

Statewide Rail Plan Commonwealth of Virginia Working Draft

July 14, 2008



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From the Director



Rail transportation has been integral to Virginia's growth and success for more than 170 years. Ensuring its continuing ability to support future needs requires considering the past and present influences that affect railroads, passenger rail operators and other transportation modes, in addition to future trends and impacts related to population growth, the economy, natural resources and the environment. This comprehensive rail plan for the Commonwealth of Virginia accomplishes this by analyzing the current

state of Virginia's rail system and recommending areas for improvement that will return the highest value to the Commonwealth.

The Virginia Department of Rail and Public Transportation (DRPT) is the leading state agency for rail, transit and congestion management. It issues a complete update to the Virginia Statewide Rail Plan every five years.

The new plan builds upon past successes to enhance Virginia's multimodal transportation corridors. Key recent accomplishments include the establishment of the Rail Enhancement Fund as the first dedicated source of rail funding in state history, the investment of more than \$150 million in rail capacity improvements in the I-95 and I-81 corridors and major multistate initiatives such as the Heartland Corridor project that are designed to remove hundreds of thousands of trucks from Virginia's highways.

While these initiatives have helped to improve the rail transportation network and multimodal connections, the demand for transportation services continues to outpace state and national transportation resources. Virginia, like many other states, faces a number of key challenges, including population growth, highway congestion, passenger and freight rail capacity limits, the increase in demand for passenger and freight rail services and quality of life issues such as the increase in fuel prices and the decline in air quality.

The business of freight rail adds its own challenges. Rail tracks are privately owned by freight companies with a responsibility to return shareholder value. Passenger rail – which operates on a different financial service model – requires these same tracks, creating competing and often contradictory demand for a limited resource.

The Statewide Rail Plan addresses all of these considerations by evaluating potential solutions from the international, national and state perspectives. International pressures include the competition among countries for vital resources such as fuel. Nationally, this issue is further complicated by the relationship between fuel costs and transportation funding. At the state level, while Virginia's enactment of the Rail Enhancement Fund puts it ahead of the curve nationally, the Commonwealth is just beginning to make the investments necessary to better integrate rail into the state's multimodal plan.

The impact of all of these issues was considered in developing the strategies outlined in chapter 4 of this Statewide Rail Plan. Virginia's rail priorities are defined by key corridors through projects that will provide public benefits and

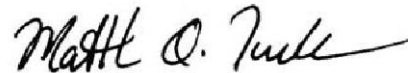
position Virginia for future growth. Over a 15-year period of performance, the proposed projects will deliver results by removing more than 7.3 million cars and trucks from Virginia highways, saving more than 445 million gallons of fuel and saving more than 1.2 million tons of carbon emissions while increasing the connectivity of our transportation system and providing better access to transportation for all Virginians. Specific applicable annual benefits are highlighted under each project.

The projects are arranged within three categories: Class I railroads, shortline railroads and passenger rail initiatives. The freight rail portion of the plan represents \$1.8 billion of the proposed program while the passenger rail improvements represent \$2.9 billion for a total of \$4.7 billion in rail investments. The potential funding and partnership opportunities for these projects are discussed in terms of railroad, state, local, federal and passenger rail sources. Strategic partnerships will be crucial to leveraging the Commonwealth's resources and obtaining the greatest improvements.

Next steps include completion of the public comment period for the draft Statewide Rail Plan in August 2008 and development of the Rail Action Plan for release in September 2008.

The Rail Action Plan will build on the projects identified in the draft Statewide Rail Plan by providing specific funding strategies and more detailed implementation plans for each project. A public comment opportunity will be provided on the Rail Action Plan, and the results will be incorporated into the final Statewide Rail Plan.

The final Statewide Rail Plan will serve as the Commonwealth's blueprint for advancing passenger and freight rail initiatives in Virginia. It is scheduled to be finalized in November 2008.

A handwritten signature in black ink that reads "Matt O. Tucker". The signature is written in a cursive, flowing style.

Matthew O. Tucker
Director
Department of Rail and Public Transportation