

Preserving & Enhancing Rail Freight Service in Central Pennsylvania



*SEDA-COG Joint Rail Authority
Lewisburg, PA*

Rail Authority Formation



- In early 1980's: response to Conrail abandonments and loss of essential rail service
- Fifteen rail customers affected
- 3,000 jobs at stake
- Sought public ownership with private operation

System Growth



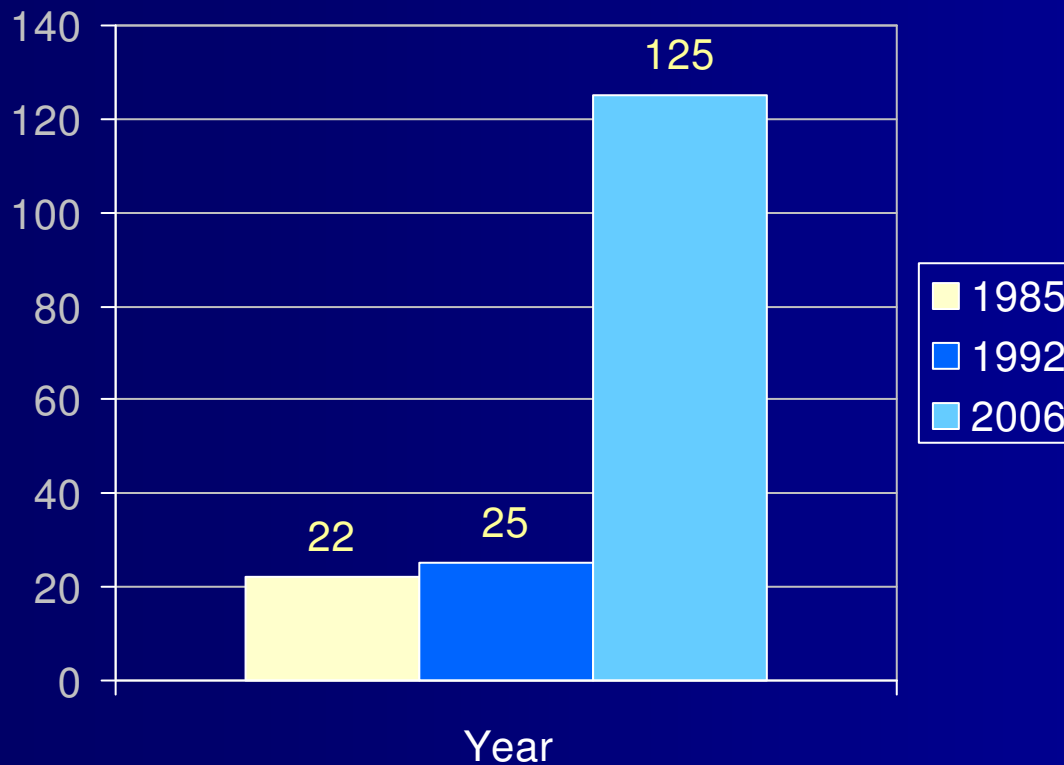
- North Shore and Nittany & Bald Eagle Railroads began operation in 1984
- In 1989, Shamokin Valley acquired from Conrail
- In 1996, Lycoming Valley and Juniata Valley Railroads

JRA and Operator:



- JRA receives small portions of freight revenue and trackage rights
- JRA manages all licenses and easements
- Operator provides marketing, train service and routine maintenance of way
- JRA responsible for capital upgrades and assist with new traffic development

Traffic Density 1985-1992-2006



1986 Traffic:
1900 carloads

2006 Traffic:
25,000 carloads

Total Jobs Retained 1985 = 3,000

Current Employment of Our 69 Customers = 8,000+

Economic Impact: 2005 Wages per Job



	All Sectors	Mfg.	Retail
Centre	\$27,809	\$36,714	\$18,706
Clinton	\$24,759	\$33,812	\$18,084
Columbia	\$29,024	\$32,690	\$17,342
Lycoming	\$27,932	\$38,294	\$17,784
Mifflin	\$27,962	\$39,207	\$17,999
N'umberland	\$27,071	\$33,190	\$17,650

Economic Impact: 2005 Total Wages per Sector



	Mfg.	Retail
Centre	\$185 mil	\$153 mil
Clinton	\$95 mil	\$34 mil
Columbia	\$231 mil	\$62 mil
Lycoming	\$412 mil	\$124 mil
Mifflin	\$178 mil	\$47 mil
N'umberland	\$200 mil	\$59 mil

Business Development



- Existing customer expansions
- New plant locations
- Regional economy is dynamic
 - Small industries grow
 - Industries once thought to be invincible may disappear
 - The 1983 core group of shippers are GONE – replaced by other industries with similar transportation needs

To Expand Traffic



- Develop Strong partnerships between—
 - Railroad ownership (Rail Authority)
 - Railroad operations (North Shore, et. al.)
 - Local economic development groups (Chambers, IDCs, IDAs)
 - State (DOT and state economic agency)
 - Municipalities and county governments (permitting, taxes, access issues and safety)

Maximize Traffic Growth



- Lower Barriers – make it **EASY** to work with railroad
- Identify rail traffic opportunities by careful analyses of customers' entire traffic patterns
- Railroad should have comprehensive local market knowledge

Barrier Reduction Examples



- Assist with rail facility development:
 - Free track design assistance
 - Permanent loan of rail and OTM to lower capital costs
 - Willingness to be flexible regarding customer utilities requiring railroad occupation
 - Coordinate and inspect railroad contractor's work for customers

Use of Railroad Property



- Take advantage of your railroad's physical plant:
 - Lease land for customer transloading in areas not needed for operations
 - Maximize use of yards
 - Explore “brownfields” opportunities

Public Resources



- Assist customers to secure public funding
- Act as facilitator regarding rail customer's local permitting, zoning and environmental issues
- Explore capital and accelerated maintenance projects funding

Customer Development



- Deal positively and aggressively with all business opportunities
- Don't ignore proposals that are seemingly limited – small customers can grow into MAJOR traffic

Recent Traffic Growth



- In past **three years** we have worked with operator to realize:
 - **10** customer expansions or rail facility improvements
 - **5** new customers
 - **6** land leases with JRA to develop new rail business
 - Total carloads added: 5,000

Recent and Current Expansions:



- UGI propane transload (Williamsport)
- Moran Logistics (Williamsport)
- G. O. Hawbaker (Pleasant Gap)
- First Quality Tissue Phase 2 (Lock Haven)

Planning New Rail Facilities:



- Impress USA (Bloomsburg)
- First Quality Enterprises (Lewistown)
- Western International Gas (Berwick)
- Graymont (Pleasant Gap)

2008?



- We are working with operator to achieve in the **next year**:
 - New \$3 million intermodal facility in Williamsport on LVRR
 - Actively working with biofuel prospects
 - Additional CMAQ-funded rail improvements in Berwick on NSHR