



## I-81 TRANSPORTATION ISSUES & PRIORITIES

→ **There is broad regional support for a rail alternative to massive highway widening in the I-81 Corridor.** Thirty-eight Virginia counties, cities and towns, six regional planning organizations, two regional interest groups, and three Tennessee localities are all on record supporting rail infrastructure and service improvements to avoid border-to-border widening of I-81. STAR's proposal for an 8 to 12-lane Interstate 81 border-to-border in Virginia with dedicated truck lanes was not supported by the Draft Environmental Impact Statement (DEIS). But the preferred outcome of 37% of I-81 being 6 lanes, with the balance 8 lanes is still excessive, primarily because rail diversion potential was grossly understated. Such a project would still be hugely expensive, no doubt requiring toll financing. And tolls, applied differentially to this one north-south route and not others, threaten adverse economic impact on business, industry, and economic activity in the already depressed western reaches of the state.

→ **VDOT should be directed to drop the STAR negotiations and STAR Solutions as a prime contractor for all improvements to I-81.** The I-81 DEIS shows that STAR Solutions' plan wastes public funds and fails to efficiently handle freight through the Corridor. STAR Solutions was not able to bring substantial new federal or private sector financial resources for I-81 to Virginia. The no-bid PPTA contracting approach is not a healthy way for Virginia to do business. Virginia needs to decide first, without political pressure from Washington or influence-peddling by giant corporations, what it needs and wants to do in the I-81 corridor, then put those improvements out for competitive bids as has always been done. No one company or consortium should have a lock on this work. All Virginia contractors should have a shot.

→ **RAIL Solution strongly maintains an upgraded parallel rail line could handle through-truck freight volume moving on I-81 at far lower cost both economically and environmentally.** Accordingly we advocate for more balanced transportation planning in the corridor, with a meaningful role for rail. Adding more lanes of highway in response to every problem of congestion and growth is not a 21st Century transportation paradigm. Prerequisite for successful truck diversion is inter-state Corridor planning of 500 miles or more, not just the 325 miles in Virginia. Three earlier state-funded studies\* have shown that the likelihood of significant diversion on a Virginia-alone basis is small.

→ **I-81 needs quick improvements to hazardous spots.** The DEIS shows that a third of all fatal accidents on I-81 occur in only 8% of its lane miles. Only 56 of the 650 lane miles (8.6%) and 4 of the 381 ramps (1%) were found to be below the target level of service. This is evidence that focused, quick design improvements and congestion abatements, such as truck hill-climbing lanes and interchange redesign, will save lives and meet our needs now, as no 15-year construction project can.

→ **The Draft Environmental Impact Statement is seriously flawed.**

**a. Rail Analysis.** A key finding of the DEIS is that rail lacks the potential to divert enough truck traffic in Virginia to reduce significantly the scope of highway improvements. This result stems from the fact that in spite of the demonstrated potential for rail intermodal in longer corridors, VDOT adamantly adhered to its 325-mile planning horizon, preordaining rail diversions to inadequacy in the DEIS analysis of Concept #4. Instead Rail Option 3 is chosen as the best. It involves improvements on 13 short railroad segments in Virginia, ranging in length from one-half mile to 10 miles, with most of them a mile or two in length. With these few contemplated improvements, six additional trains per day in each direction could be handled, with an average speed of 33 mph. Projections of truck diversions are virtually useless and self-defeating if based on such meager rail enhancement. To divert meaningful volumes of through trucks from I-81 in Virginia, an upgraded rail line would need to handle six new trains *per hour*, not per day! The DEIS rail analysis is seriously flawed in other ways. Rail is set up to fail. Judgments and conclusions are reached based on unscientific surveys, obsolete rail costing methods result in rail movements being saddled with inappropriate and irrelevant expenses, and the technical appendices are riddled with so many factual errors that they are difficult to explain through carelessness or incompetence alone and raise the specter of purposeful misrepresentation.

**b. Federal funding available.** When no *highway* funding for rail was found, the issue was dropped and the unwarranted assumption was made that rail improvements could not be funded. However, alternative sources of funding for rail improvements need to be explored. For example, federal funding for intermodal terminals and access to them was included in the recently passed federal transportation bill. Also, Congress has set aside \$35 billion to loan to railroads and their public sector joint venture partners to finance construction of new railroad infrastructure, rehabilitate existing rail properties, and develop intermodal facilities. This program, administered by the Federal Railroad Administration (FRA), is referred to as Railroad Rehabilitation and Improvement Financing (RRIF)\*\*.

**c. Rising fuel costs.** The technical appendices rely on a direct regression between economic growth and growth of truck traffic. *Future trucking volumes are crucial to all decisions about capacity addition.* Therefore, it is a pivotal omission that no attempts have been made to fine tune these static projections for such factors as modal shift, rapidly rising fuel prices, chronic truck driver shortages, increased transport efficiency of rail, or environmental impacts such as diesel exhaust emissions,

all of which have the potential to disrupt the neat one-to-one relationship assumed in the projections to continue through 2035. Extrapolations of current growth are projected primarily on data from 2003 and 2004, and projected growth rates have been calculated on the experience from 1997 to 2003. Thus all these data and subsequent projections spring from a time when fuel cost ranged between \$1.00 and \$1.60 per gallon, and have not been adjusted to recognize that fuel has recently cost twice that much and is highly likely to face similar upward pressure in the coming years.

→ **The Governor and General Assembly must initiate a full-scale multi-state economic feasibility plan for diverting up to 60% of through-state truck traffic from I-81.** VDOT and VDRPT have so far refused to undertake this important analysis. All the diversion feasibility studies\*, plus the current DEIS, have refused to look beyond the borders of Virginia and have found that railroads can have little effect on highway truck volumes in the state. If Virginia truly wants to divert through-trucking from I-81 within its borders, the focus and analysis need to be inter-state, on the 535-mile I-81 corridor between Knoxville and Harrisburg. RAIL Solution secured legislation in the 2005 General Assembly for an I-81 Corridor Multi-state Transportation Planning Initiative calling for VDOT to work with neighboring states. VDOT has failed to do this.

→ **Freight rail “pays the freight” for introducing future higher-speed passenger rail service.** A core network of high-capacity rail lines, a "steel interstate" system, is needed for 21st Century America, and needs to be pursued with a fervor similar to the build-out of the Eisenhower Interstate Highway System in the latter half of the 20th Century. Not only would freight rail benefit, with reliable and timely transportation of intermodal business now sapping the capacities of our highways, but the rail network would provide the basis for improved, expanded higher-speed passenger service.

Footnotes:

\*[Desirability and Feasibility of Establishing Additional "Intermodal Transfer Facilities", Parsons Brinkerhoff, June, 2000, aka the "HR-704 Study"; The Potential for Shifting Virginia's Highway Traffic to Railroads, Wilbur Smith Associates, December, 2000, aka the "SJR-55 Report"; The Northeast--Southeast--Midwest Corridor Paralleling I-81 & I-95 Marketing Study, Reebie Associates, March 31, 2003, aka the Reebie Draft Report]

\*\*Highlights of the Railroad Rehabilitation and Improvement Financing (RRIF) Program:

- ❖ Loan amount -- No dollar limitation on loans/guarantees
- ❖ Repayment -- Up to 25 years, mortgage style repayment
- ❖ Interest rate -- equivalent to yields on U.S. treasuries of same description (about 4.75% on 25-year paper as of December, 2005)
- ❖ Collateral -- Not required, but FRA charges a credit risk premium if there is no collateral
- ❖ Eligibility -- One of the parties to the loan must be a railroad