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HOUSE BILL NO. 1581

Offered January 20, 2006

A BILL to determine conditions necessary to divert truck freight from Interstate Route 81.

Patrons—Cline, Gilbert, Griffith, Kilgore, Landes, Lohr and Shuler

Referred to Committee on Transportation

Whereas, the General Assembly has determined that the transportation of freight and passengers by rail frequently provides a less expensive, safer, and more environmentally friendly and fuel efficient alternative to the construction of additional highway capacity; and

Whereas, the General Assembly has established the Interstate Route 81 Corridor Multistate Transportation Planning Initiative, potentially involving 13 states; and

Whereas, the Commonwealth of Virginia's previously commissioned studies to evaluate the feasibility of diverting freight in the Interstate Route 81 Corridor to rail have been restricted to improvements inside the borders of Virginia only; and

Whereas, Interstate Route 81 has been found to be overutilized by commercial truck traffic, more than half of which consists of long-haul through-trucks beginning and ending their trips outside of Virginia; and

Whereas, a higher-speed dual-track railway would enable the diversion of a significant portion of the through-truck traffic from interstate highways to rail; and

Whereas, the 600-mile Interstate Route 81 Corridor between Knoxville, Tennessee, and Harrisburg, Pennsylvania, may be a suitable market in which to deploy a modern, higher-speed intermodal concept using "roll on/roll off" technology in the United States; and

Whereas, if deemed feasible, such a rail operation has the potential to divert a higher percentage of truck-borne freight from Interstate Route 81 in Virginia than conventional intermodal rail concepts considered in earlier studies, and with the potential for adding other services such as passenger rail in the future; and

Whereas, there is a pressing public need to provide a mechanism for making improvements to the Commonwealth's rail infrastructure that are clearly in the public interest; now, therefore

Be it enacted by the General Assembly of Virginia:

1. § 1 That the Commonwealth of Virginia, through the Secretary of Transportation and the Rail Advisory Board, shall cause to have completed a comprehensive feasibility plan to define the conditions that would be necessary to divert at least 60% of the long-haul, through-truck freight traffic to intermodal rail in the Interstate Route 81 Corridor.

Such a plan shall be completed as quickly as reasonably possible and the finished plan provided to the Governor, members of the General Assembly, and the public. It shall include, but not be limited to, evaluation of the following with the objective of maximizing diversion potential to rail and minimizing future Interstate Route 81 highway capacity construction needs:

A. Operating Characteristics.

1. Utilize existing VDOT or Norfolk Southern Shenandoah line right-of-way wherever possible;
2. Extend at least 500 miles, creating or expanding logical termini in Tennessee and Pennsylvania or New York with at least one intermediate terminal in Virginia;

3. Utilize suitable "roll on/roll off" and other efficient rail technologies and service concepts;

4. Achieve truck-competitive transit times and reliability between terminals;

5. Consider alternative ownership, management, and service operational options and requirements;
and

6. Consider the option of a new rail right-of-way from Front Royal to Culpeper to expedite more efficient use of the Norfolk Southern Piedmont line.

B. Financial Evaluation.

1. Capital cost of upgrading and construction for rail line as determined in subsection A as well as cost of terminals, rolling stock, and other equipment or infrastructure;

2. Operating cost for the level of rail service needed to achieve truck-competitive speed and reliability;

3. Include comparative return on investment analyses between the rail option(s) found to be most effective in meeting the performance criterion of 60% diversion rate for through-state freight to rail;

4. Evaluate project financing alternatives, including funds available through SAFETEA-LU, the Federal Railroad Administration's \$35 billion "Railroad Rehabilitation and Improvement Financing" loan program, public and private sector bond financing, and public-private partnership capital

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59 *investment;*

60 *5. Include truck direct and indirect cost savings from using rail compared to over-the-road driving;*

61 *6. Include analysis of a full range of future fuel price scenarios, in determining potential diversion*

62 *rates to rail, and the capability to meet debt service and operate profitably; and*

63 *7. Estimate the construction schedule for completing track upgrades and grade crossing separation.*