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2 COUNCIL OF THE CITY OF PHILADELPHIA
3 COMMITTEE ON TRANSPORTATION
4 AND PUBLIC UTILITIES

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, December 20, 2005
10:20 a.m.

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PRESENT:

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COUNCILMAN MICHAEL A. NUTTER, Chair
COUNCIL PRESIDENT ANNA C. VERNA
10 COUNCILMAN DARRELL L. CLARKE
COUNCILMAN JACK KELLY
11 COUNCILWOMAN DONNA REED MILLER
COUNCILMAN BRIAN J. O'NEILL

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BILL 050148 A Resolution authorizing
City Council's Committee on
14 Transportation and Public Utilities to hold
public hearings to investigate the
15 operations of CSX Transportation (CSXT) in
and around the City of Philadelphia and their
16 impact on the public health, safety, and
welfare of the residents of Philadelphia,
17 and authorizing the issuance of subpoenas by
the chair of the committee to compel the
18 attendance of witnesses and the production
of documents to the full extent authorized
19 under Section 2-401 of the Home Rule
Charter.

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2 COUNCILMAN NUTTER: Good

3 morning. This is a continuation of a

4 hearing by the Committee on

5 Transportation and Public Utilities. We

6 have a quorum present and we're going to

7 proceed with today's hearing. The

8 members present are myself, Councilman

9 Michael Nutter, chair of the committee,

10 Council President Verna, Councilman Jack

11 Kelly, Councilwoman Donna Reed Miller,

12 and Councilman Darrell Clarke. This is a

13 hearing pursuant to Resolution 050148, a

14 resolution authorizing City Council's

15 Committee on Transportation and Public

16 Utilities to investigate the operations

17 of CSX Transportation, CSXT, in and

18 around the City of Philadelphia and their

19 impact on the public health, safety, and

20 welfare of the residents of the City of

21 Philadelphia, and authorizing the

22 issuance of subpoenas by the chair of the

23 committee to compel the attendance of

24 witnesses and production of documents

25 under Section 2-401 of the Home Rule

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2 Charter.

3 We have a couple known
4 witnesses. If anyone else is
5 anticipating testifying, please make
6 yourselves known to Julie Chapman, who's
7 around somewhere.

8 Does any member of the
9 committee wish to make an opening
10 statement?

11 (No response.)

12 COUNCILMAN NUTTER: The first
13 witness on the list is Mr. William Goetz,
14 and Larry Koster. And Mr. Goetz, if you
15 have any other individuals with you, you
16 should bring them to the table at the
17 same time. Please identify yourselves
18 for the record.

19 MR. GOETZ: My name is William
20 G. M. Goetz. I'm an employee of CSX
21 Transportation.

22 MR. KOSTER: I'm Lawrence
23 Koster. I'm a terminal manager for CXS.

24 COUNCILMAN NUTTER: Mr. Goetz,
25 you're much too modest to identify

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2 yourself as just an employee of CSX.

3 Could you give us your title and a
4 general sense of your responsibilities?

5 MR. GOETZ: I'd be happy to,
6 sir. My title is resident vice
7 president. My responsibilities include
8 interfacing with governments and
9 communities. My territory primarily is
10 focused with the city of New York, the
11 state of New Jersey, and effective two
12 weeks ago it now includes the city of
13 Philadelphia and the surrounding counties
14 on either side.

15 COUNCILMAN NUTTER: And you
16 have been detailed by CSX in addition to
17 all of your other responsibilities
18 specifically to now deal with the
19 situation at hand that's the subject of
20 this particular hearing and the subject
21 of any number of either bills or
22 resolutions related to the operations of
23 CSX?

24 MR. GOETZ: That is correct,
25 sir.

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2 COUNCILMAN NUTTER: So, for the
3 record, at a previous hearing, there was
4 a representative of the company who
5 testified, in essence, that the company
6 was trying to figure out who the
7 appropriate individuals were to respond
8 either to requests and subsequently to
9 subpoenas duly issued by this committee
10 with regard to these issues. At that
11 time that representative indicated that
12 the company was trying to figure out who
13 the appropriate representatives were or
14 who would speak on behalf of the company
15 with some authority. Are you now that
16 person?

17 MR. GOETZ: On some of the
18 issues, yes. And we are identifying
19 other individuals who have specific
20 expertise in other issues that have been
21 brought before your committee. Today I
22 have with me Mr. Larry Koster, who has
23 the train operations responsibility in
24 Philadelphia and a territory extending
25 north and south of here. So hopefully

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2 between myself and Mr. Koster we can
3 speak to the train operations questions.

4 COUNCILMAN NUTTER: Well,
5 there'll probably be a few of those
6 today.

7 MR. GOETZ: Look forward to it.

8 COUNCILMAN NUTTER: Based on
9 your presence and new designation, should
10 this committee take for the record that
11 CSX at least at this point has made a
12 determination that you are going to try
13 to work more in the spirit of cooperation
14 with this committee and with the
15 Philadelphia City Council?

16 MR. GOETZ: You can conclude
17 that from CSX' behavior. And hopefully
18 from my own behavior over time you will
19 also reach the same conclusion.

20 COUNCILMAN NUTTER: Well, we'll
21 give you some opportunities to have your
22 behavior on display.

23 MR. GOETZ: Thank you, sir. I
24 look forward to it.

25 COUNCILMAN NUTTER: We'll

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2 evaluate it from there.

3 Of course, one of the main
4 issues naturally revolves around the
5 impact of CSX train operations and at
6 times their conflict with the expanded
7 use of what is now referred to as
8 Schuylkill River Park, the investment
9 that has been made whether in public or
10 private funds, and the conflict between
11 train operations and appropriate citizen
12 access to Schuylkill River Park primarily
13 either at Locust Street or Race Street.
14 Can you lay out for us what steps or
15 efforts CSX has taken thus far and what
16 your work entails with regard to trying
17 to resolve those issues?

18 MR. GOETZ: Be happy to do
19 that. I hope that you will give me the
20 opportunity today to go into some detail
21 about our train operations because really
22 it all begins and ends with the trains.
23 Those are the things that occupy certain
24 parcels of property in the city of
25 Philadelphia and other communities. The

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2 moving and the standing of trains can be
3 an annoyance to neighbors that we have
4 trackside. So everything kind of begins
5 and ends with the trains and so I would
6 like to go through in some detail why we
7 do what we do. I hope I'll have the
8 opportunity to do that. Mr. Koster is
9 going to assist me in that regard. And
10 if I may, I brought some visuals that I
11 think may help walk us through this
12 particular discussion.

13 COUNCILMAN NUTTER: Whether
14 it's yourself or Mr. Koster, can you lay
15 out for us at least from your perspective
16 why the particular conflict exists, how
17 you would propose, whether short, medium,
18 or longer term, to resolve it? And I
19 guess one of the key questions here is
20 with regard to pedestrian access, there
21 seem to be at least two proposals to try
22 to -- well, I'd say one proposal and one
23 idea on how to try to resolve this
24 particular issue. Of course, the
25 legitimate proposal is that there would

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2 be at grade crossing both at Race Street
3 and Locust Street. The conversation
4 seems to be that there's much less
5 controversy from a CSX position
6 standpoint with regard to Race Street.
7 Is that correct?

8 MR. GOETZ: That is correct.

9 COUNCILMAN NUTTER: So when we
10 get to Locust Street, the proposal, of
11 course, is for the same grade crossing at
12 Locust Street as there would be at Race
13 Street. The other idea, of course, is
14 this overpass concept. The question is,
15 is CSX immovable on the issue of at-grade
16 crossing at Locust Street versus an
17 overpass?

18 MR. DUNLAP: May I advise?

19 COUNCILMAN NUTTER: Sure.

20 Before you answer that
21 question, I think we've had the pleasure
22 of what I now recall -- is that your
23 counsel?

24 MR. GOETZ: Yes, Mr. Ben
25 Dunlap.

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2 COUNCILMAN NUTTER: Could he at
3 least his put name on the record?

4 MR. DUNLAP: Benjamin C.
5 Dunlap, Jr., of the law firm Nauman,
6 Smith, Shissler & Hall in Harrisburg.

7 COUNCILMAN NUTTER: You
8 represent CSX in this particular matter?

9 MR. DUNLAP: That is correct.

10 COUNCILMAN NUTTER: Mr. Goetz?

11 MR. GOETZ: Mr. Chairman, to
12 answer your question, CSX is involved in
13 certain activities before the federal
14 court here specifically dealing with the
15 Locust Street access, the method, the
16 design, how those issues would be
17 addressed. I have just begun to become
18 personally involved in that and I've
19 participated with the City's counsel in
20 those sessions. I can tell you that that
21 is a work in progress. It is not a
22 completed exercise, but it's one that we
23 are certainly dealing with in a good
24 faith effort to bring it to resolution.

25 COUNCILMAN NUTTER: Well, I

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2 appreciate your response. I'm not sure
3 that there was a dead set answer in the
4 response, but I have a pretty good idea
5 of what you just said. We can move from
6 that. I'm sure we'll come back to it.

7 Can you explain to us what
8 steps have been taken -- and you may have
9 touched on this previously, but I'd like
10 to also get some perspective from your
11 terminal manager. I mean, why are the
12 trains parked for extensive periods of
13 time at Locust Street with whatever may
14 be in them? So that's one. And two, why
15 can't whatever it is that you do that
16 causes them to be parked in that
17 location, why can't those trains do what
18 they do or crews change or whatever other
19 actions are taking place, why can't they
20 happen within the confines of a yard
21 facility as opposed to for extensive
22 hours that interfere with public access?

23 MR. GOETZ: That's a very
24 legitimate question. And if I may, if
25 may, I would like to stand and use some

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2 visuals to take you through this. This
3 discussion might require, say, 15 to 20
4 minutes. Would that be acceptable in
5 order to provide a thorough explanation?

6 COUNCILMAN NUTTER: As long as
7 it's interesting.

8 MR. GOETZ: Okay. I will try
9 to make it interesting.

10 COUNCILMAN NUTTER: Thank you.

11 MR. GOETZ: I'm not a very
12 interesting person. You can see why --

13 COUNCILMAN NUTTER: That's
14 already been demonstrated, Mr. Goetz.
15 You can move on.

16 MR. GOETZ: Just by way of
17 further introduction, I'm a career
18 railroader. I have 28 years in railroad
19 service. Mr. Koster has 24 years. And
20 so this is something that Larry and I
21 both have been doing for quite some time.
22 Almost all of my railroad career has been
23 concentrated here in the northeast, so
24 the Philadelphia, New Jersey, and New
25 York City area has been my home for

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2 almost my entire career.

3 What I'd like to do -- and you
4 asked me specifically what have you been
5 doing, you know, since CSX was last
6 before you. And Larry and I have begun
7 working through first of all to explain
8 why precisely we do everything we do.

9 You had asked, Mr. Chairman, why a
10 specific train has to sit here. And I
11 asked a more fundamental question: Why
12 is that train even there to begin with?
13 Why does that train move through here and
14 not through someplace else? And Larry
15 and I spent hours with his staff and in
16 his yard office going through each train
17 movement that we move through
18 Philadelphia and also that our competing
19 railroads move through Philadelphia to
20 get a better understanding as to exactly
21 why we are doing what we're doing. And,
22 also, we've begun to look at where we
23 might have opportunities to change
24 things.

25 I think one of your specific

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2 questions is can anything be changed.

3 And we are going to give a good faith

4 look into in terms of seeing if we can do

5 things that would soften our impact on

6 the community. There are members of the

7 community here. I can tell you something

8 you already know, that they're very

9 agitated and they get angry. They're

10 angry that their access to a recreational

11 facility is blocked at times. They're

12 angry by having a heavy industrial

13 presence like a railroad in their

14 community. When they get angry, they

15 write e-mails. And those e-mails come to

16 me and I read every single one of them.

17 And so I do understand the frustration

18 that they have, and I am sensitive to the

19 fact that we need to try to work to find

20 things that may soften our presence on

21 the community.

22 I have quite a bit of

23 experience doing this. My territory

24 includes the south Bronx, includes

25 residential neighborhoods in Queens. It

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2 includes neighborhoods in north New
3 Jersey where we have 5, 6, 7 million
4 dollar homes. And so I'm very used to
5 having the railroad impact citizens of
6 all different varieties of income on the
7 income strata. My experience has been
8 that the answer is never all or nothing.
9 It's always something. It's something in
10 the middle and that everyone begins with
11 I want all, I want nothing, and those
12 never are the solutions. It's always
13 something in the middle and that's where
14 we're beginning to look. It is not
15 possible for CSX to vacate all of our
16 tracks in Philadelphia. The main line
17 tracks we have, we need them. The yard
18 facilities that we have, we need them.
19 The employees that we have in
20 Philadelphia, we need them and we want to
21 keep them. But we're looking at ways
22 that we can do things differently to try
23 to soften that impact.

