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STATE FISCAL YEAR 2017
UPDATE REPORT OF THE
NEW JERSEY RAIL FREIGHT
ASSISTANCE PROGRAM

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**STATE FISCAL YEAR 2017
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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 and its support of economic development. Since 1975.

This edition of the annual update to the *New Jersey State Rail Freight Assistance Program (RFAP)* presents the Fiscal Year 2017 list of eligible projects in accordance with N.J.A.C. 16:53C and P.L. 2016 56, Transportation Trust Fund Act (TTF) of 2016.

CHAPTER II PLAN GOALS AND OBJECTIVES

The primary objective of the New Jersey Rail Freight Assistance Program is for the design, construction, reconstruction, rehabilitation, land acquisition and environmental mitigation of freight rail projects that are significant to port commerce connectivity; eliminate rail freight missing links to port facilities; or upgrade freight rail tracks to a 286,000 pound load carrying capacity. The **New Jersey State Rail Freight Assistance Program (RFAP)** 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.

CHAPTER III

PLANNING PROCESS AND SELECTION CRITERIA

A basic selection process must be completed before any proposed project or improvement may be initiated. Each project must be declared eligible for funding. Also, 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 increased 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:

- Financial Assistance under the Rail Freight Assistance Program (RFAP) is limited to the design, construction, reconstruction, rehabilitation, land acquisition, and environmental mitigation of freight rail projects that: are significant to port commerce connectivity; eliminate rail freight missing links to port facilities; or upgrade freight rail tracks to a 286,000 pound load carrying capacity.

- State assistance for rail freight service will be limited to the following types of projects:

Acquisition Assistance: Property, which the Department has identified as essential to port commerce connectivity is also eligible for acquisition by the State under the Rail Freight Assistance Program (RFAP). Such acquisitions may be funded up to 100 percent of the cost of the property. Inactive rail lines, which have value for future use as rail freight facilities or as components of an intermodal network are eligible. Property over which continued rail operations can be maintained through ownership by the private sector is not eligible.

Rail Facility Construction Assistance: A project for the design and construction of facilities for the purpose of improving port commerce connectivity, eliminating rail freight missing links to port facilities, or upgrading freight rail tracks to a 286,000 pound load carrying capacity. This includes, but is not limited to, new connections between two or more existing lines, relocation of lines or sidings, modernization of existing facilities and construction of new facilities.

Rail Rehabilitation or Reconstruction Assistance: A project for the design and rehabilitation or reconstruction of a rail line or bridge, which requires a one-time investment of financial assistance in order to ensure port commerce connectivity; eliminate rail freight missing links to port facilities; or upgrade freight rail tracks to a 286,000 pound load carrying capacity;

Environmental mitigation: A project or program intended to offset known impacts of rail freight construction, reconstruction, rehabilitation on an existing historic or natural such as a stream, wetland, endangered species, archeological site or historic structure.

- Financial Assistance under the RFAP shall not be used to subsidize the operating costs of rail freight service.

- Only projects for which the benefit/cost ratio has been determined by the Department to be greater than 1.0 are eligible to be included in the RFAP, unless a project is deemed to be a system critical link.
- Projects that will serve single users and do not have the potential to serve additional users are not eligible for inclusion in the RFAP.
- Projects for routine maintenance are not eligible for inclusion in the RFAP.
- Financial assistance for rehabilitation or construction requires contributions to be made by the beneficiaries of the improvement project. Currently, State funding is provided in amounts ranging up to 90% of the total cost.
- 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.
- Financial assistance for a project is limited in duration to a period not to exceed two years from the date of execution of the project agreement. Should circumstances dictate that a project's duration extend beyond the agreement's expiration date, the sponsor shall request an extension from the Department in writing, including a detailed justification for the request.

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 New Jersey Department of Transportation evaluates each one 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 and 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 supports the goals of the Clean Air Act.

D. HIGHWAY CONGESTION MITIGATION CRITERIA

- Reduces vehicular traffic by providing a viable alternative to long haul over the road freight shipments.
- Supports the development of team tracks with freight distribution and storage facilities.
- Supports the development of transload facilities and intermodal services.

E. APPLICANT PERFORMANCE

- Demonstrates performance and timeliness in agreement executing, contract awarding, constructing and closing previous projects funded by the RFAP program within its guidelines.

CHAPTER IV PROJECTS ELIGIBLE FOR INCLUSION IN THE 2017 STATE RAIL FREIGHT ASSISTANCE PROGRAM

The following table lists all project applicants and their sponsors.

<u>Rail Road/ Sponsor</u>	<u>Project Name</u>	<u>Total Eligible Project Cost</u>	<u>State Share</u>
The New York, Susquehanna	North Bergen Capacity and Interchange Improvements	\$1,826,000.00	\$1,278,200.00
The New York, Susquehanna	Installation of Welded Rail in Various Curve	\$1,357,088.00	\$949,961.60
Winchester & Western	Welded Rail S. Main Phase IV	\$935,783.00	\$842,204.70
Belvidere & Delaware River	Hunterdon County Mainline Mile 41	\$422,500.00	\$380,250.00
Conrail	Removal of two bridges in Camden, New Jersey	\$950,000.00	\$855,000.00
Winchester & Western	Fairton Welded Rail C&M	\$540,236.00	\$486,212.40
Morris County	Dover & Rockaway Repair	\$973,280.00	\$875,952.00
TOTAL		\$7,004,887.00	\$5,667,780.70