY16 Proposal	House FY16 Proposal
TIGER	\$600M	\$500M	\$1,250M	\$100M
FRA including Amtrak	\$1,603M	\$1,626M	\$2,693M	\$1,264M
High Performance Passenger Rail	\$0	\$0	\$2,325M	\$0
FRA Grade Crossing/Track Improvement for Energy Lines	\$0	\$10M	\$0	\$0
FTA New Starts	\$1,943M	\$2,120M	\$3,250M	\$1,921M
FTA Formula Funds	\$8,595M	\$8,595M	\$13,914M	\$8,595M

The NRC, along with many other groups, will look to work with Congress to increase the funding for these accounts before enactment

into law later this year. The best hope likely lies in a "grand bargain" that Congress would need to strike, which would result in increasing the budget caps for both defense and domestic discretionary investments, with the possibility of reduced entitlement spending as an offset. Senate action is expected shortly, and their allocation is only approximately \$350m north of the House allocation, so overall numbers for the rail infrastructure accounts are not expected to be dramatically higher.

Truck Size and Weights: After a highly visible and public debate in 2012, MAP-21 did not change TSW limits but instead included a two year study of the issue. The results of that study are still pending. In the meantime however, advocates of larger and heavier trucks continue to push to make piecemeal changes in State laws, and also to make changes to Federal law through the appropriations process. The NRC will continue to oppose these changes, with the opposition being led by safety groups. The House appropriations bill discussed above does include multiple provisions allowing and even mandating certain types of bigger trucks. The NRC is opposed to these changes and has written to the Appropriations Committee. Similar provisions are feared in the upcoming Senate bill.

PHMSA/FRA Crude by Rail Rulemaking: A final rule was released by the USDOT on May 1, 2015, which addressed

- New standards for oil tank cars and phase out schedule of existing DOT-111 tank cars
- Electronically controlled pneumatic (ECP) braking requirements
- Speed restrictions, routing, and information sharing requirements for key trains

The AAR and ASLRRRA both offered extensive comments opposing and supporting various provisions of the rule. The railroads' position is that the tank car and speed restriction portions of the rule are generally reasonable, with some slight changes needed, but that the ECP braking requirements are not likely to improve safety and are exorbitantly expensive, thus diverting resources from more productive uses. The form of their opposition is to be determined.

Surface Transportation Board/Regulation: The Senate Commerce Committee also passed a freight rail economic regulation bill on March 25 (<https://www.congress.gov/bill/114th-congress/senate-bill/808>), which would re-authorize the Surface Transportation Board and make some changes to the economic regulation of freight railroads. While the NRC generally believes that the current balanced regulatory system is working well, and thus is not actively supporting this bill, we also

recognize that this bill falls short of a drastic re-regulation of the industry, and thus we are also not actively opposing the bill either. Further Senate and House action awaits. A House hearing on the issue, timed with the 35th anniversary of the Staggers Act, took place May 13 and largely enforced the NRC position that the current system isn't broken, and thus doesn't need to be fixed, while at the same time acknowledging that there is marginal room for improvements in STB processes.

Surface Transportation (MAP-21) Re-Authorization: The current legislation, which funds the Highway Trust Fund and the Mass Transit Account (essentially all federal funding for rail transit other than New Starts), was set to expire May 31, 2015, and has now been extended to July 31, 2015. Full re-authorization discussions are underway, but the key issues of funding source and funding levels are unresolved. At current rates, the HTF and MTA spend about \$53b/year while only taking in \$35b/year.

Beyond overall funding levels, specific provisions of interest to the NRC that will be considered include:

- Intercity passenger rail funding
- Multimodal freight project funding
- Flexibility for State DOTs to use non-gas tax funds for rail projects
- Expediting project delivery
- Maintaining dedicated funding for the Section 130 grade crossing program
- Funding a PNRS/TIGER program
- PTC funding and implementation issues
- Expanding TIFIA
- Infrastructure Bank/Infrastructure financing authority
- Maintaining current truck size and weight maximum laws

House and Senate action before July 31 awaits. Any extension beyond July 31 will require new money. The NRC favors getting a new long term bill done by July 31, but many people expect that another extension, through the calendar year, will be necessary. Regardless, the question still looms of how to fund this program on a long-term basis.