24 Let me begin by giving you a
25 schematic. Now, I'll caution you when

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2 you see the schematic I did myself you
3 will quickly learn I did not major in
4 graphic arts in college because they're
5 pretty homemade, but we're going to work
6 off this particular grid, which is a
7 railroader's view of Philadelphia, which
8 is not how you would normally look at
9 Philadelphia. Can you see it? Better?

10 COUNCIL PRESIDENT VERNA:

11 Better, thank you.

12 MR. GOETZ: This is not how you
13 would look at Philadelphia, but it's how
14 a railroader would look at Philadelphia.
15 We have lines that come in from the south
16 and west here and lines here that go up
17 here to Reading and Harrisburg, up here
18 to New Jersey and New York. This line --

19 COUNCILMAN NUTTER: I'm sorry.
20 Members of the audience, can you see or
21 do you want to move to get a better
22 angle?

23 MR. GOETZ: We have lines here
24 that go down to South Philadelphia where
25 we have a small freight yard and some

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2 terminals that serve the port and we have
3 a line here that goes to New Jersey.

4 This is a little abstract so I'm going to
5 put some landmarks on it for you. What
6 I've drawn in here in blue is the
7 Schuylkill River. And this will make it
8 a little bit easier to tell exactly where
9 these tracks are. Generally, the public
10 does not know where these are. Many of
11 them are deep within Fairmount Park
12 actually or in industrial areas, but
13 there are places where the railroad is
14 very apparent and that's why we're here.

15 Let's start here. If you came
16 down the Schuylkill River, the first
17 railroad bridge you'd cross be would be
18 just south of the Falls Bridge near East
19 Falls. There's a series of big stone
20 bridges there and that carries CSX' track
21 up to New Jersey and New York. That's a
22 main line bridge and that is a freight
23 track that goes all up through North
24 Philadelphia and northeast Philadelphia
25 and up through Bucks County and

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2 ultimately up to New Jersey. This is all
3 in Fairmount Park here and there's a
4 railroad track through this. It's very
5 hard to see it because it's heavily
6 wooded there. And then here there's a
7 fork and one route goes this way and the
8 other route goes this way.

9 Now, the angles in this diagram
10 are very important because these are not
11 highways. They're railroad tracks. And
12 so you can only move a train, you know,
13 progressively in the angle of the
14 movement. So here, for example, you can
15 make a right-hand turn. You can't make a
16 left-hand turn because track switches
17 only connect in one direction. So here
18 it's possible for a train to make a
19 progressive left-hand turn. This is the
20 Columbia Bridge, the concrete bridge I
21 think that was mentioned in previous
22 testimony. So this is the Columbia
23 Bridge and this is where the crew changes
24 are conducted right along here. And this
25 is busy railroad. My son is a rower and

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2 when I'm watching him, I'll watch trains
3 going over that Columbia Bridge all
4 afternoon. The railroad tracks progress
5 over here. They're now on the east side
6 of Fairmount Park again in pretty dense
7 woods. You'd have to look pretty
8 carefully to see them. They're back up
9 there off the Kelly Drive.

10 Around here just by Girard
11 Avenue, there's a railroad junction and a
12 track here comes around and then connects
13 down into South Jersey. If you continue
14 on this, you go through a series of
15 tunnels and ultimately wind up in Center
16 City. And this is the track and this is
17 Schuylkill River Park. And these are
18 across here are residential streets in
19 Center City. And, of course, this area
20 here is where we have citizen complaints
21 because we have occupied residences very
22 close to railroad tracks.

23 When you follow that down, you
24 come into a yard here and this is where
25 our yard office is. This is where

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2 railroad employees, meaning train
3 conductors and engineers, go to work.
4 Their crew reporting location is here by
5 union agreement. The importance of it
6 will become apparent in a minute.

7 Over on the west side over by
8 Penn, there's a whole series of railroad
9 junctions. There's also a lot of other
10 tracks in here that have to do with
11 Amtrak that I haven't drawn in here. As
12 you're driving down the Schuylkill
13 Expressway, you probably see this whole
14 maze of railroad tracks. Interspersed
15 within that is this set of railroad
16 junctions here. This track here is
17 actually the Northeast Corridor which
18 carries passenger trains down to
19 Washington. This is a connection track
20 and then this is CSX' main line freight
21 track that goes to Baltimore, Washington,
22 all the way down to Florida, basically
23 the rest of North America. This is a
24 drawbridge here over the Schuylkill. So
25 we cross the Schuylkill here on a

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2 drawbridge, here, here, and here. So
3 we're going back and forth over the
4 Schuylkill River.

5 Coming off this junction here,
6 you come down, this is the 25th Street,
7 which was also mentioned, and this
8 provides a route down into South
9 Philadelphia and the terminals. There's
10 also a route here that goes down.
11 There's a route here that goes down to
12 the big refiners and customers in
13 Delaware County. And there are customers
14 along Amtrak that there are freight
15 movements along here that we have to
16 reach.

17 So if you were designing this
18 network operation, your challenge would
19 be to move trains through here, to move
20 trains in here, and to serve our
21 Philadelphia customer base. And one of
22 the things you might immediately draw a
23 conclusion is, why are the tracks laid
24 out there? Why on earth would you design
25 this this way? And the answer is CSX

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2 didn't design it this way. These tracks
3 were built 150 years ago by companies
4 that don't even exist anymore. They had
5 a completely different business model.

6 Let me just show you a little
7 bit of history because they suddenly make
8 sense. On this picture here, if you play
9 Monopoly, you'll see three of the four
10 railroads on a Monopoly board here.
11 There's the Pennsylvania Railroad shown
12 in red, B&O which is in blue, and the
13 Reading Company, which was shown in
14 green. And the railroad operations were
15 different, you know, in the late 19th
16 century. One of the things is these
17 railroads were arch competitors. They
18 were basically set up to support the port
19 cities that they were headquartered in.
20 So the Pennsylvania Railroad was as
21 Philadelphia as a cheesesteak. It was
22 basically an effort to create an inland
23 transportation empire centered on
24 Philadelphia. B&O was a carbon copy of
25 that with Baltimore interests. So

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2 Philadelphia and Baltimore were competing
3 against each other to be the major East
4 Coast port and the major commerce center,
5 and so these railroads supported them.
6 And they were arch competitors and they
7 supported the cities that basically
8 financed them and built them. And then
9 the Pennsylvania Railroad did a pretty
10 gutsy move. They built tracks into
11 Baltimore and said not only are we going
12 to support Philadelphia, but we're going
13 to steal Baltimore from Baltimore's own
14 railroad. And so the Baltimore interest,
15 not to be undone, said if you want to
16 play that way, we'll do the same thing to
17 you. This railroad is built up here to
18 raid into the Philadelphia market from
19 the Baltimore interest. An analogy would
20 be the Philadelphia Eagles building a
21 sports stadium in Baltimore to draw fans
22 away from the Baltimore sports teams. So
23 this is how this was built. The tracks
24 are are there. The city grew up around
25 them. It's almost impossible to change

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2 the tracks. So we have to use the tracks
3 that we have and have a most efficient
4 operation we can with those tracks.

5 Now, the real network underwent
6 a major transformation when Consolidated
7 Railroad Corporation, which had been
8 headquartered in Philadelphia and had run
9 many of the train operations in
10 Philadelphia, was reorganized and split
11 between two freight carriers, one which
12 was CSX. And at that time all the
13 networks had to be redesigned, and one of
14 the major issues that we had to wrestle
15 with was where were the major freight
16 hubs going to be. And a freight hub is
17 much like what a hub airport would be.
18 So a railroad will have a hub just like
19 US Airways has its hub in Philadelphia.
20 CSX had to make a decision about where it
21 was going to have its hub operations,
22 where the through trains would come,
23 where the switching activities would be.
24 And there were several candidates, and
25 CSX made a specific decision that

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2 Philadelphia was going to be a major hub
3 for its rail operations. And you'll see
4 that reflected in our train movements.

5 What I'm showing you here is a
6 CSX system map. All those red lines are
7 CSX tracks. CSX is the largest railroad
8 east of the Mississippi River. What I've
9 drawn in here in the colors are how we
10 draw freight into Philadelphia from the
11 whole eastern part of North America. And
12 it's important to say that the freight is
13 drawn in. It's drawn in by
14 Philadelphia's and the northeast
15 purchasing power. This area has
16 6 million residents. New York City has
17 20 million residents.
18 Baltimore-Washington regional area has
19 about 7 or 8 million residents. They
20 have enormous purchasing power that draws
21 goods and materials from the more rural
22 parts of North America. And those goods
23 ride our trains so that people can buy
24 things.

25 So let me just give you a

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2 couple of examples. We originate a train
3 deep down here in Florida. It's nothing
4 but orange juice. It's Tropicana orange
5 juice. There are no citrus groves in
6 Philadelphia and aren't ever going to be
7 any citrus groves in Philadelphia. And
8 so we generate a whole train of orange
9 juice in Bradenton, Florida, and it comes
10 up along the East Coast and goes to a
11 distribution center in New Jersey which
12 feeds the entire northeast with Tropicana
13 orange juice. So if you drank Tropicana
14 orange juice, you were a CSX customer.
15 Second thing is the deep south has
16 something we don't have up here in the
17 north. They have trees you can cut. And
18 so there is an enormous industry in terms
19 of plywood, dimensional lumber, paper,
20 brown board, all those kinds of things
21 made out of trees. And so we have a very
22 strong business in terms of supplying the
23 northeast area with building products.
24 So if your house was built in the last
25 century, chances are those wood products

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2 came up from the south, you know, into
3 this area to make the walls and structure
4 of your home.

5 We also have traffic that comes
6 in from the west and that comes in over
7 this route here. It goes down through
8 Maryland and then ultimately comes up
9 from the south in the south end of
10 Philadelphia. And then we have traffic
11 that follows the red route over the top
12 and comes down. And that seems kind of
13 circuitous, but it's something we don't
14 have any choice about because these are
15 double-stacked trains. They're very high
16 and this is the route that we have where
17 the bridges are high enough to clear.

18 So, for example, international containers
19 coming from Asia, if you look at the
20 label in your clothing and it says it was
21 sewn in southeast Asia or something, it
22 probably came in through a West Coast
23 port and came across on a double-stacked
24 train. So those movements come this way.

25 Out of New England and New York

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2 City, we have municipal solid waste. And
3 so New York City is one contributing
4 factor. Also, we have shipments that
5 come out of these very, very populated
6 areas in New England and New York City
7 and that's moving south because the
8 landfills are in the south. So that's
9 moving through Philadelphia coming this
10 way.

11 So all of these commercial
12 movements and train movements are all
13 coming into Philadelphia. And they need
14 to either move through or be sorted or
15 changed. And it's very, very much like
16 Philadelphia Airport where you might have
17 a through flight coming over from Europe
18 and then you need to get passengers to
19 Reading, Atlantic City, some to
20 Philadelphia itself, some to Harrisburg.
21 We do with railroad trains exactly what
22 US Air does with Philadelphia Airport.

23 Now, one thing I want to share
24 with you is that a delayed or standing
25 train is self-penalizing. And I know

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2 that the citizens here feel that they are
3 put upon when we don't have a train
4 moving. And that is one of several
5 factors that encourage a railroad to keep
6 the train moving at all times. Let me
7 give you just a couple other things.
8 Besides the community annoyance, which I
9 think you're well aware of, there's three
10 other factors involved. Number one is
11 the locomotive itself. A single
12 locomotive is about a million and a half
13 dollars. If it's not moving, it's
14 unproductive. If you have two or three
15 of them, you have a significant amount of
16 very expensive assets that are not being
17 used productively. Perhaps even more
18 serious is the crew itself. Railroad
19 crews are probably our most valuable
20 asset. It takes a long time to train a
21 railroad crew. It is difficult to
22 develop good crew people. It is very,
23 very difficult. It is among the highest
24 paying union work available, but it is
25 also one of the hardest work. And the

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2 demands put upon those men and women are
3 very exacting. And so our crews are an
4 extremely important resource. We just
5 can't go out and hire railroad crews.
6 They have to be trained. They have to
7 pass an enormous battery of drug tests.
8 There's a large number of tests and
9 procedures before anyone gets behind a
10 position of influence on a train. And so
11 our crews are an incredibly valuable
12 resource to us. Finally, the fuel; if an
13 engine isn't moving but still consuming
14 fuel, that's a cost for us as well. So
15 the railroad has an enormous incentive to
16 move trains. We are not in the
17 warehousing business. We only get paid
18 when we actually deliver something. And
19 if something's sitting, we are not
20 fulfilling actually what we sold our
21 customers.

