

**CHAPTER 53C**  
**RAIL FREIGHT PROGRAM**

**Authority**

N.J.S.A. 27:1A-5, 27:1A-5.1 and 27:1A-6.

**Source and Effective Date**

R.1998 d.196, effective March 26, 1998.  
See: 30 N.J.R. 535(a), 30 N.J.R. 1424(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 53C, Rail Freight Program, expires on March 26, 2003.

**Chapter Historical Note**

Chapter 53C, Rail Freight Program, was adopted as R.1983 d.601, effective January 3, 1984. See: 15 N.J.R. 1563(a), 16 N.J.R. 52(b). Pursuant to Executive Order No. 66(1978), Chapter 53C, Rail Freight Program, was readopted as R.1988 d.317, effective June 16, 1988. See: 20 N.J.R. 966(a), 20 N.J.R. 1730(c).

Pursuant to Executive Order No. 66(1978), Chapter 53C, Rail Freight Program, was readopted as R.1993 d.277, effective May 13, 1993. See: 25 N.J.R. 1481(a), 25 N.J.R. 2503(a).

Pursuant to Executive Order No. 66(1978), Chapter 53C, Rail Freight Program, was readopted as R.1998 d.196, effective March 26, 1998. See: Source and Effective Date. See, also, section annotations.

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. INTRODUCTION**

16:53C-1.1 Definitions

**SUBCHAPTER 2. STATE RAIL ASSISTANCE PROGRAM**

16:53C-2.1 General provisions  
16:53C-2.2 Form of financial assistance  
16:53C-2.3 Duration of assistance

**SUBCHAPTER 3. PROJECT ELIGIBILITY**

16:53C-3.1 General requirements  
16:53C-3.2 Acquisition  
16:53C-3.3 Rehabilitation or improvement assistance  
16:53C-3.4 Rail facility construction assistance  
16:53C-3.5 Substitute rail service assistance

**SUBCHAPTER 4. STATE/LOCAL SHARE**

16:53C-4.1 State share  
16:53C-4.2 Local share

**SUBCHAPTER 5. REQUIREMENTS FOR THE STATE RAIL PLAN**

16:53C-5.1 General provisions

**SUBCHAPTER 6. APPLICATIONS**

16:53C-6.1 General contents of applications  
16:53C-6.2 (Reserved)  
16:53C-6.3 Rehabilitation or improvement assistance and rail facility construction assistance  
16:53C-6.4 Substitute service assistance  
16:53C-6.5 Execution and filing of applications

**SUBCHAPTER 7. ENVIRONMENTAL IMPACT**

16:53C-7.1 Requirements for application for assistance

**SUBCHAPTER 8. GRANT AGREEMENT AND DISBURSEMENT**

16:53C-8.1 Grant agreement  
16:53C-8.2 Disbursement  
16:53C-8.3 Final settlement

**SUBCHAPTER 9. RECORD, AUDIT AND EXAMINATION**

16:53C-9.1 General requirements

**SUBCHAPTER 1. INTRODUCTION**

**16:53C-1.1 Definitions**

The following words and terms, when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

“Acquisition assistance” means funds the Rail Freight Assistance Program uses to cover the cost of acquiring, by purchase, or in such other manner the Department considers appropriate, a railroad line or other rail property for existing or future rail freight service.

“Cash” means the outlay of funds.

“Commissioner” means the Commissioner of the New Jersey Department of Transportation.

“Common carrier” means that entity providing railroad transportation for compensation and which is subject to the jurisdiction of the Interstate Commerce Commission.

“Core Rail Freight System” denotes that system of rail lines deemed essential to the economic well-being of the State, as defined in “The State Rail Plan”.

“Facilities” means track, ties, roadbed, and related structures used or usable for rail freight operations.

“Rail facility construction assistance” means funds provided to cover the cost of constructing rail related facilities for the purpose of improving the quality and efficiency of existing rail freight service, or providing the benefits of rail service to industries not located on existing rail lines. This includes new connections between two or more existing lines, relocation of lines or sidings, modernization of existing facilities, construction of rail related freight facilities (for example, team track, intermodal transfer, etc.), and construction of minor sections of new track (for example, passing tracks, crossovers, etc.).

