

Statement to the Virginia Department of Transportation
on a Need for a Rail Alternative in the I-81 Corridor
by David L. Foster, Chairman, RAIL Solution

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RAIL Solution submits these written comments by email pursuant to the instructions provided in the Public Hearing Notice, in advance of the May 27, 2019 deadline specified therein.

I. Background.

Throughout the summer of 2018 public hearings were held three times in each of the VDOT Districts that comprise the Interstate 81 Corridor of Virginia. This process was triggered by SB-971 passed by the 2018 General Assembly. The ostensible objective of the hearings and public input was to devise a slate of I-81 construction projects to improve safety and reduce congestion.

SB-971 did not call for this Corridor-wide assessment to be multi-modal in scope, but at the May 10, 2018 public hearing in Roanoke, Transportation Secretary Valentine assured me it would be. Here, from the transcript of that session, is my exchange with Secretary Valentine:

8 MR. FOSTER: There is a Norfolk Southern line
9 that parallels I-81 all the way from Harrisburg to
10 Knoxville. I would hope that as the planning goes forward
11 for SB 971, it can have a multimodal focus and we can look
12 at the rail option.
13 SECRETARY VALENTINE: Mr. Foster, I'm going to go
14 ahead and break the rule right from the beginning. I will
15 tell you that it is a multimodal transportation study. The
16 fact that it didn't mention it does not prohibit it. So it
17 is going to be part of the study.

In spite of that assurance, it never happened. When I followed up in October with Secretary Valentine and study supervisor, VDOT's Ben Mannell, the excuse I got for not looking at rail was lack of time – there was a deadline to get the draft study to the Commonwealth Transportation Board (CTB) ahead of the upcoming General Assembly.

The study's list of \$2.2 billion in new I-81 construction, known as the I-81 Corridor Improvement Plan, was approved by the CTB on December 5, 2018 and went to the 2019 General Assembly for ratification, but there was no accord on how such an ambitious list of projects would be financed. Some people favored general tolls, some truck-only tolls, some increased fuel taxes, and some other levies specific to the geographical areas in the I-81 Corridor. Reflecting this lack of agreement, SB-1716 passed, but with no funding mechanism.

Governor Northam remedied that omission by adding a funding plan to the bill in the form of an amendment and sending it back to a special session of the General Assembly where it was approved and incorporated on April 3, 2019. This completed legislation is known as Chapter 846.

Important provisions of SB-1716 survive. The I-81 Corridor is defined as including parallel railways. An I-81 Committee is detailed to work on implementation of the I-81 Corridor Improvement Plan. Multimodal improvements are included in a list of what

“at a minimum” the I-81 Committee shall identify in devising an I-81 Corridor Improvement Program.

By a Resolution passed on May 15, 2019, the CTB established the I-81 Committee as called for in Chapter 846. The Decision Brief attached to the May 15 Resolution does a good job reciting this somewhat complex history and defining what happens next.

II. Need for a Rail Alternative.

Of all the strategies examined for alleviating congestion on I-81, ***the only one that can actually remove trucks from the highway is one that puts through trucks on trains.***

All the other proposed I-81 measures aim to *accommodate* the trucks better, but do nothing to reduce truck volume.

In short order the \$2.2 billion slated for I-81 will be absorbed completely by new trucking and we will be right back where we are today. Build it and they will come!

Dozens of daily truck ferry trains operate in Europe, helping to contain highway construction and maintenance costs. Hupac, RAAlpin, and Ökombi are all companies that operate truck ferry services there (known as “rolling highway” in Europe). Though none has operated in North America, there is no reason to allow a “not invented here” phobia to keep us from examining the potential for this concept to address meaningfully the truck problems of I-81.

On the FHWA truck density map, a fat red line delineates the I-81 Corridor, as bold a line as appears anywhere in the United States. This concentrated through truck volume, between the Harrisburg/Carlisle area of central Pennsylvania and Knoxville, TN, is ideal to employ a truck ferry prototype if we are willing to think outside the box.

Virginia is fortunate to have transportation institutes at both UVA and Virginia Tech, with well-qualified transportation and engineering professionals who could perform a rigorous technical and economic feasibility study of the truck ferry potential. It needs to be on the table. It needs to be part of the analysis. It needs to be done before the \$2.2 billion is all spent on things that won't solve the problem!

III. Potential Benefits.

Interdicting the southbound flow of through trucks in the Harrisburg/Carlisle area of central Pennsylvania, and the northbound flow at Knoxville, TN, provides a 600-mile rail route ideal for moving the through trucks on trains.