22 So let me begin here. I'm
23 going to go through train by train almost
24 how we move trains through and into
25 Philadelphia. First of all, I told you

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2 that we bring merchandise and materials
3 up from the deep south and from the west.
4 And those trains follow this route here
5 on the orange and they go -- come up this
6 way over this route by Penn, over this
7 bridge, down 25th Street, and then down
8 to South Philadelphia where the train is
9 taken apart. We have a small yard there
10 and so that is our hub operation there.
11 We'll take the whole train apart and sort
12 it. And then we also have a mirror
13 operation that goes to the north and
14 that's the green.

15 COUNCILMAN KELLY: Where is
16 that operation?

17 MR. GOETZ: That's down in
18 South Philadelphia. That's just behind
19 the new Eagles stadium, just behind
20 there. If you go down 95, it's just on
21 the other side. You'll see a maze of
22 railroad tracks back there. That's where
23 we are.

24 Oh, thank you. It's right
25 here, all this stuff in here.

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2 Now, these trains run in pairs
3 because if you go north, you have to go
4 south because you have to get your
5 locomotives and crews back where they
6 came from. So the trains coming from the
7 south, 405 and 406, they go down to a
8 place called Florence, South Carolina,
9 where the train is switched and fans out
10 in the deep south. And 370 and 337 go
11 into western Maryland and then head out
12 west. They are the western trains. Each
13 one of these -- this is a pair of trains
14 northbound and southbound and east and
15 westbound. Then going up this way, there
16 are two trains, Q300, 301. Those are
17 merchandise trains going up to Newark,
18 New Jersey. We have 190 and 191. Those
19 are double-stacked trains going to
20 Chicago by way of New Jersey. And then
21 we also have competing railroad
22 operations here, Norfolk Southern and
23 Canadian Pacific. They also have
24 movements through here because they have
25 facilities in South Philadelphia too.

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2 And so I'm probably going to get into my
3 competitors' train routes, but they have
4 their own trains that run along this
5 green route.

6 So far there's no trains in
7 Center City yet. We haven't gotten to
8 that yet. All these movements here are
9 moving on tracks that don't require us to
10 move through the area adjacent to
11 Schuylkill River Park. You can see
12 there's quite a few trains on this grid.
13 Now, once we get the freight down to
14 South Philadelphia, you've got to get to
15 the customers. And so, again, the
16 Philadelphia area services quite a
17 large -- this is a hub for a very -- it's
18 almost the entire Delaware Valley is
19 centered in the city of Philadelphia. So
20 you can kind of consider these as the big
21 jumbo jets coming from way far away and
22 they come into the hub, and now we need
23 to have the feeder trains, which is
24 what's on this next page.

25 COUNCILMAN NUTTER: Mr. Goetz,

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2 before you get to that diagram, I don't
3 know how many more you have, but -- and
4 this is tremendously informative, but we
5 are going to need you to get to Locust
6 Street and the standing and the parking.

7 MR. GOETZ: Coming to it, if I
8 may, about three more diagrams down.

9 COUNCILMAN NUTTER: That would
10 be great.

11 MR. GOETZ: These are all the
12 local movements. So once the train is
13 broken down, we have movements up into
14 this yard here, the side yard.
15 Wilmington is a satellite of Philadelphia
16 so we will move traffic back to
17 Wilmington from here. And then all of
18 southern New Jersey is serviced off of
19 Philadelphia. This is a very significant
20 hub. It's basically the center of our
21 railroad network for the entire Delaware
22 Valley.

23 Now, there are some trains
24 where the whole train is purchased by one
25 customer. And these trains don't run

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2 every day, but they do run. And these
3 trains operate up here. They change
4 crews here. And these trains will
5 operate -- you'll see these trains
6 operating through Center City and
7 adjacent to Schuylkill River Park. These
8 are almost exclusively unit trains of
9 coal that go to generating stations in
10 South Jersey where they have coal-fired
11 power plants. So the train will come
12 through here, will change crews, will go
13 up here, reverse direction, and then come
14 down this way. And so these trains will
15 run maybe two to four times a month. And
16 the reason that they go this way is
17 because they change crews and this is our
18 crew change location. So they take this
19 track because of that crew change.
20 Norfolk Southern also services those and
21 they come a different way. They come
22 down this way.

23 These are all Norfolk Southern
24 train movements. Their main line comes
25 down this way through Lower Merion

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2 Township, Gladwyne. You'll see the
3 tracks up there adjacent to the
4 Schuylkill River. They need to get to
5 customers down here along Amtrak and also
6 refiners and power plants this way. So
7 they will have train movements on both of
8 those lines. You will see Norfolk
9 Southern trains coming through here
10 because this is the only way they can get
11 to customers located on this line. So
12 that's another instance where we have
13 movements through Center City.

14 And then finally we have a
15 series of trains -- and Larry and I have
16 spent quite a bit of time looking at
17 these specific trains. These are the
18 trains that generally move through
19 Philadelphia. And the composition of the
20 train is not switched in Philadelphia,
21 but there may be whole blocks of cars,
22 series of cars that are switched between
23 trains here. And the difference is
24 whether the train needs to stop here and
25 change crews or not. And there are some

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2 that do and there are some that don't.

3 The trains that don't change crews are

4 these up here. Q172, which is probably

5 the hottest train through Philadelphia,

6 that's a through train from Florida up to

7 New Jersey. It carries packaged freight.

8 It's very, very time sensitive, and so

9 that sails right through here. 409, 410,

10 439, K295, they all move through here and

11 they are staffed with Baltimore labor.

12 Is that correct?

13 MR. KOSTER: That's correct.

14 MR. GOETZ: So they are with

15 Baltimore crews and generally don't have

16 any work between Baltimore and New Jersey

17 so they just move right on through here.

18 These trains here, 173, 174, 650, 651,

19 438, and this series of trains, 206, 207,

20 276, and 277, they all change crews here

21 and several of these trains also drop off

22 or pick up Philadelphia freight. These

23 tend to be express trains that will set

24 off high-priority freight in Philadelphia

25 and then either head on up to New York or

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2 head down south. So you kind of consider
3 this as kind of like a stop for a
4 high-priority train so that Philadelphia
5 has expedited freight service. It allows
6 CSX to compete for the higher express end
7 of the transportation market.

8 Also, these trains here, 206,
9 207, 276, and 277, these are the
10 municipal solid waste trains and citizens
11 have taken note of this. And these
12 trains switch blocks here in
13 Philadelphia. Those are the trains that
14 get quite a bit of public notice. The
15 thing I want to leave with you is that
16 the number of trains that are moving
17 through here, it's probably about 50/50,
18 50 percent of the trains we can move on
19 this route and 50 percent of the trains
20 we can move on this route. And the
21 driving factor is whether we're going to
22 change the composition of the train and
23 also what labor force we're going to use
24 for the train, whether we're going to use
25 Philadelphia labor or use a different

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2 labor. That's all set by our union
3 agreements as to which trains get which
4 labor pool.

5 So to answer your question, you
6 asked what are we doing or what have we
7 done, and Mr. Koster and I, we are
8 investigating this particular set of
9 trains right here. Quite frankly, these
10 trains up here there's not a lot we can
11 do. One thing, they're very
12 high-priority trains. It's very
13 difficult for us to do much with them
14 without corrupting their schedule. But
15 this series of trains here have a couple
16 of characteristics. They are among the
17 slower-moving trains that we have. They
18 are on this line here. And because they
19 carry municipal solid waste, they are
20 probably the least welcome trains in the
21 community. So we've begun looking at
22 what we can do to change the train plan
23 for this, which would be not a complete
24 exit of train activity from this line but
25 I think something that wouldn't be

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2 noticed. So, again, these things don't
3 change overnight, but it is something we
4 are investigating in an effort to have a
5 softer effect on the community.

6 COUNCILMAN NUTTER: Why don't
7 you stay right there. Councilman Clarke
8 has a question. I have a couple.

9 MR. GOETZ: Larry, do you want
10 to join me?

11 COUNCILMAN CLARKE: Thank you,
12 Mr. Chairman.

13 I want to get some clarity on
14 the trains, the Qs and Ks, 173, 174, 650,
15 651 you say are high priority in terms of
16 what they carry, in terms of necessity,
17 time sensitive. Could one of these --
18 what we've been talking about for some
19 time is trains that are parked, trains
20 that have to be changed in the yard in
21 some cases at our intersections. Of
22 those trains you're referencing there,
23 which ones are the ones that are
24 problematic to the community and the city
25 as relates to blockage?

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2 MR. GOETZ: The trains that are
3 most frequently cited by the community
4 are these trains here: 206, 207, 276,
5 and 277. Would you agree, Larry?

6 MR. KOSTER: Yes. All those
7 trains there will have an impact --

8 COUNCILMAN CLARKE: All of them
9 or just the bottom? What are the trains
10 that from time to time block Race Street,
11 block Locust Street?

12 MR. KOSTER: Well, all those
13 trains in red are going to be in the
14 vicinity of Schuylkill River Park at some
15 time.

16 COUNCILMAN CLARKE: So all
17 those trains at some point in time change
18 crews or change trains?

19 MR. GOETZ: Stop, come to rest.

20 MR. KOSTER: That's correct.

21 MR. GOETZ: Larry, if a train
22 is changing crews, how long does that
23 take?

24 MR. KOSTER: Fifteen minutes to
25 a half hour to change crews.

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2 COUNCIL PRESIDENT VERNA:

3 Councilman, may I interrupt a minute,
4 please?

5 COUNCILMAN CLARKE: Absolutely.

6 COUNCIL PRESIDENT VERNA: I
7 just don't know what a crew to me is.

8 MR. GOETZ: It's the engineer
9 and conductor. It's the two human beings
10 that operate the train.

11 COUNCIL PRESIDENT VERNA: Why
12 would that take so long? Why would it
13 take 12 hours?

14 MR. GOETZ: It's a different
15 activity. A crew change is one activity,
16 but it's not the only activity that
17 occurs there. Some of these trains, for
18 example, this 651 train will have cars
19 added, a whole block of cars added to it.
20 These trains here, 276 will have cars
21 taken off it and put onto 206 and cars
22 from 207 will be put on 277. And that
23 takes more than 15 minutes to a half an
24 hour. That's a different activity than
25 some of these others that all they do is

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2 change crews. There's really two
3 different things that happen here when
4 trains stop. Sometimes they just stop,
5 two people get off and two get on and off
6 they go. Other times they change the
7 composition of the train and that takes
8 more time.

9 COUNCILMAN CLARKE: Where is
10 that done? In the yard? All of that
11 activity is in the yard?

12 MR. KOSTER: What we have here
13 is in the vicinity -- there's two other
14 tracks that are down here that are just
15 to the south of Schuylkill River Park and
16 we pick up with these trains off those
17 tracks. So at times you're going to see
18 us moving back and forth across Locust
19 Street, across Race Street.

20 COUNCILMAN CLARKE: All of that
21 activity is not done in the yard is what
22 you're saying?

23 MR. KOSTER: This activity here
24 is done -- like 173 and 174 go through
25 here. 174 is going to make a setoff and

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2 we will take it with another train.

3 COUNCILMAN NUTTER: Make a

4 what?

5 MR. KOSTER: It will set cars

6 off. It will cut his train in pieces and

7 take a piece back down to South

8 Philadelphia. So he will come, trade

9 crews, he will make a setoff, and at that

10 time he may block the crossing while he's

11 making that setoff until our yard crew

12 comes out and gets the cars and takes

13 them back to South Philadelphia. And

14 then that train will proceed on north.

15 COUNCILMAN CLARKE: One last

16 question. South of the yard are there

17 parallel tracks? What's that? East of

18 the yard? I don't know with this

19 direction.

20 MR. KOSTER: We'll call this

21 west and this will be east.

22 COUNCILMAN CLARKE: This way,

23 what's there? Are they parallel tracks?

24 MR. KOSTER: This is our main

25 line track that heads west or south

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2 towards Baltimore.

