



The Voice of the Railroad Construction Industry

# NRC Bulletin - September 2, 2015

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## 2016 NRC Conference Registration

Please register now and make your travel plans for the **2016 NRC Conference & NRC-REMSA Exhibition - January 6-9, 2016 at the Hotel del Coronado in San Diego, California.**

The NRC will be holding its 38th Annual Conference on Wednesday, January 6, 2016 through Saturday, January 9, 2016 at the Hotel del Coronado in San Diego, California.

**Please visit the 2016 NRC Conference webpage at [www.nrcma.org/2016nrcconference](http://www.nrcma.org/2016nrcconference) to register and for detailed conference information.**

***This year we have a new online registration process. All registrations, including conference registration, golf and sailing tournament registration, golf club rentals, and spouse program registration can be completed together through the [online registration process](#). In addition, you can register fellow employees at your company within the same online registration process.***

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## New Member

H&B Railroad Company  
Inc.



[www.handrailroad.com](http://www.handrailroad.com)

## ArcelorMittal Steelton



[usa.arcelormittal.com](http://usa.arcelormittal.com)

## 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



**Registration:** Registration for the 2016 NRC Conference can be [completed here on the NRC website](#), or by completing and [mailing in this form](#) . Completed forms should be sent to our office at 500 New Jersey Ave NW, Suite 400, Washington, DC 20001. Checks may be made payable to: NRC. NRC accepts Visa, MasterCard and American Express for credit card payments. If you have any questions, please contact Matt Bell by email at [mbell@nrcma.org](mailto:mbell@nrcma.org) or by phone at 202-715-1264.

**Hotel Information:** The conference will be held at the Hotel del Coronado, conveniently located on Coronado Island about a 10 minute drive from downtown San Diego. NRC has secured a discounted rate for attendees of the Annual Meeting. **For hotel reservations, call Hotel del Coronado at 800-468-3533 or [go to our hotel event page at this link](#).**

Scam alert: The phone number and link above are the only ways to book into the NRC room block. If any "housing company" or "travel agent" or "convention authority" calls or emails you directly about a hotel room, that is a scam and should be ignored. It will cost you more money than necessary and may or may not result in you actually having a room.

**Exhibition:** Exhibit space for the 2016 NRC-REMSA Exhibition is on sale now. You may view the full [floor plan](#) and sign up for a booth online by [clicking here](#). The Exhibition begins with a reception the

format as well as in Microsoft Word so that NRC member companies can make company or job specific changes.

evening of Wednesday, January 6 and concludes the morning of Friday, January 8. Please contact Urszula Soucie with REMSA at 202-715-2921 or [soucie@remsa.org](mailto:soucie@remsa.org) for all exhibition related questions.

## Member-Get-A-Member Campaign

*Help Grow the NRC and Strengthen our Voice*

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](mailto:mbell@nrcma.org).

3. Direct a potential new member to [www.nrcma.org](http://www.nrcma.org) where they can learn more about the NRC and join online.

\*\*\*Please note that the exhibit hall this year will be held in a tent in the Hotel del Coronado parking lot. The 36,000 square foot tent will be constructed by Classic Party Rentals, the premier name in event tent rentals. This is apparently what happens when the size of a conference grows every year - we're running out of ballrooms that can fit us!

**Event Sponsorships:** The NRC offers its members the opportunity to sponsor a specific conference function. Conference event sponsors will receive signage and oral recognition at the event, sponsor ribbons on their badges, their logo imprinted on the 2016 NRC Conference Program front cover, and space to distribute promotional literature or trinkets in the registration area. **2016 NRC Sponsorships will open in mid-September. Information will be going out within the next two weeks.** Please contact Matt Bell by email at [mbell@nrcma.org](mailto:mbell@nrcma.org) or by phone at 202-715-1264.

**Golf Tournament:** NRC's 2016 Golf Tournament will be held on Friday January 8 at the Sycuan Golf Course (3007 Dehesa Rd, El Cajon, CA 92019), located approximately 24 miles from the Hotel del Coronado. Sycuan plays host to the Junior World Golf Championships, US Public Links Qualifying, the San Diego Junior Amateur, the annual PGA Chapter Shootout, the US Junior Amateur, and has been named one of Golf Digest's Best Places to Play.

