Rail Advisory Committee
March 4, 2016
Meeting Minutes

Meeting location:
Portland Airport Conference Center, St. Helens A, 7000 NE Airport Way, Portland, OR

Members in attendance:

Kevin Haugh for James Irvin, Chair	Craig Levie, Tangent Services
Bruce Carswell, Wyoming & Colorado	Johan Hellman, BNSF Railway
Randy Russ, United Transportation Union	Paul Langner, Teevin Bros.
Mark Davidson, Union County Commissioner	Kathryn Williams, Port of Portland
Rob Eaton, Amtrak	Clint Schelbitzki, Union Pacific Railroad
Donald Leap, Retired	Gary Cardwell, NWCS

Members absent: Mark Eitzen, Gunderson LLC

ODOT Rail Division staff in attendance:

Hal Gard	Bob Melbo	Kathy Holmes
Roxy Goettsch	Scott Turnoy	Rick Shankle

Acting Chair, Kevin Haugh called the meeting to order.

Conflict of Interest Declaration

Kathy reviewed what constitutes a Conflict of Interest. She then asked the committee members to identify foreseen potential or actual conflict of interest.

Applicant Presentations/Questions & Answers

1R0381 – NWCS Container Lift Equipment – Brad Bissell

The grant would be used to purchase 4 additional lifts (clarified later replacing older lifts as they sell them). Currently have 14 lifts, they had one on lease but let it go back. They lease one at Boardman as needed. Eight or the lifts are older and the newest was purchased in 2013. As they age there is added cost to keep up the maintenance. Up to 1000 trucks move per day. Average about 60-65,000 lifts per year. Last year 92,000+ lifts.

- *What is the expected life of a lift? Less than 20 years?* About 9-10 years, depending on how many lifts you do per day and what you are operating on, i.e. asphalt or dirt. After that the cost goes up on parts
- *Are you getting 4 additional lifts or replacing lifts?* Will start out as additional lifts until sell the older lifts.
- *What caused the influx of business?* Issues at the Port of Portland caused flow to backup inland and then businesses pulled out of Port of Portland and gave business to NWCS. Had to hire additional personnel to handle the extra volume
- *Has the volume stayed?* New business is still with us. The volume has stayed high. The budget projection is about 95,000 lifts this year.
- *If you had one or two extra machines could you extend the life of the lifts?* Yes, but only to 15-16 years. After that if the machines go down they can take 3-4 weeks to repair. It is possible to refurbish some parts locally, but new parts have to come from France.
- *When was the last time the company replaced lifts out of capital? What is the replacement plan?* Spent $5 million on 6 new lifts last year. Typically have the capital to

purchase 1-2 per year. It takes about 9 months to get a new lift once it has been ordered.

- *Who provides the train cars and crews?* UP provides the train cars and crews to move Oregon exports to Tacoma and Seattle for shipping internationally and bring imports into Oregon.
- *Are there any obsolescence issues with parts?* No
- *Who is the parent company and what is the structure?* Waste Connections, a solid waste company out of Woodlands, Texas. NWCS is one of 11 companies in its Western Division.

<u>2R0373 – NWCS Rail Car Modification and Upgrade – Brad Bissell & Mark MacGillivray</u>
This request is to cut down rail cars allowing them to accommodate double stacking the new heavier containers. It is difficult for older cars to accommodate the heavier loads. The containers can carry heavier weights, but not the rail cars. Exporters charge shippers by the container size, not weight, so shippers are increasing the weight of the containers. Can double stack by putting the heavier container on the bottom and lighter on top. Currently can only do double stacking less than 50% of the time because there aren't that many lighter containers to marry with the heavier ones. So many car platforms are carrying just one container.. The work would be done at the GVW/Gunderson plant in Springfield. They have the engineering expertise to do this work.

- *Is this list the entire fleet?* Yes, but sometimes have to lease additional cars. Will be leasing cars during this project.
- *Will you be purchasing new cars?* Not immediately.
- *How are you adding capacity to fill the length created by the shorter cars?* Yes, we'll lease additional cars initially and purchase later.
- *When you get ready to purchase additional cars will you purchase from Gunderson?* Possibly, if they are competitive.
- *How much is ability to carry more weight due to reducing the weight of the car?* Really, the gain is less from reducing tare weight and more from, bracing the floor is what allows more weight. Will be cutting 4.5' from each end of the car.
- *A chunk of the budget relates to maintenance, assuming GVW will do inspection & repair defects while making the modifications. Why would we include maintenance in a capital request?* Budgeted for because you don't know what you will find when you start tearing them apart. Optimistically, think will come in lower on this.
- *What is the life cycle of one of those cars?* 50 years. Once they reach 50 there is the ability to increase life service but only by 5 years. Can also work with the railroad to allow for continued operation on their line if not going through interchange.
- *So cutting down the cars does not reset the life expectancy?* No. these cars are currently 20 years old.

Update Conflict of Interest
The committee declared their final conflicts of interests. Please see Conflict of Interest Declaration page.

Review Ranking Process
Kathy explained the ranking process once more, reminding the committee that they will need to provide explanations for why projects were ranked higher or lower than another tier. It was decided to provide explanations for each project and that the committee would note if a project benefited the entire system.

There was a question about which section of the Staff scoring was corrected for the BNSF project. The correction was made to the critical link criteria.

Project Ranking
RAC discussed ranking and decided to rank according to system wide improvements first, then system preservation, and finally economic benefits.

The committee went through the process of ranking the projects and discussing the reasons for the ranking. Please see the Project Ranking page for those ranks and reasons.

The Chair opened the floor for public comments.
There were no public comments.

Closing Comments/Adjourn
Hal Gard asked the committee if they would be willing to meet twice a year as requested by the OTC. The committee members all stated they would be willing.

ODOT staff expressed their appreciation of the groups' time, dedication and professionalism.

The Chair adjourned the meeting.