3 COUNCILMAN CLARKE: Are there
4 parallel tracks that would allow a setoff
5 there?

6 MR. KOSTER: It parallels here
7 to a point just past the Schuylkill River
8 and goes back to a single track.

9 MR. MASTERS: Could you show us
10 on here? This has the actual tracks.

11 COUNCILMAN CLARKE: Would you
12 have the ability to set off on that side
13 of the yard as opposed to the other side
14 of the yard?

15 MR. KOSTER: If the train
16 pulled up in here, we would -- our crews
17 have to access it from this direction
18 here because we can't make this. We make
19 the cut here. That way this crew can
20 come out here and go back out.

21 COUNCILMAN NUTTER: So that
22 we're a little clearer, it's not just the
23 K206, 207, 276, and 277. Isn't it really
24 all those in red have some impact on
25 either trash trains in the K series,

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2 other trains that are there long that
3 need these setoffs or breakups, so that
4 entire series of trains all impact
5 Schuylkill River Park in some way?

6 MR. GOETZ: Not the same degree
7 of impact. If I can just explain a
8 little more because I actually had a hand
9 in setting this up, for example, this 651
10 here, this is a train of empty cars.
11 This is the Tropicana orange juice cars
12 that are all empty going back to Florida.
13 The train is very light so it has space
14 in it. And CSX did not have enough
15 business, trailer and container business
16 from Philadelphia to the south to fill a
17 whole train so we were faced with the
18 decision to exit the market, basically
19 cut off that service to Philadelphia, or
20 to try to keep that service going even
21 though we didn't have enough business to
22 really warrant its own train. So what we
23 do is we bring those containers and
24 trailers up from Philadelphia and we put
25 them on the back of the juice train

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2 because it's light. And that enabled us
3 to keep -- for Philadelphia customers to
4 have a service to the south that
5 otherwise they would lose. They'd have
6 to take all their traffic to Baltimore or
7 New York. So that was something that we
8 specifically set up and that involves
9 stopping and adding cars to the back of
10 the Tropicana juice train. And that
11 takes more than 15 minutes to do that.
12 Whenever you change the composition of a
13 train, there's certain tests you have to
14 do. There's safety inspections, those
15 kinds of things that have to occur.

16 And then you're correct,
17 councilman, that these specific trash
18 trains, there are instances we change the
19 composition of the train so the train is
20 there longer than it would be, for
21 example, with Q438 we just have to change
22 a crew. So they all have an impact but
23 don't all have the same impact. So if
24 you have an issue, you solve the biggest
25 issue first. And when we looked at this,

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2 we said which trains are having the
3 biggest impact. We said these are
4 because they're the ones that are there a
5 longer period of time and also a series
6 of trains because they carry municipal
7 solid waste that generate particular
8 issues with the community. If you can't
9 solve everything at once, at least go
10 after the ones that will have the biggest
11 improvement.

12 COUNCILMAN NUTTER: Councilman
13 Kelly?

14 COUNCILMAN KELLY: Yes. How
15 long does it take for a crew change?

16 MR. GOETZ: About 15 minutes to
17 a half hour.

18 COUNCILMAN KELLY: So why can't
19 you add track capacity in the east side
20 then so the reconfiguration of the trains
21 happen further south?

22 MR. GOETZ: The river's right
23 here. You're basically between a rock
24 and a hard place. You have the river
25 crossing here and then you've got the

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2 community right up here.

3 COUNCILMAN KELLY: Some of
4 those trains, you mentioned that they're
5 empty. Couldn't they be using the lines
6 above there in blue and just not go
7 through Center City?

8 MR. GOETZ: Not if they need to
9 change a crew.

10 COUNCILMAN KELLY: If it only
11 takes 15 minutes, could you change a crew
12 someplace up there?

13 MR. GOETZ: Not easily because
14 this is all elevated. This is way up
15 high. In fact, if you went to 30th
16 Street Station and saw that track --

17 COUNCILMAN KELLY: How about if
18 you move it where it says CXS to south
19 and west right in that area right there
20 just further south?

21 MR. GOETZ: Councilman, there
22 may be, but we haven't found it yet, but
23 we're going to look to see if there is a
24 different place to do that. However, any
25 change of the crew location would require

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2 changing our union agreements. This is
3 written into the union agreements as to
4 where the crews report for duty. You've
5 asked a very good question. It's one of
6 the same questions we were talking about,
7 is there a better place for us to change
8 crews. And, again, whenever you're
9 dealing with people in our business, that
10 usually means that you're dealing with
11 organized labor and so we don't do
12 anything unilaterally. Everything needs
13 to be worked through to the satisfaction
14 of agreement.

15 COUNCILMAN KELLY: What union?

16 MR. GOETZ: Two, engineers and
17 conductors. They're separate unions.

18 COUNCILMAN NUTTER: Can you
19 give us the full name or, I mean, is
20 there a number or local? What's the full
21 name of the two unions?

22 MR. KOSTER: United
23 Transportation Union and you have the
24 Brotherhood of Locomotive Engineers.

25 COUNCILMAN NUTTER: United

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2 Transportation, that's the name?

3 MR. KOSTER: Yes.

4 COUNCILMAN NUTTER: And the

5 Brotherhood of --

6 MR. KOSTER: Locomotive

7 Engineers and Trainmen.

8 COUNCILMAN NUTTER: Councilman

9 O'Neill?

10 COUNCILMAN O'NEILL: This is

11 not my council district, but if you live

12 in Philadelphia, you're pretty familiar

13 with this issue. Even if you don't

14 travel much to the area, it's gotten a

15 lot of publicity in terms of what people

16 see and what people smell, but my

17 question is -- and we all know that.

18 That's why we're all here today. In a

19 perfect world where, for instance,

20 Governor Rendell -- I'm hypothesizing --

21 came in and said to get rid of this

22 issue, you find a place in the

23 Philadelphia area where we can replicate

24 what you do at Schuylkill River and the

25 State of Pennsylvania will pay for it --

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2 I know that's a hypothetical, but I also
3 don't think it's so far out there that
4 it's not worth discussing. Have you ever
5 thought about that?

6 MR. GOETZ: Absolutely.

7 COUNCILMAN O'NEILL: Is it
8 possible somewhere?

9 MR. GOETZ: It may be.

10 COUNCILMAN O'NEILL: This
11 shouldn't cost CSX money. I understand
12 that you are in the business. But from a
13 governmental standpoint, it may be very
14 important to the government that you be
15 somewhere else and the government may be
16 willing to pay for that. How deep have
17 you looked at it?

18 MR. GOETZ: We had several
19 different -- you know, there are
20 potentials. Railroad track is very
21 expensive to build, very expensive to
22 build. But it would stand to reason if
23 you have a problem in a certain area, the
24 first solution that would come to your
25 mind is move it, move the problem

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2 someplace else or move what's perceived
3 to be the problem someplace else. So we
4 have looked at that. That's one. Things
5 we are exploring is is there a different
6 place that we can do this. And, again,
7 when you get into changes like where
8 you're going to change crews, you get
9 into things, you know, in terms of which
10 labor pool you're going to use.

11 COUNCILMAN O'NEILL: You
12 mentioned the track's expensive and I'll
13 agree to that. I mean, I think it's
14 probably obvious. If expense -- and
15 really the crux of my question is if
16 expense were not an issue -- and I know
17 in a business model that's very hard to
18 even absorb expense not being an issue,
19 but if it really weren't, if Pennsylvania
20 or a combination of Pennsylvania and
21 Philadelphia or other entities were
22 willing to pick up the cost of this, how
23 far have you gotten along with that
24 exploration?

25 MR. GOETZ: I'd say we're about

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2 50 percent into the effort, sir. And let
3 me tell you what we've done and let me
4 tell you what we haven't done. We've
5 looked at locations both inside the city
6 and outside the city, within the state
7 and outside the state in terms of how we
8 could change, you know, our operations.
9 We've looked at the engineering
10 feasibility of things. For example, you
11 know, one of the locations that I came up
12 with was in this area here which is right
13 in Fairmount Park. As it turns out, that
14 turned out to be a very difficult thing
15 to engineer because we didn't own the
16 property. And that would mean taking
17 additional park lands and that
18 probably -- that would be a difficult
19 thing to do. And we had done some
20 preliminary engineering. Things we have
21 not done is we have not done any activity
22 with our unions yet and that's a very
23 important component of this.

24 COUNCILMAN O'NEILL: Are you
25 saying you could find a perfect solution

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2 absent discussions with the unions that
3 would enable you to move, assuming
4 expense is not an issue for you, move
5 this operation and your unions could
6 still stop it, that they could raise an
7 issue --

8 MR. GOETZ: There are issues.
9 Those things have to be worked through.

10 COUNCILMAN O'NEILL: Right.
11 But, I mean, I would think that could be
12 a solvable problem with all the parties
13 involved.

14 MR. GOETZ: I don't want to
15 mislead you that these are all -- all
16 these solutions have been, you know,
17 worked through, but we do have some
18 candidates and we are exploring it.

19 COUNCILMAN O'NEILL: You said
20 you have 50 percent.

21 MR. GOETZ: Yes, but I don't
22 want to mislead you and think all you
23 need is to come up with a bucket of money
24 to solve this.

25 COUNCILMAN O'NEILL: I think

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2 it's helpful to everybody that you've
3 identified the worst problems and they're
4 in the bottom categories, the Ks, but I
5 can also see if you take those out, while
6 it's better, the problem is still quite
7 significant even though it's not as bad.
8 And I'm just trying to move this thing
9 along.

10 MR. GOETZ: If I may, I can
11 share some of my experiences in other
12 communities. I've been through processes
13 just like this, you know, in New Jersey
14 and New York City. And the initial
15 request is get all the trains out of
16 here, I don't ever want to see, hear,
17 smell, feel a train ever again. And that
18 usually doesn't happen. It just doesn't.
19 And then when we really get into looking
20 and we say, well, you know, we understand
21 you don't like trains, but there's a
22 subset of trains you really don't like
23 and that's what's really agitating you so
24 let's look and see what we can do with
25 that. And I have found that you don't

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2 have to solve a hundred percent of the
3 problem, you can solve maybe 40 or
4 50 percent of the problem, and by meeting
5 in the middle both parties can move on.

6 COUNCILMAN O'NEILL: See, the
7 difference I see here -- and I appreciate
8 what you're saying because I'm northeast
9 Philly which borders Bucks and Montgomery
10 Counties. Sometimes we have problems
11 with trains parked overnight and
12 sometimes trains with odors or what
13 people perceive as odors. That category
14 of things if you could deal with in the
15 bottom solves that to find a way to move
16 them through or divert them. This having
17 all the access questions, the park -- not
18 just access to the street but also into
19 the park, that's the reason I'm going
20 into sort of the nth degree hypothetical.
21 I think there are different issues than
22 commonly come up with people. They don't
23 like noise or smells or whatever, but
24 this goes way beyond that it seems
25 because of the unique nature of the

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2 crossings into the park and all that.

3 MR. GOETZ: If it was simple,
4 we would have solved this long ago
5 because no one at CSX enjoys the
6 agitation it's caused this city and no
7 one takes any pleasure in doing this. So
8 if it was an easy thing to do, we would
9 solve this. The other thing which I
10 didn't touch on which I really should is
11 that --

12 COUNCILMAN KELLY: Mr. Goetz,
13 before you go on, I just want to follow
14 up on something Councilman O'Neill was
15 saying. What I wanted to find out is
16 this area right here, can you tell me
17 what's in here and who owns it?

18 COUNCILMAN NUTTER: What is
19 that area?

20 MR. GOETZ: Larry, what is that
21 down there? This is our operation up
22 here.

23 COUNCILMAN KELLY: My question
24 is, can you put some of your operations,
25 for instance, crew changes and whatnot,

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2 south?

3 MR. GOETZ: Our tracks are
4 heading off this way here. We'd be
5 looking for another location -- see, this
6 is on a spur line.

7 COUNCILMAN KELLY: Is this
8 going south?

9 MR. GOETZ: This is going to
10 South Philadelphia. This is the line
11 going south, yeah.

12 COUNCILMAN KELLY: Where are
13 the crew changes?

14 MR. GOETZ: Right in there.

15 COUNCILMAN KELLY: Are there
16 areas up here other than your present
17 location where you could make those crew
18 changes?

19 MR. GOETZ: Actually, the place
20 we want to look would not be here. You'd
21 still have trains standing out here.
22 Where you want to look is someplace along
23 here.

24 COUNCILMAN NUTTER: So did we
25 figure out what the area is?

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2 MR. GOETZ: This wouldn't buy
3 you much here. You'd still have a train
4 on this side of the river. What you want
5 to look at is something on this side.