Golf play will begin at 12:00 pm with a shotgun start. The Tournament format is a four-person scramble, allowing players with varying ability the opportunity to play and have a great time. A box lunch will be provided prior to the Tournament. Rental clubs are available. The Tournament registration fee includes carts, green fees, lunch and refreshments, driving range, putting green and prizes.

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

[www.nrcma.org/bids](http://www.nrcma.org/bids)

To register for the tournament, [please sign up as a part of the 2016 NRC Conference registration process, fill out this form](#) or contact Matt Bell via email at [mbell@nrcma.org](mailto:mbell@nrcma.org).

Publicize your Rail Industry Event on [www.nrcma.org/industry\\_calendar](http://www.nrcma.org/industry_calendar)

**Sailing Tournament:** The first ever NRC Sailing Tournament will also be held on Friday, January 8th from 1:00pm to 5:00pm. Group transportation departs the hotel at 1pm, with expected return by 5pm.

If you would like to submit an event for posting on the Industry

Calendar, please email  
[info@nrcma.org](mailto:info@nrcma.org).

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The sparkling waters of the San Diego Harbor will provide a perfect backdrop the sailing event. Each person will be an official "crew member" of their vessel, vying to push their team into the winner's circle. The teams will tackle an exciting two-mile course over a period of 2 hours.

Sailing boats come with a captain who will brief the crew on strategy, techniques and sailing instructions before the race. The Tournament registration fee also includes a box lunch, snacks and beverages on the boat.

To register for the tournament, [please sign up as a part of the 2016 NRC Conference registration process](#), [fill out this form](#), or contact Matt Bell via email at [mbell@nrcma.org](mailto:mbell@nrcma.org).

***NRC Membership - Did we mention discounted conference registration and exhibit booths rates for NRC members? If your company is not already a member of the NRC, [you may join online by clicking this link](#).***

For all 2016 NRC Conference information, please visit [www.nrcma.org/2016nrcconference](http://www.nrcma.org/2016nrcconference).

Please contact me if you have any questions regarding the 2016 NRC Conference. You can also contact NRC President Chuck Baker at 202.715.2920 / [cbaker@nrcma.org](mailto:cbaker@nrcma.org).

Thanks, and we look forward to seeing you all in January!

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## **NRC New Member Profiles**

H&B Railroad Company Inc., out of Portsmouth Virginia, is a full service crane rail, railroad and general contracting company that has been in business for over 45 years with 100+ years of employee experience . H&B Railroad has multiple divisions of the company that includes Railroad, Crane Rail, Construction, and Engineering/Construction Management. These divisions specialize in partnerships with Shipyards, Ports, Intermodal Facilities, and other Heavy/Light Industrial Facilities.

For more information contact Sharon Atkins, 757-606-1410, [satkins@hbrailroad.com](mailto:satkins@hbrailroad.com).

ArcelorMittal Steelton is a steel making plant along the Susquehanna River in Steelton, Pennsylvania, just south of Harrisburg. The central-Pennsylvania location provides fast and economical access to customers through an excellent shipping network of highways and railroads. It produces rails for the railroads, specialty blooms and flat bars for use in railroad and ingots for forging markets. The Steelton plant is capable of producing one million tons of raw steel annually. ArcelorMittal Steelton has stood on its site since 1867. Formerly, it was part of Bethlehem Steel Corp.

For more information contact Tony Frey, 239-314-8057, [tony.frey@arcelormittal.com](mailto:tony.frey@arcelormittal.com).

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## **Request for NRC Member Companies to Sign on to Letter Supporting Short Line Railroad Tax Credit**

While Congress is on their August recess and tumbleweeds blow through the streets of Washington DC, there is something easy that you can do to help advance the short line railroad rehabilitation tax credit, which of course benefits NRC member contractors and suppliers tremendously. It takes just a few seconds.

