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SPECIAL SECTION

TRANSPORTATION

Could Congress breathe new life into those old steel rails?

By Jean Gossman

Americans' love of the rails is the stuff of legend, well documented in story, art and song. Increasingly, however, it has become the stuff of nostalgia.

In the postwar era, air transport, car ownership and the interstate highway system have drastically reduced rail freight movement and rail passenger travel. But the modern realities of air and highway travel could well lead to a small renaissance of sorts for railroads.



THOMAS BUTLER

Some rail experts call for rehabilitation of short-line passenger and freight services.

It is certainly an understatement to say that traffic congestion on highways has increased dramatically in recent years. This has become especially problematic in the aftermath of the Sept. 11, 2001, terrorist attacks and more recently with the outbreak of SARS, as travelers take to their cars to compensate for additional security-related airport delays and health and safety fears.

But even as those fears recede and the economy rebounds and encourages air and other forms of travel, highway congestion and highway-maintenance costs will likely remain high. As a result, there has been a call for enhancing and expanding both passenger and freight traffic using the nation's short-line and regional rail systems. Those operations, the so-called Class II and Class III lines, run 50,000 miles of track, employ about 25,000 people and generate approximately \$3 billion in annual revenues.

According to the National Governors Association, rail freight ton-miles, the weight of freight times miles carried, have increased by 49 percent since the passage of the Staggers Rail Act in 1980. In addition, average rail rates are down 50 percent, after inflation adjustments, and rail accidents and train derailments have decreased by nearly 70 percent. Smaller rail companies have been a boon to shippers, especially in rural areas, who might have been cut off from access as the larger Class I railroads dropped lines as part of mergers.

The Transportation Equity Act for the 21st Century (TEA-21) created the Railroad Rehabilitation and Improvement Financing Program to provide assistance through loans or loan guarantees to states and other public or

private sponsors of rail and intermodal transportation projects. Although small systems can and do operate profitably, the lines generally must first be rehabilitated to accommodate today's heavier rail loads.

The country's railroad network comprises about 30,000 miles of the strategic national defense corridor system, and short-line and regional railroads feed into that overall transportation network. Consequently, another challenge small and medium-sized lines face is the cost of augmenting manpower at critical points along the system to meet today's increased safety and security concerns.

At a March 6 House Transportation and Infrastructure Committee hearing on reauthorization of TEA-21, Richard Timmons, president of the American Short Line and Regional Railroad Association, testified on the benefit of short line growth and rehabilitation. He provided the example of Lancaster County, S.C., which hopes to attract new manufacturing to a 20-mile corridor between Lancaster and Kershaw. A light density branch line recently acquired from the Norfolk Southern railroad by the Lancaster and Chester Railway connects the two cities.

Timmons told the committee that if the line had not been purchased, it would have been abandoned; however, it requires a \$6.5 million rehabilitation to handle the projected traffic. The railroad can put \$2 million toward that total. According to county officials, the alternative is to widen the adjacent U.S. Route 521 at a cost of over \$10 million to accommodate what they project would be an additional 40,000 truckloads a year.

He said, "Once the railroad has completed its rehabilitation, it will earn enough to put the railroad on a normalized capital schedule. Once the highway is widened it will require continued public funds for repair and maintenance." Timmons says, "the choice seems to be clear-cut."