6 COUNCILMAN NUTTER: So that
7 kind of really begs the question, I mean,
8 the Q and the K trains all operate -- for
9 this purpose operate on the red line; is
10 that right?

11 MR. GOETZ: That is correct.

12 COUNCILMAN NUTTER: The red
13 line seems to go all the same places that
14 the black line goes or is that blue?

15 MR. GOETZ: That's purple, yes.

16 COUNCILMAN NUTTER: I'm not
17 color blind. I just couldn't see that
18 far. So I guess the simple question is,
19 what is the prospect of -- I know you
20 probably don't like this word but
21 abandoning the red line? Why couldn't
22 you put everything on the purple line?

23 MR. GOETZ: Well, for one
24 thing, this track is not like a dormant
25 track. There's a lot of trains on this.

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2 COUNCILMAN NUTTER: It's got
3 its own Q and K.

4 MR. GOETZ: I think the issue
5 is not abandoning this but having train
6 movements not dwell there.

7 COUNCILMAN NUTTER: Right.

8 MR. GOETZ: It's the standing
9 train as opposed to -- a moving train
10 actually doesn't annoy too many people.
11 The standing train does.

12 COUNCILMAN CLARKE: But there's
13 still an issue. Even if you still have
14 moving trains and we eliminate the
15 standing trains, there's still the issue
16 of access. CSX still doesn't agree with
17 us we should have access on Locust Street
18 entrance at grade.

19 MR. GOETZ: We are trying very
20 hard to resolve that, that access issue.
21 And, believe me, we would like to put
22 that issue behind us.

23 COUNCILMAN CLARKE: I'm saying
24 even if we somehow came to some
25 conclusion that we could have those

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2 trains move and even a limited number of
3 trains, CSX' position at least in court
4 is still that you don't agree with our
5 point we should have access at Race and
6 Locust? That's still the issue?

7 MR. GOETZ: We are still
8 negotiating with the City to come to an
9 equally acceptable solution for that, and
10 we're going to continue to work with the
11 various parties to come to an acceptable
12 solution.

13 COUNCILMAN NUTTER: I'm going
14 to continue on that track. The
15 councilman poses the question, I mean, if
16 you figured out after all of this
17 analysis -- and thank you for the
18 explanation. If you figured out how to
19 virtually eliminate the standing,
20 parking, however you characterize it,
21 whether it's better scheduling or later
22 at night activity, the non kind of active
23 times, I mean, if the parking of trains
24 by your own action and research and
25 analysis was virtually eliminated, does

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2 that create a circumstance for you where
3 public access at grade is less of a
4 concern?

5 MR. GOETZ: I can't comment on
6 that right now, but -- I really can't
7 because that's really the issue of
8 those -- but there is a stand-alone
9 benefit. And eliminate, that's kind of
10 an all as opposed to a some, but I would
11 prefer to use the word "reduce" the
12 instances where we have trains standing
13 in Center City neighborhoods. I don't
14 know whether we can eliminate that.

15 COUNCILMAN NUTTER: I
16 understand.

17 MR. GOETZ: To tell you the
18 truth, it's too early to promise anything
19 except that we're going to try.

20 COUNCILMAN CLARKE: But, I
21 mean, if you're not willing -- and I
22 understand you can't do that here
23 today -- willing to acknowledge that the
24 origin to some degree of this issue has
25 to do with access, then what's the point

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2 of even having this discussion if we're
3 not going to ultimately have access? And
4 I understand you don't want to have
5 trains sitting, it costs money, the
6 community would prefer not to have those
7 trains there, but if we still don't have
8 the ability to have access to the park --

9 MR. GOETZ: Well, CSX is very
10 actively engaged with the City on the
11 park access issue and so, I mean, that
12 discussion -- it's just that's not
13 happening in this forum. It's happening
14 in a settlement discussion.

15 COUNCILMAN CLARKE: So if you
16 come to some conclusion in limiting the
17 standing trains, that enhances your
18 ability to negotiate a reasonable
19 agreement with the city?

20 MR. GOETZ: Counsel, with all
21 apologies, you're asking me to comment on
22 a piece of pending litigation. I just
23 can't comment publicly on that.

24 COUNCILMAN CLARKE: Well, that
25 was the question I wanted to ask earlier,

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2 to what degree you, the operational guys,
3 interact with the legal side of this
4 issue, because I'm a little concerned in.
5 All due respect, I really appreciate the
6 educational process here today of us kind
7 of getting caught on this side, caught up
8 in this issue. And the the underlying
9 issue, which was the access issue for the
10 community and Schuylkill River Park
11 advocates, I'm not clear if you all are
12 working together.

13 MR. GOETZ: We are looking at
14 those two issues, me.

15 COUNCILMAN CLARKE: So you're
16 dealing with both sides?

17 MR. GOETZ: Absolutely. It is
18 my responsibility to make sure that those
19 two issues are together.

20 COUNCILMAN CLARKE: So when I
21 ask the question about the involvement
22 between the legal side of it and the
23 operational side, then because you're
24 that person, then you are obviously
25 involved in both parts?

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2 MR. GOETZ: I absolutely am,
3 yes.

4 COUNCILMAN CLARKE: So what
5 you're talking about, I think you were
6 going to at some point propose possible
7 changes as it related to K206 and --

8 MR. GOETZ: Not today.

9 COUNCILMAN CLARKE: That's what
10 you are looking at?

11 MR. GOETZ: We would like to
12 continue to work with this body as we
13 begin to through look through this. And
14 I think you have come to exactly the same
15 conclusions we did, that, first of all,
16 we need to look at what we do with these
17 and we also need to look at what we do
18 with crew change points. And when Larry
19 and I and Larry's folks went through
20 this, that's pretty much where we came
21 out, the same way. We didn't come up
22 with something that took all the trains
23 off these tracks. We can't do that. We
24 need this capacity. We didn't come up
25 with a solution that said that a train

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2 would never stop here again, but we think
3 that we may have some things, some leads,
4 if you will, in terms of making an
5 improvement.

6 COUNCILMAN CLARKE: But I ask
7 the question again. If we come to some
8 consensus to some degree in terms of
9 limiting the number of standing trains
10 and limiting the number of crew changes,
11 does it enhance your ability, all of our
12 ability to come to --

13 MR. GOETZ: Again,
14 respectfully, I just can't comment on
15 that litigation and those settlement
16 discussions at this point.

17 COUNCILMAN CLARKE: But you say
18 you're a part --

19 MR. GOETZ: I am. I am.

20 COUNCILMAN CLARKE: -- involved
21 in both aspects --

22 MR. GOETZ: As we get further
23 into this process, those two efforts, you
24 know, they will impact, but these --

25 COUNCILMAN CLARKE: So why are

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2 we going through this? I mean, what's
3 the point? I don't understand.

4 MR. GOETZ: We don't see this
5 as just a park access issue. We see this
6 also as an impact of our trains on the
7 community issue. And so we are focusing
8 on this because this has a series of
9 benefits all by itself regardless of what
10 happens in the settlement with Schuylkill
11 River Park. Again, this is not a one
12 issue. Philadelphia is not a one issue
13 issue. There are multiple issues.

14 COUNCILMAN CLARKE: I
15 understand that. My concern is that I
16 think we've been extremely courteous.
17 We've gone through an hour, hour and a
18 half presentation, and I'm now hearing
19 that you're not saying one way or
20 another -- I'm hearing this could
21 potentially not have anything to do with
22 the ultimate goal of having access to the
23 park.

24 MR. GOETZ: I'd say it's
25 premature to comment given that we have a

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2 separate process in federal court.

3 COUNCILMAN CLARKE: Okay. It's
4 clear you're not going to answer the
5 question the way I want you to answer it.
6 I'll have to accept that.

7 MR. GOETZ: There is one
8 other --

9 COUNCILMAN CLARKE: You can't
10 give me the answer I want, so I'll just
11 have to give up.

12 MR. GOETZ: Well, I hope the
13 day will come when we will be able to put
14 all these issues at rest. And it's my
15 mission to try to get all these issues
16 resolved.

17 COUNCILMAN NUTTER: Madam
18 President?

19 COUNCIL PRESIDENT VERNA: Yes.
20 Who actually makes the decision about the
21 parking? Is the Philadelphia CSX staff
22 in control of the parking decisions here
23 or are those decisions made in Baltimore
24 or Jacksonville? Who makes the decisions
25 as to the parking?

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2 MR. GOETZ: A very good
3 question. Actually, it allows me to
4 touch on a point which I didn't
5 previously, which is that all the
6 operations that I described to you are
7 what happens when everything runs
8 perfectly. And in the real world of
9 daily operations, things happen which
10 will interrupt and cause delays. I can
11 just give you a couple of examples.
12 These are all things that Larry and I
13 deal with all the time. A woman is
14 rushing to day care because she doesn't
15 want to get fined if she picks up her son
16 late. And she's running late and she
17 runs around the crossing gates and a
18 train hits the car. So we now have a car
19 in four or five pieces, we have an
20 injured person on our property, and so we
21 have to stop. When you have an injured
22 person and you've got car debris on your
23 property, you're not going anywhere until
24 that is settled. And that will cause
25 trains to back up in all directions.

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2 That doesn't have to happen in
3 Philadelphia to have a Philadelphia
4 impact. That could happen in suburban
5 Washington, D.C., and have an impact on
6 our operations.

7 Just a couple of weeks ago we
8 had trains backed up all through New
9 Jersey because we had a house on fire in
10 Bucks County, Pennsylvania, and the fire
11 hoses had to come across the tracks. And
12 so we can't move any trains until the
13 fire was put out and it interrupted our
14 operation for several hours. And while
15 that was happening, we had trains piling
16 up back through the south and we had
17 trains piled up all through New Jersey.
18 And I got letters and calls from
19 communities. They couldn't understand
20 why there was a train behind their house
21 standing when that had never happened
22 before. Unfortunately, we've had a rash
23 of trespassers and some apparent
24 suicides. One of the things that's
25 really dangerous is every teenager today

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2 has an iPod. They have headphones. They
3 walk along the railroad with the
4 headphones. They can't hear the train.
5 And a fatality involving a trespasser is
6 a horrible thing. Again when that
7 occurs, again, you can't move any trains
8 until all those human issues are taken
9 care of.

10 So all those things can impact
11 what happens with train movements through
12 here. If our main line is blocked in
13 Yardley, Pennsylvania, we're going to
14 have trains backed up here, going to have
15 trains backed up in Baltimore.

16 COUNCIL PRESIDENT VERNA: I
17 don't think that happens as frequently as
18 the people in Center City have to endure
19 the parked trains, you know, with the
20 accidents as you're talking about.

21 MR. GOETZ: That's not the only
22 cause, but it is something that impacts
23 our operation.

24 COUNCIL PRESIDENT VERNA: Well,
25 talk about the other causes and how you

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2 could best resolve them. I don't see
3 why -- if, in fact, of necessity they
4 have to be parked there, why couldn't
5 they be parked from midnight until, say,
6 5:00 a.m rather than during daytime hours
7 when people want to use the park?

8 MR. GOETZ: Well, again, train
9 movements occur through the day and the
10 night and they have to do with movements
11 perhaps hundreds or thousands of miles
12 away. And so when a particular train
13 arrives in Philadelphia -- I get this
14 question all the time. Why can't you
15 only run -- usually why can't you run
16 trains during the day and not at night?
17 One thing, we need all 24 hours of the
18 day to run trains. To leave a piece of
19 track empty, we just need that time
20 capacity. The other thing, the trains
21 connect with other trains that connect
22 with other trains that connect with other
23 trains. And customers do have
24 expectations. They pay us for this. And
25 so they have expectations for this.

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2 COUNCILMAN NUTTER: Mr. Goetz,
3 on that note, why don't we -- I think we
4 might be finished for the moment with the
5 charts and graphs. Why don't you take
6 yourself back to the witness table.
7 There are many other questions.

8 With regard to the standing or
9 parking of trains -- this is a
10 continuation of the Council President's
11 question -- I don't know when there was
12 last a train that sat. I'm sure we can
13 find out from either my colleagues or
14 from some persons in the audience, but
15 can you explain to the best of your
16 knowledge or certainly Mr. Koster as
17 terminal manager, I mean, the last train
18 that sat down there for any extended
19 period of time, why was that? And then I
20 think we have a series of questions
21 regarding train operations and the rest
22 of the system.

23 MR. KOSTER: I don't currently
24 have that information with me that would
25 tell me what the last train that sat in

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2 that area was, sir.