The Senate Finance Committee recently passed a two-year extension of the short line tax credit that included eligibility for investments made to railroad track created between 2005 and 2015. The House is expected to pass a similar "tax extenders" bill in the fall. Our supporters in Congress want a strong outpouring of support for a tax extenders bill. Our colleagues in the Broad Tax Extenders Coalition, led by the National Association of Manufacturers, have crafted a letter and they are seeking the signature of thousands of companies and associations to show Congress the importance of acting to extend expired tax provisions.

Here is how you can help: Add the name of your company to the letter by [clicking here](#). It takes about 20 seconds. About 150 railroads have signed on so far, so it'd be nice to add a big contingent

of contractor and supplier company names to the list.

The deadline to sign this letter is September 4 at 5pm EDT.

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## **NRC Legislative and Regulatory Update from NRC President Chuck Baker**

### **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), has now been extended to October 29, 2015. Full re-authorization discussions are well underway, and the Senate has now passed a bill, the DRIVE Act, but the key issues of funding source and funding levels are still somewhat unresolved. At current rates, the HTF and MTA spend about \$53b/year while only taking in \$35b/year. The Senate bill proposes filling this gap for three years with about \$45b from a variety of revenue sources and offsets, none having much to do with transportation, including lowering the dividend rate by the Federal Reserve to member banks and selling 90 million gallons of oil from the Strategic Petroleum Reserve.

Beyond overall funding levels, specific provisions of interest to the NRC that are on the table in this legislation 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
- The Section 130 grade crossing program
- Funding a PNRS/TIGER program
- PTC funding and implementation issues
- TIFIA
- Infrastructure Bank/Infrastructure financing authority
- Truck size and weight maximum laws

The Senate bill, the DRIVE Act, passed the Senate on July 30. The bill contains 6 years worth of policy and authorizations, but only enough funding to fill the gap between gas tax revenue and spending for 3 years, so you get to decide whether you'd prefer to think of it as a 6 year bill or a 3 year bill. I'm going with 3.

The total bill would spend about \$53b in year 1 and then grow at about 3% a year, which is about a 3% bump over baseline highway and transit spending - not nearly sufficient to address our country's pressing infrastructure needs, but a welcome start.

The highway and freight sections of the bill includes three new funding programs which would have the potential to benefit freight rail projects:

- a \$1.5b/year average freight program which has some limited eligibility for intermodal projects, funded with real highway trust fund dollars;
- a \$300m/year average Assistance for Major Projects Program (AMP), which is a TIGER-like program which has some limited eligibility for rail projects, also funded with real highway trust fund dollars; and
- a \$200m/year Freight Assistance Grants program, which is another TIGER-like program designed specifically for freight projects and which would have no modal limitations, but alas is not funded with real highway trust fund dollars and is instead only a general fund authorization, which would be dependent on future appropriations.

The bill also continues a few longstanding programs that are of interest and benefit to NRC members, including:

- continuing to dedicate \$220m/year to the Section 130 grade crossing program
- continuing the TIFIA loan program, although dropping the funding from \$1b/year all the way down to \$300m/year
- continuing the Surface Transportation Program at an average of \$10.4b/year, which is a very slight increase over current funding. This is mostly a road program, but does contain some flexibility for local governments to use funding for multi-modal projects

The transit portion of the bill grows slightly faster than the overall bill, and in general highway and transit and rail maintain their historic 80/20 split in the bill. Notably the bill does include a one-time infusion of \$199m into the transit account to fund the installation of positive train control for commuter railroads. A drop in the bucket, but a welcome drop.

In general, the NRC is pleased with the bill. Further House action before October 29 awaits. Longer term, the question still looms of how to fund this program on a long-term basis.

**Passenger rail/Amtrak reauthorization:** The previously passed Senate Commerce Committee passenger rail/Amtrak reauthorization/rail safety bill, designed as a counterpart to the House-passed passenger rail/Amtrak reauthorization bill, ended up being combined with the previously discussed Senate DRIVE Act, and is now the rail title of that bill. After the House produces a highway and transit title, the likely scenario is a conference committee between the two bills that would include the highway, transit, and rail pieces.