“Rehabilitation or improvement assistance” means a one-time investment of funds to cover the cost of reconstruction, improvement or rehabilitation of rail properties.

“Routine maintenance” means inspection and light repairs and the planned program of periodic maintenance necessary to keep a line at its existing condition but not below specified Federal Railroad Administration (FRA) safety standards.

“State Rail Plan” means the current edition, including all updates, revisions and amendments, documenting the methodology and analysis applied to the rail freight network and describing a specific recommendation for funding assistance.

“Substitute service assistance” means funds to cover the cost of reducing the transportation impacts of abandoned rail service in a manner less expensive than the continuation of the rail service and includes, but is not limited to, the acquisition, construction or improvement of substitute freight transportation facilities, for example, team track.

Amended by R.1993 d.277, effective June 7, 1993.

See: 25 N.J.R. 1481(a), 25 N.J.R. 2503(a).

Amended by R.1998 d.196, effective April 20, 1998.

See: 30 N.J.R. 535(a), 30 N.J.R. 1424(a).

Deleted “Maintenance”; and inserted “Routine maintenance”.

## SUBCHAPTER 2. STATE RAIL ASSISTANCE PROGRAM

### 16:53C-2.1 General provisions

(a) Scope of the program includes:

1. Acquisition;
2. Rehabilitation or improvement assistance;
3. Rail facility construction assistance;
4. Substitute service assistance.

Amended by R.1998 d.196, effective April 20, 1998.

See: 30 N.J.R. 535(a), 30 N.J.R. 1424(a).

In (a)1, deleted “assistance” at the end.

### 16:53C-2.2 Form of financial assistance

Financial assistance may be in the form of a grant to the owner of the rail properties, the operator of Rail Freight Service on the properties, or responsible public agency/authority. The Commissioner shall determine all financial terms and conditions of the grant.

Amended by R.1993 d.277, effective June 7, 1993.

See: 25 N.J.R. 1481(a), 25 N.J.R. 2503(a).

### 16:53C-2.3 Duration of assistance

Financial assistance is limited in duration to a period not to exceed three years from the date of project approval. Should circumstances dictate that a project extend beyond three years, the sponsor shall request such an extension of the Department in writing, including a detailed justification for the request. Circumstances to be considered eligible for an extension shall include, but not be limited to: unanticipated additional work directly associated with the project; inability to accomplish the project within the specified time-frame due to circumstances beyond the sponsor’s control; forced staging of financing over a period greater than three years; or a project scope which is physically impossible to accomplish within three years.

Amended by R.1993 d.277, effective June 7, 1993.

See: 25 N.J.R. 1481(a), 25 N.J.R. 2503(a).

## SUBCHAPTER 3. PROJECT ELIGIBILITY

### 16:53C-3.1 General requirements

(a) General eligibility requirements under the State Rail Assistance Program are as follows:

1. An analysis of a rail service related to the project must be included in the State Rail Plan (except when the project is of an emergency nature, in which case the State Rail Plan requirement may be waived, at the discretion of the Commissioner).
2. The cost/benefit ratio of any project must be greater than 1.0 as defined in the State Rail Plan.

### 16:53C-3.2 Acquisition

(a) The rail freight properties which are eligible for acquisition are those properties in the State identified as part of a core rail freight system which will be defined by the Department in the State Rail Plan. In no case will the State acquire rail properties where continued rail operations can be maintained through ownership within the private sector. These properties may include inactive rail lines which have value for future use as rail freight facilities or as components of an intermodal system.

(b) Those rail properties identified as elements of the core rail freight system, which will not be continued in the private sector, are eligible for public acquisition with a maximum of 100 percent of the cost of acquisition being provided under this program.

Amended by R.1993 d.277, effective June 7, 1993.

See: 25 N.J.R. 1481(a), 25 N.J.R. 2503(a).

Amended by R.1998 d.196, effective April 20, 1998.

See: 30 N.J.R. 535(a), 30 N.J.R. 1424(a).

In (a), deleted “assistance” following “acquisition” and added “in the State Rail Plan” at the end of the first sentence.