3 COUNCILMAN NUTTER: Well, for
4 any trains that you may know that have
5 sat recently, is there any general
6 reason? I mean, why do the trains sit
7 here in Philly on a regular basis?

8 MR. KOSTER: I don't think that
9 we see them sit on a regular basis. I
10 think that they are there at the same
11 time that may impact the community. None
12 of those trains in the red area are
13 designed to sit in Philadelphia. They
14 are all delayed for various reasons,
15 which Mr. Goetz discussed briefly with
16 you there, sometimes a crew issue or a
17 track maintenance issue. In the
18 wintertime, we have broken rails. In the
19 summertime, we have rail just from the
20 heat and cold on the steel rails that
21 cause delay. And at that time we have to
22 adjust the train schedule based on those
23 issues at that time.

24 COUNCILMAN NUTTER: Well, given
25 the -- I mean, Mr. Goetz has laid out

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2 that, as we all know, time is money and
3 empty cars and full cars and light cars
4 and you can't have the track just kind of
5 sitting there with no one moving on it.
6 So, I mean, is it someone's job to make
7 sure that the trains keep moving? I
8 mean, if a train sat for an hour or two
9 or in some instances apparently upwards
10 of eight, nine, ten hours, is someone
11 making a report to somebody as to why
12 that's going on?

13 MR. KOSTER: Yes, that's
14 correct.

15 MR. GOETZ: Absolutely.

16 COUNCILMAN NUTTER: So would
17 you get that report?

18 MR. KOSTER: Yes.

19 COUNCILMAN NUTTER: So when was
20 the last report you received about a
21 train sitting for an extended period of
22 time?

23 MR. KOSTER: It's been quite a
24 while, sir. I don't remember the last
25 report I got.

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2 COUNCILMAN NUTTER: Well, do
3 you have any recollection of any train
4 sitting for an extended period of time?

5 MR. KOSTER: Yes, sir, back in
6 the summertime I do recall trains that
7 happened to be delayed there in the area.

8 COUNCILMAN NUTTER: And why
9 were they delayed?

10 MR. KOSTER: Crew issues and --

11 COUNCILMAN NUTTER: What does
12 that mean? What's a crew issue?
13 Somebody not show up? Somebody having a
14 bad day? I mean, what do you mean, a
15 crew issue?

16 MR. KOSTER: As Mr. Goetz
17 pointed out, sometimes things beyond our
18 control in other locations may happen
19 because we're all connected to different
20 parts. We run toward North Jersey, which
21 in turn runs into the New York area. If
22 they have an issue up there and they do
23 not have the ability to move a train in
24 their area, it may delay my trains moving
25 from Philadelphia to the New York area.

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2 Should we need to do track maintenance,
3 we only have a set number of locations
4 that will hold the trains that need to
5 move north or south, and we would in
6 effect pause the train in that location
7 for a period of time until the track
8 maintenance or issue was resolved.

9 MR. GOETZ: The other thing
10 Larry had talked about about crew issues,
11 oftentimes the crew required in
12 Philadelphia is coming off another train
13 and also have a required amount of rest
14 time by federal law. And so if the
15 inbound train carrying the crew is
16 delayed for some reason, that may impact
17 the availability of that crew for an
18 outbound train from Philadelphia. Again,
19 train crews are a precious resource. It
20 takes a long time to train a crew person.
21 And the railroad is a constantly moving
22 thing that's impacted by events all
23 throughout its network.

24 COUNCILMAN NUTTER: Madam
25 President?

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2 COUNCIL PRESIDENT VERNA: Thank
3 you. I just have one question that I
4 would like to get clear in my own mind.
5 If a train has to sit or, as we put it --
6 what is the other word we're using -- be
7 parked, why does it have to occupy the
8 intersection of Locust Street? Why can't
9 it be set down further down on the other
10 tracks?

11 MR. GOETZ: Are you suggesting
12 the tracks down in South Philadelphia?

13 COUNCIL PRESIDENT VERNA: Yeah.

14 MR. GOETZ: That often is
15 suggested. Those tracks that go down,
16 there's kind of a long dead-end street.
17 So if you went down there, you'd have to
18 come back the same way you came. The
19 other thing is that you then change the
20 whole order of the train because by going
21 down and coming back, what's in the front
22 of the train would suddenly be in the
23 rear of the train when you came down.
24 You've reversed the direction of the
25 train. You'd have to put the locomotive

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2 on the opposite end of the train and
3 you'd consume quite a bit of time with
4 that whole maneuver. And many of those
5 trains shown in red are high-priority
6 trains. We just do not have time in the
7 schedule to add hours and hours to do all
8 that activity. The second thing is we
9 don't have space.

10 COUNCIL PRESIDENT VERNA:
11 Excuse me. Suppose you stopped it before
12 it got to Locust Street.

13 MR. GOETZ: Where would that
14 be, madam?

15 COUNCIL PRESIDENT VERNA:
16 Wherever.

17 MR. KOSTER: Do you mean just
18 short of Locust Street?

19 COUNCIL PRESIDENT VERNA: Yes,
20 so the area residents would not have to
21 contend with this.

22 MR. KOSTER: We have a diagram
23 up there we could show from Locust Street
24 back west toward the Baltimore area the
25 train would in effect block the entire

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2 yard. We wouldn't be able to move any of
3 our other freight into or out of the
4 yard.

5 COUNCIL PRESIDENT VERNA: Thank
6 you very much.

7 COUNCILMAN NUTTER: Councilman
8 Clarke?

9 COUNCILMAN CLARKE: Thank you,
10 Mr. Chair.

11 Mr. Goetz, I'll try it again.
12 Is there any process negotiated, public
13 hearings, any process whatsoever that we
14 could possibly resolve the access issue
15 short of the federal litigation?

16 MR. GOETZ: I'm not aware of
17 any. I mean, there isn't any other
18 process that we're currently
19 participating in.

20 COUNCILMAN CLARKE: But I'm
21 asking you, could there possibly be any
22 other process? I guess I'm saying are
23 you simply saying today that you will not
24 and you -- maybe you cannot entertain the
25 access issue until the federal litigation

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2 is resolved one way or the other. So
3 this process of spirit of cooperation, as
4 you said earlier today, these continued
5 hearings in council essentially don't to
6 some degree mean anything as it relates
7 to the ultimate goal of access?

8 MR. GOETZ: For that issue.

9 That issue already has its own forum in
10 front of federal court, and the City is
11 well represented in that issue.

12 COUNCILMAN CLARKE: So the
13 answer is either yes or no. I mean, it's
14 kind of a yes or no answer and I framed
15 it in that way. Is there any other
16 process beyond the federal litigation
17 that we can possibly come up with a
18 resolution for the access issue?

19 MR. GOETZ: Quite frankly, I'm
20 new at this process as you know and
21 that's the only forum I know of at this
22 stage. That's the forum that that issue
23 has been progressed in. It's the only
24 one that I know of. I mean, are you
25 suggesting a different approach?

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2 COUNCILMAN CLARKE: I'd be
3 willing to suggest any approach if it got
4 us to our ultimate goal of having access.
5 I mean, as an elected official, you have
6 to be somewhat flexible. If there is
7 away to achieve an end and you have to go
8 in a different direction, at the end of
9 the day I think people want to have
10 access to that park. So I'm just trying
11 to get a sense of, you know, are we
12 wasting our time on this issue? I mean,
13 there are other issues as relates to
14 parking and, you know, things --

15 MR. GOETZ: I certainly hope
16 we're not wasting your time and I
17 certainly hope we're not wasting my time.
18 We do have a number of issues that have
19 been raised and it's my intention to do
20 the best I can to bring some resolution
21 to those issues in whatever forum they
22 currently are in.

23 COUNCILMAN CLARKE: Access,
24 let's focus on access. You keep talking
25 about other issues. That's the simple

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2 question.

3 MR. GOETZ: The only forum I
4 know of right now is the forum it's being
5 progressed in. That's just the only
6 forum I know.

7 COUNCILMAN CLARKE: I didn't
8 ask if you know of any other forums.

9 MR. GOETZ: I don't.

10 COUNCILMAN CLARKE: I didn't
11 ask you that. I said, is there any
12 possibility of achieving in whatever
13 forum, forums you may not know of, forums
14 I may not know of, that can possibly
15 achieve a goal of access short of the
16 federal litigation?

17 MR. GOETZ: I'm not aware of
18 any right now.

19 COUNCILMAN NUTTER: He wants to
20 share some other ideas with you.

21 COUNCILMAN CLARKE: Are you
22 mulling over his recommendation?

23 MR. GOETZ: I'm just thinking
24 because my lawyer is telling me one thing
25 and I'm just thinking about, you know,

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2 how I can get towards the best end here.

3 I don't know how the process is going to

4 go through in the federal court. We are

5 negotiating in good faith and we're

6 presuming that the City is negotiating in

7 good faith. And so I would ask as the

8 City's representation in that, are you

9 going into those settlement

10 discussions --

11 COUNCILMAN CLARKE: I probably

12 wouldn't be much help so I tend not to go

13 in there. I have a different way of

14 negotiating. Lawyers have their way. I

15 have my way. I am a politician.

16 MR. GOETZ: My participation in

17 the process is that when you engage

18 somebody else's time and you say that

19 you're going to talk through an issue and

20 you go into a forum and a process and you

21 use people's time, you proceed to the

22 best of your ability to do that, and you

23 respect that other people have many other

24 things to do. And the City has put

25 presumably, you know, some of its best

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2 talent in that process and CSX is
3 attempting to put its best people into
4 that process and bring that to a
5 resolution. And we have that forum. We
6 have that process. We're treating that
7 as a serious process.

8 COUNCILMAN CLARKE: I'm not
9 suggesting that you aren't. I'm just
10 saying there are other ways of achieving
11 goals beyond the lawyers, no criticism of
12 lawyers but, you know, things do get
13 resolved sometimes without lawyers.

14 MR. GOETZ: And I guess the
15 honest answer is I don't know of any
16 other at this point, but if you had some
17 ideas, I would certainly listen to them.
18 And I will leave you my business card and
19 I would welcome a discussion with you if
20 you have other ideas, but right now just
21 sitting here at this table, you know, at
22 noon on this day I'm just not coming up
23 with an idea on that, but that's not to
24 say that you may not come up with some
25 perfectly, you know, viable solution

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2 path. At the same time, I want to
3 respect the City's delegation with these
4 settlement discussions. I assume that
5 you've put very good people on that --

6 COUNCILMAN CLARKE: Absolutely.

7 MR. GOETZ: -- and that you do
8 not want us negotiating in a cavalier --
9 in a way that doesn't really have any
10 impact. I know I would not want to be
11 treated that way.

12 COUNCILMAN CLARKE: Okay.

13 That's a more flexible response. Thank
14 you.

15 Thank you, Mr. Chairman.

16 COUNCILMAN NUTTER: Mr. Goetz,
17 I've listened very closely to the
18 colloquy between you and Councilman
19 Clarke. The councilman has laid out, I
20 think tried to give you an opportunity --
21 I may have lost track. It may have been
22 about six different occasions.

23 MR. GOETZ: I think it was
24 eight actually.

25 COUNCILMAN NUTTER: So I lost

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2 track. Let's talk about forums. You got
3 one forum going on down at 6th and
4 Market. You have another forum going on
5 here at generally what's considered Broad
6 and Market. And I would guess -- I mean,
7 the other option is something that is
8 either away from both of those
9 locations -- and so the question is if
10 you were given the opportunity to
11 participate in a different kind of forum
12 that would allow for more detailed and
13 I'm assuming frank discussion about
14 getting to the issue of access, which is
15 the primary issue that brings us here
16 today, would you participate in such
17 discussion in a different forum?

18 MR. GOETZ: If one of the
19 members of council approached CSX and
20 said we think we have a better way, we
21 think there's another way to approach
22 this, and it looked like a viable
23 approach, I would certainly, you know,
24 look at that approach. I mean --

25 COUNCILMAN NUTTER: But would

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2 you participate in it?

3 MR. GOETZ: We want to bring
4 this to resolution just as fervently as
5 you do.

6 COUNCILMAN NUTTER: He's trying
7 to help him out again.

8 Do you have enhancement from
9 your counsel?

10 MR. GOETZ: No. We would look
11 at what you propose. We would look at
12 what you propose.

13 COUNCILMAN NUTTER: Let me ask
14 this question: You laid out for us
15 earlier you've kind of been down this
16 road before in a variety of other
17 locales. Would you characterize your
18 experience as having fairly well resolved
19 the concerns that had initially been
20 raised?