The Senate bill contains some additional positive provisions beyond what was included in the House version, including authorizing more funding for Amtrak (\$1.65b/year average vs \$1.45b/year), authorizing more funding for States to invest in intercity passenger rail projects (\$570m/year average vs \$300m/year), additional RRIF loan program improvements, and aggressive project expediting/permitting improvements. The permitting streamlining changes mostly mirror what was in the Blunt/Manchin Track, Railroad, and Infrastructure Network (TRAIN) Act - they ensure that historic preservation protections do not apply to active rail lines, 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.

Regarding positive train control, the Senate bill does include adjustments to the PTC implementation deadline from 2015 to 2018 for full installation of all components and beginning of active testing. This provision, while clearly necessary in our opinion, remains controversial and will likely generate substantial discussion as this process moves forward.

Unfortunately, neither the Senate nor House bills contemplate the idea of providing predictable and dedicated funding for intercity passenger rail expansion, instead relying on the status quo funding model which has generally resulted in 'limp-along' funding and a mediocre passenger rail system.

The NRC will continue to work with Congress to further improve the bill before passage into law.

### **Fiscal Year 2016 Transportation Appropriations:**

The Senate Appropriations Committee has now approved its FY16 transportation appropriations bill as a counterpart the House-passed



bill. Not surprisingly given the tight overall budget for domestic discretionary investments and allocations given to the transportation sub-committees on both sides, the funding for the accounts that the NRC is most interested in is insufficient:

	FY14 Actual	FY15 Actual	Administration FY16 proposal	House FY16 proposal	Senate FY16 proposal
TIGER	\$600m	\$500m	\$1,250m	\$100m	\$500m
FRA including Amtrak	\$1,603m	\$1,626m	\$2,693m	\$1,377m	\$1,678m
<i>Rail Safety Grants Program</i>	\$0	\$0	\$0	\$0	\$50m
<i>RRIF Subsidy Grants</i>	\$0	\$0	\$0	\$0	\$4m
High Performance Passenger Rail	\$0	\$0	\$2,325m	\$0	\$0
Section 130 grade crossing set- aside within highway contract authority	\$220m	\$220m	\$220m	\$350m	\$220m
FTA New Starts	\$1,943m	\$2,120m	\$3,250m	\$1,921m	\$1,585m
FTA Formula funds	\$8,595m	\$8,595m	\$13,914m	\$8,595m	\$8,595m

As shown above, there are some meaningful differences between the House and Senate accounts (TIGER, FRA, grde crossings, New Starts), but the bigger problem is an insufficient total investment level. 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.

**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 initial study results have concluded that current laws and regulations should remain unchanged. 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, and the Senate appropriations bill also includes a provision allowing for the 'Twin 33's' configuration of two 33 foot trailers, vs the current limit of two 28 foot trailers . The NRC is opposed to these changes and will continue to work with allies to prevent passage into law.

In addition, we are expecting that a new bill will be introduced in the House as early as September 10 that would allow States to increase the maximum truck weight on interstate highways from 80,000 pounds to 91,000 pounds. The freight railroads and safety groups will fight this aggressively, and the NRC will participate actively in those efforts.

**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 ASLRRA 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. They are appealing to the USDOT for reconsideration. The Senate passenger rail/rail safety bill did make slight modifications to the to the ECP rule, but it remains problematic.

**Surface Transportation Board/regulation:** The Senate Commerce Committee also passed a freight rail economic regulation bill on March 25 and this bill has now passed the full Senate via 'Unanimous Consent.' The bill 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. House action awaits. A House hearing on the issue, timed with the 35<sup>th</sup> 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.

**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 233 (more than the magic number of 218 in the House) co-sponsors and S.637 (<https://www.congress.gov/bill/114th-congress/senate-bill/637>) has 44 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.

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## **FRA NPRM - Railroad HOS Recordkeeping Relief for Smaller Railroads and Contractors Providing Covered Employees**

In general, the current regulations require covered service employees whose hours are recorded to sign the record by hand (the traditional, manual system) or "certify" the record using a complex computerized system (an electronic system). FRA proposes to amend these regulations to provide a third, simplified method of

compliance, for certain entities. FRA proposes to allow railroads with less than 400,000 employee hours per year, and contractors and subcontractors providing covered service employees to such railroads to use an automated system, in which employees apply their electronic signatures to the automated records, which are stored in a railroad computer system. The proposed rule would not require the use of electronic or automated recordkeeping, would be better tailored to small operations, and is expected, if adopted, to decrease the burden hours spent on hours of service recordkeeping.