Short Line Tax Credit: Legislation to extend the short line railroad tax credit bill continues to gain co-sponsors. H.R.721 (<https://www.congress.gov/bill/114th-congress/house-bill/721>) now

has 179 co-sponsors and S.637

(<https://www.congress.gov/bill/114th-congress/senate-bill/637>) has 19 co-sponsors. Action likely won't be until much later this year, and timing will depend on the status of efforts on broader economy-wide tax reform.

Rail-Term "Rail Carrier" Case: As a reminder, the STB recently re-affirmed its decision in the Rail-Term case that Rail-Term is indeed a rail carrier. Rail-Term is appealing the case in Federal court, and the NRC is still considering in what way to participate in the appeal.

Local Hiring: As a reminder, the USDOT issued this release regarding allowing for local hiring preferences in competitive contracting:

<http://content.govdelivery.com/accounts/USDOT/bulletins/f52882>.

As summarized in the Federal Register: "The USDOT proposes to amend its regulations in 2 CFR Part 1201 implementing the Government-wide Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards to permit recipients and subrecipients to impose geographic-based hiring preferences whenever not otherwise prohibited by Federal statute." The NRC, along with other major contracting organizations, opposes this rule, and has commented to the USDOT. Our concerns are that this would decrease the ability of NRC member contractors to use your own trained and experienced personnel, would raise hiring costs, would raise employee turnover, and would risk safety.

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RFP: Great Western Freight Improvement Project Quiet Zone Crossing Improvements - Railroad Work in Windsor, CO

Issue Date: May 26, 2015

Location: Windsor, CO

Description: The work of this Contract consists of furnishing all labor, materials, equipment, and incidentals required to complete utility coordination, design of railroad signal, gates and bungalows, procurement, installation, testing, and upon approval of Great Western Railway, cutover of operations to Great Western Railway and miscellaneous work for active railroad crossing warning devices at 11 at-grade highway-rail crossings in the Town of Windsor, Colorado. This project is a Modified Design-Build Project for this contract. The Bid Plan

Sets associated with this bid package are provided to inform the bidder of anticipated railroad equipment locations relative to the roadway crossings, in compliance with the Manual on Uniform Traffic Control Devices (MUTCD). Design work by the contractor includes all tasks, labor, materials and equipment to complete the active railroad crossing warning device systems to the approval of the Great Western Railway and cutover to Great Western Railway for operations as part of their railroad network, complete in place.

Bid Documents: Bid documents are available electronically at www.windsorgov.com. Prospective bidders must complete a Bid Document Request Form to receive bid documents.

Pre-Bid: A mandatory pre-bid conference will be held in Windsor at Town Hall or the Community Recreation Center (location to be determined), on Thursday, June 4, 2015, at 11:00 AM to 12:00 PM, local time.

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The NRC will post bid notifications as we receive them. If you would like to submit an RFP or other sourcing notice for posting to the NRC Bids feed, email info@nrcma.org.

To see the latest bid entries submitted to the NRC for rail construction work, please visit: www.nrcma.org/bid_notifications.

RT&S Article Highlights NRC-Member Herzog Technologies Inc Work on LOSSAN Corridor

Herzog Technologies Inc. worked around the clock over a recent weekend to improve the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor. The corridor opened 5.2 miles of new double track at two locations along the 351-mile corridor. The project included the replacement of one wooden trestle rail bridge with a new concrete structure, the addition of a universal track crossover and new signaling.

To read more of the RT&S article, please [click here](#).

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Norfolk Southern Completes Acquisition of 283 miles of Rail

Line from the Delaware & Hudson Railway

The Surface Transportation Board (STB) approved Norfolk Southern's acquisition of approximately 283 miles of rail line in Pennsylvania and New York from the Delaware & Hudson Railway Company, Inc. (D&H), a subsidiary of Canadian Pacific.

The lines at issue, known as D&H's South Lines, consist of approximately 267 miles of the mainline between Sunbury/Kase, Pa., and Schenectady, N.Y., and approximately 15 miles of the running track between Voorheesville Junction and Delanson, N.Y.

In reaching its decision, the board found that NS's acquisition of the South Lines from D&H is not likely to cause a substantial lessening of competition or create a monopoly or restraint of trade. The board says it found this to be true, even when taking into account D&H's planned discontinuance of trackage rights that connect to the D&H South Lines, which are the subject of a separate proceeding. STB concluded that any anti-competitive effects are unlikely and, if they were to occur, would be far outweighed by the strong public benefits of the transaction.