21 MR. GOETZ: Absolutely.

22 COUNCILMAN NUTTER: What did
23 you do? What was the circumstance and
24 what was your solution?

25 MR. GOETZ: I can give you

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2 several different examples. One is a
3 community in northern New Jersey where we
4 have trains that come to rest and there
5 the particular issue is the noise from
6 the locomotive, particularly at night.
7 And so I actually appeared before a
8 legislative body on that particular
9 issue. What we found was that we weren't
10 able to eliminate all the instances of
11 where we have trains sitting, but we were
12 able to reduce the number of hours that
13 the trains were idling and we made a good
14 faith effort to do that. And by reducing
15 the impact, the number of hours, the
16 community felt that that was a good faith
17 effort and it softened the impact.

18 COUNCILMAN NUTTER: Do you have
19 any train crossing or pedestrian crossing
20 circumstances, any examples of a
21 situation that would parallel this one
22 and you found a resolution?

23 MR. GOETZ: Yes, yes. In
24 Montgomery Township, New Jersey -- most
25 of my territory is, you know, heavily

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2 urbanized so I don't have a -- there
3 aren't a lot of grade crossings in New
4 York City. But in Montgomery Township,
5 New Jersey, a very affluent community
6 just north of Princeton, we have a number
7 of grade crossings there, and the issue
8 there are horns because there are very
9 expensive homes that have been built near
10 grade crossings. And so we're working
11 with that community to establish quiet
12 zones for those grade crossings under the
13 new federal regulations.

14 COUNCILMAN NUTTER: Where were
15 the horns coming from?

16 MR. GOETZ: Coming from the
17 train, from the locomotives.

18 COUNCILMAN NUTTER: If you
19 could give us a report on recent examples
20 up and down the corridor, what the
21 problem was, what the solution was, and
22 whatever your estimate is of percentage
23 completion or percent resolution, that
24 would be helpful.

25 Now, I received information --

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2 and I guess this is possibly better
3 answered by Mr. Koster. It's my
4 understanding at 6:45 a.m. -- is today
5 the 19th? 6:45 a.m. yesterday there was
6 a train that sat for about an hour at
7 Locust. Do you know anything about that?

8 MR. KOSTER: I could -- I don't
9 have the documentation in front of me,
10 but it could be easily accessible to me.

11 COUNCILMAN NUTTER: Did you
12 hear anything about this?

13 MR. KOSTER: Not directly. I
14 have reports that I look at, but I don't
15 recall that particular train sitting
16 there for an hour.

17 COUNCILMAN NUTTER: Could you
18 get us back some information about that?

19 MR. KOSTER: Yes, sir.

20 COUNCILMAN NUTTER: Let me ask
21 a series of just general data questions.
22 How many trains are coming through this
23 particular area on a daily basis?

24 MR. KOSTER: Well, we could
25 count them up there. It's probably in

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2 the neighborhood of 15 to 20 with some
3 extra trains I mean that come through
4 Philadelphia on either route.

5 COUNCILMAN NUTTER: On the red
6 line there?

7 MR. KOSTER: On the red route,
8 just basically what you see there. Most
9 of the other trains, as Mr. Goetz has
10 illustrated, travel the high line.

11 COUNCILMAN NUTTER: Does each
12 one of those -- is Q173 one train?

13 MR. KOSTER: Yes, sir.

14 COUNCILMAN NUTTER: And you
15 could I'm assuming -- and do all of them
16 just come through once a day?

17 MR. KOSTER: Yes, sir.

18 MR. GOETZ: Or even less
19 frequently than once a day, although just
20 in the interest of having an accurate
21 record here, there are some trains that
22 we deliberately deleted from here.
23 They're not trains that would really have
24 an impact here, but they are trains that
25 carry war materials for the war in Iraq

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2 and they go to the port of Philadelphia.

3 And because the nation's at war, we did
4 not want to get into exactly how we move
5 war materials, so those trains were
6 specifically eliminated from the
7 discussion.

8 COUNCILMAN NUTTER: I
9 understand. What are the main train
10 hours?

11 MR. GOETZ: Twenty-four hours a
12 day.

13 COUNCILMAN NUTTER: So they're
14 all moving 24 hours a day?

15 MR. GOETZ: The railroad runs
16 on a 24-hour system.

17 COUNCILMAN NUTTER: I
18 understand that. There's no particular
19 peak time?

20 MR. GOETZ: It depends on where
21 you are, again, and the particular
22 trains. There are certain trains that
23 are designed to get to, for example, New
24 Jersey, you know, in the early morning
25 hours. There are trains that are

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2 designed to get into Philadelphia, you
3 know, at a specific promised time. But
4 trains that are moving through
5 Philadelphia are really being driven by
6 their departure or arrival at some
7 distant location.

8 COUNCILMAN NUTTER: And how
9 many cars are on the average train if
10 there is an average train?

11 MR. GOETZ: The maximum train
12 we run here is generally 9,000 feet.

13 COUNCILMAN NUTTER: Totally
14 meaningless to me. How many cars is
15 that?

16 MR. KOSTER: Depending on the
17 type of train, it could be anywhere from
18 75 to 110, 115.

19 COUNCILMAN NUTTER: This is the
20 average train has that many cars on it?

21 MR. KOSTER: Yes.

22 COUNCILMAN NUTTER: And how
23 long does it normally take to move a
24 train through Philadelphia?

25 MR. KOSTER: Without stopping

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2 and changing crews, just continuing on?

3 COUNCILMAN NUTTER: Both.

4 MR. KOSTER: Once the train
5 would stop at the office to re-crew at
6 each side yard, anywhere from 15 to 30
7 minutes to get the crew out on the train,
8 get them ready to depart. Then it's just
9 a matter of, you know, the track speed,
10 which is anywhere from 19 miles an hour
11 to 30 through Philadelphia through the
12 red line there. So it just takes a
13 matter of minutes once he begins to pull
14 to get through Philadelphia.

15 COUNCILMAN NUTTER: And are
16 there standards for crew changes in terms
17 of the amount of time it should take or
18 the amount of sitting time?

19 MR. KOSTER: We allot 15
20 minutes per crew change. We try to have
21 everybody on the train and moving within
22 15 minutes.

23 COUNCILMAN NUTTER: How many
24 crew changes take place in the course of
25 a day?

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2 MR. KOSTER: Well, those on the
3 red there so --

4 MR. GOETZ: Plus the coal
5 trains.

6 MR. KOSTER: About eight to ten
7 per day on the main line plus our yard
8 crews that work locally in Philadelphia.

9 COUNCILMAN NUTTER: I don't
10 understand the last part. What does that
11 mean?

12 MR. KOSTER: Well, we have
13 crews that are specific to Philadelphia
14 that work in South Philly and they're at
15 east side yard just south of Locust
16 Street.

17 COUNCILMAN NUTTER: And do all
18 these trains have a fairly regular
19 schedule?

20 MR. KOSTER: The crews that
21 work in and around South Philadelphia
22 yard and east side yard, yes, sir, they
23 go to work at specific times. The other
24 trains --

25 COUNCILMAN NUTTER: Is there

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2 usually a set time for a crew change?

3 MR. KOSTER: All the trains are
4 based on a schedule. If they arrive and
5 depart their original locations on that
6 schedule, they should maintain that
7 schedule.

8 COUNCILMAN NUTTER: When is the
9 schedule put together?

10 MR. KOSTER: Those schedules
11 are based on traffic patterns and
12 business of the economy of the United
13 States, so the schedule has been put
14 together for periods of years.

15 COUNCILMAN NUTTER: And are the
16 trains running on time today?

17 MR. KOSTER: I would have to
18 have a report to see what trains were
19 operating on schedule or ahead or behind
20 schedule.

21 COUNCILMAN NUTTER: And you'll
22 have eight to ten crew changes today?

23 MR. KOSTER: Yes, sir.

24 COUNCILMAN NUTTER: Do you
25 anticipate any trains sitting today?

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2 MR. KOSTER: No, sir.

3 COUNCILMAN NUTTER: Why is
4 that?

5 MR. KOSTER: I have not been
6 alerted to any issues north or south or
7 Philadelphia that would delay any train
8 in time.

9 COUNCILMAN NUTTER: And do you
10 ever know in advance that a train is
11 going to sit for an extended period of
12 time?

13 MR. KOSTER: I think there are
14 times where we know we're going to have
15 to hold a train in Philadelphia depending
16 on issues to the north or south of us,
17 yes.

18 COUNCILMAN NUTTER: And so when
19 will the next train sit for an extended
20 period of time?

21 MR. KOSTER: I don't have
22 anything that's scheduled to sit that I
23 know of today.

24 COUNCILMAN NUTTER: And I'm
25 assuming that there are local

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2 representatives of both of the unions
3 that you mentioned, the first one being
4 United Transportation -- is there one
5 more word that goes with that?

6 MR. KOSTER: United
7 Transportation Union.

8 COUNCILMAN NUTTER: Could you
9 forward to us the local representatives
10 of both the United Transportation Union
11 and is it the Brotherhood of Locomotives?

12 MR. KOSTER: Engineers and
13 Trainmen.

14 COUNCILMAN NUTTER: And what
15 are your next steps from here?

16 MR. GOETZ: Well, I can answer
17 that because really, I mean, I'm the one
18 that has the responsibility for taking
19 those next steps. And the next thing
20 that we're going to do is we're going to
21 pursue these potential solutions for
22 some, not all of the trains that are
23 marked therein in red. We're going to
24 continue to refine some of these
25 proposals that might involve track

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2 construction, and we're going to look at,
3 you know, what we do particularly with
4 the trains carrying municipal solid
5 waste.

6 COUNCILMAN NUTTER: Now, if you
7 come up with a solution -- and I'm not
8 sure what it's going to be at this
9 point -- to the trash trains, the four
10 that have been mentioned, what impact
11 does that have on the other five? And,
12 of course, you mentioned some others that
13 are not on there. How does that
14 affect -- you mentioned earlier you have
15 other high-priority trains going through.
16 Are they on the red line or are they on
17 the purple line?

18 MR. GOETZ: Some of them are on
19 the red line and some are on the purple
20 line. The ones with the 100 series tend
21 to be the higher-priority trains. So,
22 for example, up on the purple line there,
23 there's a Q172 I think you'll see up
24 there. And that's a very high-priority
25 train. The 173, 174, those are very

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2 high-priority trains as well. Those are
3 trains that, you know, they need to be on
4 their way.

5 COUNCILMAN NUTTER: I
6 understand. Is part of your
7 examination -- I think I asked you this
8 earlier. Are you planning to look at the
9 prospect of moving any of the red trains
10 over to the purple line?

11 MR. GOETZ: That really falls
12 into the larger discussion of what, if
13 anything, we could do about how we crew
14 the trains. I mean, so -- and that's not
15 an easy or casual thing.

16 COUNCILMAN NUTTER: Is that
17 because of union issues or operational
18 issues?

19 MR. GOETZ: All the above.

20 COUNCILMAN NUTTER: Now, there
21 was a chart put together. I'm sure
22 you've seen these materials. I mean,
23 this kind of goes back to some items
24 Mr. Koster mentioned. In July, August,
25 and September of the summer of 2004, an

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2 increasing amount, total hours of blocked
3 access for Locust Street were 36 hours in
4 July, 45 hours in August, 70 hours in
5 September. And in no month until the
6 following June was there ever more than
7 single digit number of hours of blocked
8 access. Why did the numbers spike so
9 dramatically during the summer?

10 MR. KOSTER: We do a lot of
11 scheduled maintenance during the summer.
12 We also have crew issues during the
13 summer when people are taking vacations.
14 Those are our crew base as far as our
15 employees and scheduled maintenance would
16 be the biggest hitters for those numbers.

17 COUNCILMAN NUTTER: Which, of
18 course, would as compared to maybe the
19 dead of winter, although I'm sure a fair
20 number of people are still using the
21 park, but comparatively your crew issues
22 as you characterize them create a
23 significant amount of conflict issues as
24 I would characterize them with our
25 citizens and users. I mean, these are on

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2 a crash course that your issues are
3 having an effect at the same time as
4 probably the greatest usage of the park.
5 And it's primarily around vacations and
6 other scheduled maintenance?