Click [here](#) for the proposed rule.

*Source: FRA*

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### **FRA Issues Safety Advisory on Ballast Conditions**

The Federal Railroad Administration (FRA) issued a safety advisory to emphasize the importance of timely repair of ballast defects and conditions on main tracks.

The advisory notes that ballast defects and conditions that are not repaired on time can lead to future defects, FRA officials said in the notice.

The safety advisory recommends track owners and railroads:

- \* update engineering instructions on ballast safety to provide specific guidance to track inspectors;
- \* train track inspectors on the updated engineering instructions and the FRA's safety advisory to ensure they know how to identify and initiate remedial action;
- \* make sure supervisors adequately oversee track inspections to identify and remediate ballast defects and other conditions.

[Click here](#) for the full the FRA safety advisory.

*Source: FRA*

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### **Phoenix Votes to Approve Long-Range Light-Rail Extending Transportation Plan**

Phoenix voters approved Transportation 2050, a transportation plan which expands investment in light-rail construction by planning to build an additional 42 miles of light rail throughout the city. The plan will be funded in part by a 7/10ths of a cent sales tax starting on Jan. 1, 2016.

Connections to educational institutions are a key element of Transportation 2050. Light-rail corridors will provide service to Grand Canyon University and ASU West, linking ASU and U of A campuses in downtown Phoenix on the Valley's current 20-mile light-rail line.

*Source: RT&S, Progressive Railroading*

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### **NJ Transit Receives Over \$71.4M in Federal Emergency Relief Funding**

The Federal Transit Administration (FTA) will award New Jersey Transit more than \$71.4 million in Hurricane Sandy recovery funds for various repair and resiliency projects.

These projects include recovery and resiliency work currently underway, such as the elevation of key substations in Hoboken, Kearny and Bay Head. To date, the FTA has given NJ Transit a total of \$1.724 billion in public transportation emergency relief funds following Hurricane Sandy, which struck the East Coast in October 2012.

*Source: Progressive Railroading*

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### **North Texas Panel OKs \$4.5M for High-Speed Rail Planning**

The Regional Transportation Council (RTC) in North Texas approved \$4.5 million through FY2018 for the planning, design, project development and preliminary engineering of a high-speed rail line that would connect Dallas/Fort Worth to Houston.

Texas Central Partners is developing a project to build a for-profit, high-speed rail line in the Dallas-Houston corridor by 2021. In conjunction with that effort, planning continues on a project that would connect to the line and may eventually offer access to a third corridor stretching from Oklahoma to South Texas.

*Source: Progressive Railroading*

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### **NRC Member Siemens Awarded \$156M Contract**

Siemens was awarded a \$156 million contract by the New York Metropolitan Transportation Authority to install communications-based train control on the Queens Boulevard subway line. The technology provides real-time data on vehicle position and speed conditions, which allows operators to safely increase the number of vehicles on the line. The train-control system also reduces the amount of wayside equipment, which in turn helps reduce maintenance costs and service disruptions.

*Source: Railway Age*

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### **NRC Member ENSCO Obtains G&W Contract for Paperless Track Inspection**

ENSCO Rail obtained a contract to provide a paperless track inspection solution for Genesee & Wyoming Railroad Services Inc. (G&W). Known as the Digital Track Notebook, ENSCO's product will provide track inspectors at G&W-owned railroads with a Web-based application to conduct track inspections electronically. The Web application enables workers to automatically schedule inspections, log inspections and defects electronically, and create inspection reports for the FRA and Transport Canada.

*Source: Progressive Railroading*

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## **David Rose Joins Gannett Fleming**

David Rose joined Gannett Fleming as director of management consulting. Rose will lead the firm's management consulting practice, assisting clients to improve performance and productivity of their assets. Rose has more than 25 years of experience in infrastructure management consultation, and has led engagements for the Federal Transit Administration, the Federal Highway Administration and National Cooperative Highway Research programs.

*Source: Progressive Railroading*

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