Such benefits include allowing NS to provide more reliable, safe and efficient service for shippers and allowing NS and rail transportation generally to provide more effective competition with other modes of transportation, such as trucking and barge. STB issued the approval subject to a number of conditions, including a condition that NS enter into two voluntary commercial agreements with D&H to preserve certain shippers' access to two carriers (NS and D&H).

Sources: Norfolk Southern, RT&S

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KCS to Invest \$15.6M in Missouri Rail Line

Kansas City Southern's (KCS) U.S. subsidiary, The Kansas City Southern Railway Company (KCSR) will invest approximately \$15.6 million in 2015 on construction and improvement projects on the segment of the Pittsburg Subdivision line from Kansas City to Stotesbury, Mo.

These projects will help grow capacity, as well as maintain and enhance safety on KCS' cross-border network, the company said. Work, which will include the replacement of 1.75 miles of rail and 100,000 cross ties, as well as improvements to over 90 road crossings in the communities of Kansas City, Grandview, Cleveland, Drexel, Amsterdam, Hume and Stotesbury. In Missouri, KCSR owns and operates 396 miles of railroad. In addition, KCSR provides service to an intermodal facility in Kansas City; the river ports of St. Louis and Kansas City and six transload facilities in the state. The KCSR network in Missouri serves as an effective transportation and logistics solution for shippers moving goods throughout North America.

Sources: KCS, Railway Age

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Watco to Acquire Two West Texas Short Lines

Watco Cos. announced that subsidiary Watco Transportation Services entered into a definitive agreement with Iowa Pacific Holdings LLC to acquire two west Texas short lines.

Watco has begun the process to seek regulatory approval from the Surface Transportation Board to acquire the Austin & Northwestern Railroad Co. Inc., also known as the Texas New Mexico Railroad (TNMR), and West Texas and Lubbock Railroad Co. Inc. (WTLC), Watco officials said in a press release.

The new railroads owned by Watco will be called the Texas and New Mexico Railway, which will take over the TNMR operations; and the Lubbock and Western Railway, which will take over the WTLC rail line. Closing is expected to occur after regulatory approvals are obtained.

The TNMR extends from a Union Pacific Railroad connection at Monahans, TX, to Lovington, NM. The railroad serves oil fields in west Texas and southeast New Mexico. Primary commodities shipped on the line are oilfield chemicals and minerals, construction aggregates, industrial waste and scrap.

The Lubbock and Western Railway is divided into two segments, one of

which runs from north of Dimmitt, TX, to Plainview, TX. The second segment runs west from Lubbock to Whiteface, and southwest from Lubbock to Seagraves. Commodities shipped by the railroad include fertilizer, construction aggregates, grain, cotton, chemicals, peanuts and plastics.

Sources: Watco, Progressive Railroading

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Protran Technology to Provide SEPTA with Roadway Worker Protection System

Protran Technology will provide the Southeastern Pennsylvania Transportation Authority (SEPTA) with its Roadway Worker Protection System.

Sources: Protran, Progressive Railroading

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RailPros Field Services Wins Contract for Design Review Work for CHSRA

RailPros Field Services obtained a contract from BNSF Railway Co. for design review of construction documents for work pertaining to the California High-Speed Rail Authority (CHSRA). In particular, the documents detail proposed high-speed rail work between Merced and Bakersfield, Calif., on or near BNSF's Stockton and Bakersfield subdivisions. The review includes documents for 29 grade separations.

Sources: RailPros Field Services, Progressive Railroading

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Breen Reardon to Succeed Frank Brady as President & CEO of Pandrol USA

Effective Sept. 1, Breen Reardon will succeed Frank Brady as president and chief executive officer of Pandrol USA. Currently director of sales

and marketing at the company, Reardon has worked with Pandrol USA for four years. Brady has worked with Pandrol for 33 years, and has more than 40 years of experience in the rail industry.

Sources: Pandrol USA, Progressive Railroading

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STV Hired Philip Cremin as VP & Chief Civil Engineer

STV has hired Philip Cremin as vice president and chief civil engineer. He will manage and oversee the firm's transportation and infrastructure civil engineering practice in New York City. Prior to joining the firm, Cremin served as design engineer for the LaGuardia Airport redevelopment program. He has more than 30 years of experience in civil engineering.

Sources: STV, Progressive Railroading.

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