7 MR. GOETZ: I mean, I haven't
8 seen this data because, quite frankly, it
9 predates my arrival here in Philadelphia,
10 but is there a professional data
11 collection effort behind this? Are these
12 railroad reports or is this some --

13 COUNCILMAN NUTTER: No. I
14 think they're your standard seriously
15 concerned citizens who probably spend a
16 fair amount of their time when they could
17 be enjoying the park watching your
18 trains. So, I mean, for the moment since
19 we're not at 6th and Market but we're at
20 Broad and Market, you know, I'm going to
21 take it that people have spent a
22 significant amount of time and didn't
23 manufacture these numbers. And I'll be
24 glad to put you in touch with the folks
25 who did and you can talk about

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2 methodology, but I don't know how
3 complicated it is to either look out your
4 window or stand at a particular street
5 and say, you know, that train is here at
6 whatever time and then you come back a
7 little later on and if the same train is
8 there six hours later, I think it's
9 pretty easy to conclude that that's
10 probably the same train that's been
11 sitting there for six hours hours. You
12 don't have to be a meteorologist to
13 figure out if you go to bed at night and
14 the ground is dry and you wake up in the
15 morning and there's 6 inches of snow, you
16 could probably reach the conclusion that
17 it snowed overnight.

18 MR. GOETZ: We will encounter
19 delays in the summer when we're doing
20 track work. We do track work up north
21 because it's easier to do it and, in
22 fact, it's possible to do it in the
23 summer. And track forces are transferred
24 down south, you know, to do track work in
25 the deep south during the winter months.

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2 COUNCILMAN NUTTER: A slightly
3 different question. You know, the
4 questions that Councilman Clarke was
5 asking, questions that I would ask but
6 have tried to restrain myself, and other
7 members, we find ourselves in a position
8 that we would like answers to certain
9 questions which you can't give us because
10 there is ongoing litigation. On the
11 other hand, it was CSX that filed suit;
12 is that correct?

13 MR. GOETZ: Yes, it is.

14 COUNCILMAN NUTTER: Why did you
15 file suit?

16 Let's let the record note that
17 Mr. Goetz is having a conference with his
18 attorney to figure out whether he can
19 tell us why they filed suit against us.

20 MR. GOETZ: To bring this to
21 resolution, to bring us to resolution.

22 COUNCILMAN NUTTER: Well,
23 that's a good way to start. We'd like to
24 bring it to resolution so we're going to
25 sue you? I guess you got our attention.

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2 Councilman Kelly?

3 COUNCILMAN KELLY: Gentlemen, I
4 just want to know -- maybe you covered
5 this while I was upstairs. The volume,
6 has that been increasing, the volume of
7 trains using this track?

8 MR. GOETZ: It has, yes.

9 COUNCILMAN KELLY: When you
10 make up a schedule, do you make it up
11 monthly or weekly?

12 MR. GOETZ: There's a general
13 network of trains --

14 COUNCILMAN KELLY: In other
15 words, would you know in the month of
16 January how many trains are going to be
17 using that track?

18 MR. GOETZ: Not down to the
19 last train, but there is an overall
20 network plan and the main fact of that is
21 the strength of the US economy.

22 COUNCILMAN KELLY: So you could
23 give us a number or at least an estimate,
24 a good estimate of the amount of trains
25 that are going to be using that track in

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2 January, say?

3 MR. GOETZ: It would be pretty
4 similar to what we just talked about
5 here. This is our current portfolio of
6 trains.

7 COUNCILMAN KELLY: Could you
8 give us the number that was used last
9 year?

10 MR. GOETZ: It would be
11 relatively close.

12 COUNCILMAN KELLY: I want to
13 know where the volume has increased.

14 MR. GOETZ: Over time. The
15 volume was stronger since CSX has taken
16 over because CSX has marketed this area
17 very aggressively.

18 COUNCILMAN KELLY: What I would
19 just like to know is the increase itself.
20 And it's going to continue to increase?

21 MR. GOETZ: We hope so.

22 COUNCILMAN KELLY: Well, I
23 would appreciate if you would give to the
24 chair at least the numbers from last year
25 and also the numbers projected for this

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2 January. I would like to see the
3 increase and the amount of increase.
4 Thank you.

5 COUNCILMAN NUTTER: Thank you.

6 COUNCILMAN KELLY: Thank you,
7 Mr. Chair.

8 COUNCILMAN NUTTER: Thank you,
9 councilman.

10 Just a couple last questions.
11 On the issue of the suit, now, when was
12 that filed?

13 MR. GOETZ: I don't know.
14 When was that filed?

15 I apologize. Again, these all
16 occurred before, you know, I had these
17 Philadelphia responsibilities. I believe
18 it was October 2003 -- October 2004.

19 COUNCILMAN NUTTER: October
20 2004. So we're 14 months into a lawsuit
21 and the goal here was to bring it to a
22 resolution?

23 MR. GOETZ: Uh-huh.

24 COUNCILMAN NUTTER: And so far
25 what's been resolved?

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2 MR. GOETZ: Well, we've -- I
3 can tell you what I've learned from my
4 brief involvement with this is that CSX
5 and the City have agreed to engage in,
6 you know, settlement discussions, which
7 we have done. We have met in chambers
8 with the federal judge. We have
9 exchanged various plans and ideas as to
10 how a crossing could be effected. So,
11 actually, quite a bit's been done. Now,
12 neither side has accomplished --

13 COUNCILMAN NUTTER: Well, not a
14 resolution?

15 MR. GOETZ: Not yet.

16 COUNCILMAN NUTTER: There were
17 other issues raised at the previous
18 hearings regarding the overall
19 infrastructure of the CSX system, for
20 instance, the Columbia Avenue bridge,
21 25th Street viaduct and a number of other
22 issues. You did indicate to us that you
23 would identify the appropriate person to
24 talk with us about those issues.

25 MR. GOETZ: Yes.

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2 COUNCILMAN NUTTER: You
3 subsequently identified the person and
4 sent a letter indicating that as much as
5 that individual would really like to come
6 up here to Philadelphia from
7 Jacksonville, Florida, where it's, what,
8 probably about 70 degrees --

9 MR. GOETZ: It's not as good as
10 you think.

11 COUNCILMAN NUTTER: Well, it's
12 not 25. Otherwise, the Tropicana people
13 would be in trouble. But as much as you
14 would like to have that person up, due to
15 legitimate scheduling issues, they could
16 not be with us today.

17 MR. GOETZ: That's correct.

18 COUNCILMAN NUTTER: We did
19 accept that and we take you at your word
20 that you will make that person available
21 for subsequent discussion.

22 With regard to all of these
23 infrastructure issues, even though we
24 cannot discuss them today or we would not
25 be able to really talk to the main person

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2 about them today, for the record, I want
3 to make it clear that we would like to
4 have that person in Philadelphia quickly.

5 Secondly, with regard to these
6 issues -- and I will give you the
7 documentation that was laid out in terms
8 of citizen surveys and who the
9 individuals were and then you can have
10 discussions about methodology. Who is
11 working with you on scheduling issues,
12 crew issues, union issues, and cost
13 issues that might help to bring to
14 resolution the various issues that have
15 been discussed here? Is this being done
16 internally by CSX? Have you sought
17 outside consultant advice or support to
18 work with you on any number of issues
19 that have been discussed here?

20 MR. GOETZ: The answer to your
21 last question is we have not engaged any
22 outside consultants for this effort. We
23 do have an internal team that includes
24 Larry, myself, also includes a gentleman
25 by the name of Randy Cheetham, who has

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2 responsibility for the state of
3 Pennsylvania, and Mr. John Casellini, who
4 has responsibility -- governmental
5 responsibility for the entire CSX system.
6 And when you get into some of these
7 broader issues, they move from the city
8 arena to a state arena and so that's the
9 reason for Mr. Cheetham's personal
10 involvement.

11 COUNCILMAN NUTTER: Well, going
12 back to the issue that was raised by
13 Councilman Clarke, the federal litigation
14 matter will continue on whatever course
15 it is on. To the best of my
16 recollection, we are not parties to that
17 suit directly, but we are certainly very
18 interested in what takes place there.
19 But that will be between CSX and the City
20 law department. With regard to these
21 hearings, they will be continued, but I
22 must strongly emphasize, Mr. Goetz, that
23 members of this committee will ask for --
24 in the nicest way I can say this, we will
25 insist upon your presence and the

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2 presence of others with appropriate
3 notice to continue these kinds of
4 conversations in a way that allows for
5 very direct, very open, very honest and
6 frank discussion about any number of
7 issues. The leading issue is access to
8 Schuylkill River Park and I would say at
9 least the goal of eliminating to the
10 greatest extent possible grade crossing
11 interference by train traffic short of an
12 alternative that allows for trains to
13 still move through and pedestrians to
14 move through without significant
15 interference and, of course, in a safe
16 fashion. That must be the focus. That
17 must be the primary goal. I understand
18 you're operating in one forum in a
19 litigation matter. You're in this forum
20 in public hearings. There will be other
21 forums --

22 MR. GOETZ: I understand.

23 COUNCILMAN NUTTER: -- to have
24 these discussions and we will insist upon
25 your timely participation and the

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2 participation of others who can
3 appropriately represent the company,
4 provide the kind of information that we
5 need to have. We would like resolution
6 to this issue as quickly as possible as
7 well. And notwithstanding the company's
8 effort in a quite unique fashion to bring
9 resolution by filing a suit against us,
10 you know, there could be other
11 opportunities and other ways to go about
12 this and get it done in a more timely
13 fashion. What we need is your
14 cooperation.

15 MR. GOETZ: You will have my
16 personal participation in any forum that
17 you want.

18 COUNCILMAN NUTTER: Thank you.

19 COUNCILMAN CLARKE: Thank you,
20 Mr. Chairman.

21 One brief question, maybe two.
22 I want to reference the chart again, the
23 drawing. Is there a signal shack
24 associated with the operation of the yard
25 in that area?

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2 MR. GOETZ: There's several
3 actually. It's signal main. So they
4 call it a bungalow. There's signal
5 bungalows all up and down the line.
6 You're probably interested with the one
7 at Vine Street.

8 COUNCILMAN CLARKE: Yeah. Can
9 you tell me where that is on that
10 drawing?

11 MR. GOETZ: Right around here.
12 On this diagram, it would be right about
13 here. There's one at Vine Street. I
14 think there's a minor property issue
15 associated with it.

16 COUNCILMAN CLARKE: What does
17 it do? What does the signal shack do?

18 MR. GOETZ: Controls the signal
19 system.

20 COUNCILMAN CLARKE: For the
21 yard?

22 MR. GOETZ: It's the signals
23 that indicate whether a train can move or
24 must stop. This is all signaled main
25 through here so these are -- it's like a

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2 traffic light for trains. That's what it
3 is.

4 COUNCILMAN CLARKE: Okay.

5 MR. GOETZ: It controls the
6 signal system and it also detects the
7 presence of trains. It electronically
8 records the presence of trains moving
9 through there.

10 COUNCILMAN CLARKE: All right.
11 Thank you.

12 Thank you, Mr. Chairman.

13 COUNCILMAN NUTTER: You're
14 welcome.

15 That may be it at the moment
16 for questions, but I would ask you to
17 hold on for a second.

18 Okay. At the moment there are
19 no further questions. I think maybe your
20 attorney was taking down some information
21 requests or data requests. You'll get
22 those to us as quickly as possible. We
23 will be in touch shortly to talk about
24 infrastructure presentation.

25 MR. GOETZ: Yes, I would like

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2 to get a date set for that as soon as
3 possible. The gentleman's name is
4 Mr. Dale Ophart, who's the chief engineer
5 of line of construction. I'd like to
6 have him come up and meet with you.

7 COUNCILMAN NUTTER: Thank you
8 for that. We'll be in touch about that.
9 I appreciate your presence at the
10 hearing. And putting aside that while we
11 may not have anywhere near complete
12 resolution of any of these particular
13 issues, it does come across at least as
14 compared to last time CSX was
15 represented, although it would probably
16 be impossible to have further
17 deterioration of relations based on that
18 hearing, it is somewhat clear that with
19 your presence and participation at least
20 maybe the attitude and direction of CSX
21 has modified to some extent and will
22 allow for continued discussion. We will
23 continue to pressure you on getting
24 resolution to these issues. I appreciate
25 the presentation and work that you've

1 Transportation & Public Utilities 12-20-05
 2 done. It is insightful, but we do want a
 3 resolution.

4 MR. GOETZ: So do we. Thank
 5 you.

6 COUNCILMAN NUTTER: Thank you.
 7 There being no further
 8 questions, this hearing will be adjourned
 9 to the call of the chair. Thank you.

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CERTIFICATE

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I HEREBY CERTIFY that the

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proceedings, evidence and objections are

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contained fully and accurately in the

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stenographic notes taken by me on December 20,

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2005, and that this is a true and correct

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transcript of same.

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Kimberly A. Otherwise
Certified Realtime Reporter
Notary Public

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