These trains are truck ferries; their technical term is “open intermodal” because they can handle all kinds of trucks, not just the containers and certain dry vans currently

eligible for the railroad double-stack intermodal business model. Entire trucks drive on and drive off railroad cars, and the drivers are accommodated in lounge and sleeping cars.

Benefits of handling through trucks on trains accrue to many constituencies.

Reduced truck congestion on I-81 is the clearest gain. Much of Virginia's proposed \$2.2 billion I-81 construction is aimed at improved accommodation of trucks – truck climbing lanes, truck messaging signs, truck parking, extended entry and exit ramps. *Only by actually removing through trucks from I-81 can we have less congestion*, and greater safety. These are trucks passing through Virginia, neither picking up loads nor making deliveries here. We need to study seriously the feasibility of ferrying them through Virginia on trains.

Reduced highway impact is an offset to the financial outlay needed to fund needed rail upgrades and double-tracking. Less new highway expansion would be required, and likely could be deferred once through trucks were removed or reduced from the traffic mix. In addition, constructing new freight capacity in the I-81 Corridor would be far less disruptive on the parallel rail line, reducing the need for years of motorists dodging orange cones and barrels.

Environmental & energy benefits are important. Rail transportation is three to four times more energy efficient than trucking. Less fuel burned means less pollution and fewer greenhouse gases. Diesel particulates are especially critical in areas such as the Roanoke Valley, which is a borderline non-attainment zone. Energy conservation, reduced emissions, and lower carbon impact are clear benefits. Rail's footprint is smaller, too, requires no cement or asphalt, and can be constructed largely on existing rights-of-way. A second track requires only 15 feet and can result in a five-fold capacity gain.

Improved productivity for truckers, independent truckers and fleet operators who predominate on I-81, results from the trucks continuing to move while their drivers sleep. Instead of sitting parked in a roadside rest area or truckstop, trucks continue their journeys while the drivers get their mandatory hours of rest. Truckers arrive at the end of the rail trip rested and ready to drive again. A corollary benefit obtains from avoiding delays due to highway congestion, accidents, construction, and bad weather.

New business accrues to railroads. Railroads today handle large volumes of intermodal cargo in double-stacked shipping containers and certain specially equipped highway trailers. But this is a small percent of intercity freight, most of which is still moving on the highway. New thinking and a new business concept of attracting through trucks to rail as a part of their longer haul can generate new business for railroads that they cannot handle now. Open intermodal loading and unloading facilities are far simpler and require far less real estate than the massive intermodal terminals operated by railroads today, providing a more nimble competitive posture needed to capture under-1,000 mile highway freight.

IV. Addressing the Skeptics.

Cost for Rail Upgrading and double-tracking would be huge, but so would meaningful expansion of freight capacity on I-81. There is no cheap answer to adding needed new freight capacity. A figure of \$10 million per mile is often cited for adding a new highway lane, and of course it has to be done in both directions. Double-tracking the parallel Norfolk Southern rail line may be possible for less than \$20 million per mile. To make a truck ferry operation feasible, double track is necessary to provide *highway-competitive speed, reliability, and cost*, prerequisites for a successful operation. Only a detailed economic, technical, and environmental study of the costs and benefits of adding capacity on the highway and on rail can answer such comparative questions.

Truck Diversion Studies have already been done, without showing attractive results. Numerous such studies, while undertaken, have suffered from significant deficiencies and shortcomings that have undercut their usefulness. They have focused on a corridor too short to provide feasible truck diversion, they have looked at small and scattered rail enhancements that lack any cohesive benefit for truck diversion, and they have focused on traditional double-stack intermodal movements in what Norfolk Southern calls its Crescent Corridor. *For this reason a carefully crafted scope of work for the suggested cost/benefit analysis is vital.*

Funding for the Study needs to be identified. However, the I-81 Corridor Improvement Plan adopted by the CTB in December earmarks funding for this and other Corridor inquiries:

On page 60, right above the photo, the text reads:

"This Plan recommends that further exploration of multimodal improvements occur with Office of Intermodal Planning and Virginia Department of Rail and Public Transportation providing staff support. In addition, the financial analysis reserves \$157 million from [sic] this exploration along with the work of the enforcement and truck parking task forces"

Where I have inserted the [sic], I'm assuming this should read "for" instead of "from". In any case, the sense I get from this paragraph is that \$157 million is reserved for

further work into the three areas designated, including multimodal improvements. Even if the \$157 million is divided equally, \$52.3 million would be allocated for the multimodal part, which would be more than enough for a rigorous side-by-side study of the economic and environmental costs and benefits of adding freight capacity on rail and on road.

