



I-95 Corridor Coalition

*Southeast Rail Operations
(SEROps)*

Phase I
Summary Report
Executive Summary



May 2008

Southeast Rail Operations (SEROps)

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Executive Summary

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Southeast Rail Operations Study (SEROps)

Phase I Summary Report

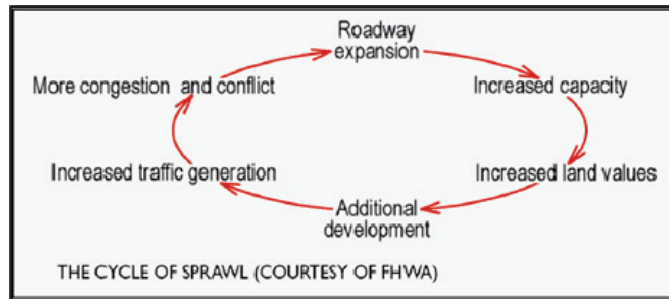
■ Executive Summary

This Southeast Rail Operations Study (SEROps) Phase I Summary Report identifies significant rail issues that the four SEROps states (Florida, North Carolina, South Carolina, and Georgia) must address to secure the region's future as a key economic generator in the United States. The report identifies and describes trends in demographics, logistics, passenger rail, and freight markets with implications for land use and development, air quality accessibility, and quality of life throughout the region. The project team engaged a diverse group of rail stakeholders to identify several broad factors and trends that are impacting the efficiency of the system today and will affect the ability of the region's railroads to attract additional freight and passenger traffic in the future.

The highway and rail systems currently are congested; trends imply that without careful planning and investment, the problem will become insoluble. The SEROps states are experiencing dramatic change with 4.5 million new jobs in the last 10 years and projected population growth by state of 29 percent for South Carolina, 47 percent for Georgia, 52 percent for North Carolina, and 80 percent for Florida by 2030. If current land use patterns prevail, this growth will occur at the urban fringes, creating significant implications for the transportation system air quality and support services. The location of the growth means growing congestion on highways from a highway dependent population whose growth in vehicle miles traveled per capita already is outpacing the nation 11 percent to 4 percent. Texas, Florida, California, Arizona, Georgia, and North Carolina will account for 63 percent of all projected added vehicle miles traveled (VMT) by 2030.¹ With three of these states in the Southeast region, it further makes the case for comprehensive land use, transportation, and air quality planning so that growth can be managed by encouraging more transit-oriented development and an associated reduction in VMT growth. The delay caused by congested highways and rail network will slow goods movement and increase prices, straining the economy. Planners will face the challenge of coordinating transportation and land use to make the best use of existing infrastructure, while avoiding unintended consequences of land use and associated air quality impacts. If an aggressive approach to planning is not employed, the region will find itself in the never ending cycle of sprawl and the related cost depicted in Figure 1.

¹ National Surface Transportation Policy and Revenue Study Commission; http://www.transportationfortomorrow.org/global/did_you_know.aspx.

Figure 1. The Cycle of Sprawl



Source: Federal Highway Administration.

Meanwhile, ports in the SEROps region are being challenged to meet sharp increases in demand. Capacity constraints on the west coast mean that shipments coming from Asia are increasingly shipped through the Panama and Suez Canals, arriving at ports on the East Coast. In fact, container shipments between Asia and the United States through the Panama Canal have increased from 11 percent of the U.S. import market in 1999 to 38 percent in 2004. At the same time, containerized shipments from China have been increasing dramatically, and multibillion dollar plans to expand the capacity of the Panama Canal will only continue to increase the demand for port access in the Southeast. Ports in the SEROps region are responding by planning additional capacity to handle containers, which will both stimulate development near the ports, and create an even greater need for efficient connections between the ports and the mainline rail networks and highways.

As remaining capacity on highways is swallowed, alternative modes, including passenger rail, become critical. Projected population growth will require expansion of passenger rail in the form of intercity service and commuter services that will facilitate efficient land use in the region and reduce highway VMT and air quality impacts. High-speed rail and commuter rail service has been an area of focus for Federal, state, and regional government agencies, and the Federal Rail Administration designated a limited amount of funds toward study, design, and construction of high-speed rail in the Southeast. North Carolina, Georgia, South Carolina, and Florida are in various stages of feasibility studies, implementation, and expansion of their passenger rail systems. However, as these initiatives begin to provide solutions, they also face implementation issues such as sharing already congested track with freight railroads, and financing significant infrastructure improvements.

Regionally, as the markets change from manufacturing to service, demand for goods will increase for high-value commodities that require just-in-time logistics and a greater reliance on truck and air shipments. This trend, coupled with the sharp increase in Asian trade, has caused a continuing shift away from carload (less than approximately 60 car lots) rail transport to intermodal transport, and resulted in a lack of railcar availability. The impact of this is felt most by the regional rail, shortline railroads, and shippers whose goods are best suited to bulk shipping. There are signs, however, of growing demand for carload rail transport as production of ethanol and biodiesel fuels gain traction as a result of the concern over dependence on foreign oil and global climate change.

Stakeholders throughout the region are concerned with significant existing capacity issues. Specifically, rail yards are becoming capacity-constrained, mainline capacity is increasingly tight, many of the regions' tracks are not capable of handling 286,000-pound railcars, grade crossings present safety and capacity concern at times of accidents, limited railcar availability is impacting the efficiency and reliability of the region's rail system, and the dispatching of trains is not as 'tight' as it could be. Transportation agencies and officials face many institutional challenges, like limited funding sources for rail improvements, difficulty incorporating rail needs within the traditional planning and programming process, limited understanding by transportation decision-makers of the importance of rail to the region as it plans for significant population growth, and limited coordination among states regarding rail planning.

Transportation officials in the Southeast region are undertaking a number of efforts in attempts to address the operational and institutional challenges they face, and to stave off growth in congestion. There are several planned port expansions and two planned intermodal terminals, including one in Winter Haven, Florida and one in Charlotte, North Carolina at the same time CSX is doubling the capacity of their Charlotte intermodal terminal. Norfolk Southern has announced their planned 'Crescent Corridor' project, which will increase capacity on a key route between Louisiana and New Jersey, with planned timelines given the development of public-private partnerships. As part of their National Gateway Initiative, CSX is planning improvements to the mainline that parallels I-95 to provide enhanced capacity and service between several Atlantic ports and Columbus, Ohio. America 2050 (a national initiative to meet the infrastructure, economic development, and environmental challenges of the nation as we prepare to add 120 million additional Americans by the year 2050) is emphasizing transportation efficiency in three different mega-regions in the Southeast.

The SEROps region must plan for land use, project priority, finance, and for institutional arrangements or face the possibility of slowed economic growth, a region without the infrastructure ready to carry the load, and significant problems related to ozone non-attainment and sprawl. Regional cooperation is critical to identify key rail chokepoints, better integrate freight into the formal transportation planning process, educate legislators and transportation decision-makers on the importance of freight, passenger and commuter rail to the region, and to actively participate in regional and national rail planning and policy efforts. This will take a dedication of resources by all the stakeholders both public and private to address the regions needs in time to make a difference.