Lack of Railroad Cooperation is often cited as a barrier to exploring a rail alternative. We certainly acknowledge this, especially as it relates to the Commonwealth's negotiations with NS for expanded passenger service.

However, in this case the public and private objectives are more aligned. No one is seeking anything from the railroad that would in any way be contrary to the railroad's self interest. In fact, the study discussed here would be a valuable marketing asset for NS. And if the upgrading and double-tracking of their Shenandoah Valley line were to go forward, it would have a decidedly salutary effect on the fluidity of their existing traffic as well as bringing new truck ferry business.

If Norfolk Southern were not to see such participation to its own advantage, the government of Virginia would need to *direct* their participation. Too often the state has retreated from anything that would risk offending NS. In part this seems to stem from NS being a Virginia corporation headquartered here. But now that NS has announced its relocation to Atlanta, perhaps there is room to be more forthright in dealings with them.

No one is asking the railroad to do anything hurtful. Even if a truck ferry service is determined to be in the public interest, and companies are brought in to operate it, the railroad's only obligation is to operate the trains. This is a simple, basic service the railroad is well-equipped and well-positioned to provide.

Furthermore, this is not an original idea with RAIL Solution. *Double-tracking the NS line between Pennsylvania and Tennessee was proposed by general counsel Wiley Mitchell of NS in a series of public presentations throughout their local service area in the 1999-2000 timeframe.* This proposal was styled as a competitive thrust to lure more trucks off I-81. Wiley Mitchell was recently associated with Wilcox-Savage Law in Richmond, and might possibly be a useful mediator with NS.

Taking Business Away from Truckers is often also cited as a possible objection to truck ferry deployment in the I-81 Corridor. Nothing could be further from the truth. Truckers retain all their existing business and accounts. They simply in turn become customers of the railroad for 600 miles. With the three-part premise here, that the truck ferry service must be highway-competitive in *speed, reliability, and cost*, there is no downside or disadvantage to truckers to use the rail bridge. As discussed above, it can produce very desirable productivity improvements.

Lost Fuel Tax Revenue is largely a sham argument. Study after study has shown that fuel taxes paid by large trucks do not fully cover costs of damage to pavement and bridges. Overall it is a net plus to Virginia not to have this wear and tear on I-81.

Investing Public Money in Private Enterprise congers up images of Virginia taxpayers enriching railroad executives and stockholders. Care must be taken in arranging public/private partnerships to secure balanced benefits for both sectors. But if and when taxpayer transportation dollars can secure a higher return invested in private infrastructure improvements than in more lanes of highway, it would be a disservice to deprive Virginia citizens of this opportunity.

The trucking companies that overpopulate I-81 to the annoyance of the driving public are also private enterprises. Much of the \$2.2 billion package of recommended new construction contained in the I-81 Corridor Improvement Plan will directly benefit those private companies. How can that be okay while rail investments remain so controversial?

V. Conclusion.

For many years RAIL Solution has sought a comprehensive, scientifically based study of the life-cycle costs and benefits of adding new freight capacity in the I-81 Corridor on rail vs. on the highway. In spite of earlier so-called truck diversion studies, this has never been fully and properly carried out. The 2018 inauguration of a Corridor-wide needs review on I-81, leading to the I-81 Corridor Improvement Plan, gave a new opportunity to rectify this failing.

Transportation Secretary Valentine endorsed the need for the I-81 Corridor Improvement Plan to be multi-modal in scope. There was no time to do this in 2018.

Compelling energy, economic, and environmental benefits may be possible from adding new freight capacity on rail.

Current legislation defines the I-81 Corridor as including the parallel rail line.

The newly-formed I-81 Committee is tasked with considering multimodal improvements. The I-81 Corridor Improvement Plan designated \$157 million for further study in three areas, including multimodal elements. Governor Northam has added a funding provision to advance the work of the I-81 Committee and to begin implementation of the I-81 Corridor Improvement Plan.

Now in 2019 we have the time and funding to make this happen. RAIL Solution is prepared to help as needed, drafting a comprehensive and relevant scope of work, and whatever other participation would be constructive.

We have been at this since 2003 and have a lot of presumably useful experience and insight we can bring to this effort.

Resolutions of support for a rail alternative from over 50 local governments in the I-81 Corridor are clickable PDFs on our website: <http://railsolution.org/projects/endorsements/>

These are illustrative of broad public support for *taking trucks off I-81. Putting through trucks on trains is the only strategy with a hope of achieving this goal.*