



# The Florida Senate

*Interim Project Report 2006-147*

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Committee on Transportation

Senator Jim Sebesta, Chair

## EXAMINATION OF THE NEED FOR A STATEWIDE ORGANIZATION TO PLAN AND DEVELOP PASSENGER AND FREIGHT RAIL TRANSPORTATION

### SUMMARY

This report focuses on whether a statewide body is needed to address rail transportation issues by:

- reviewing historical trends in rail performance,
- examining current rail transportation in Florida,
- discussing major issues facing rail today, and
- identifying federal and state organizations engaged in regulating or developing rail transportation.

On analyzing the information, the report recommends the Legislature should not create an additional statewide body for rail planning and development at this time.

### BACKGROUND

With the recent designation of the Strategic Intermodal System, much of the state's privately-held rail system has become eligible for funding, warranting an examination of the need for a statewide organization to plan and develop passenger and freight rail transportation. This report focuses on the need for a statewide body to address rail transportation issues.

#### A. National Rail History

Historically, railroad development in the United States (U.S.) was rapid and haphazard, without direction, planning, or supervision from the states or federal government. While government keenly encouraged the expansion of the rail network, construction was usually financed by private investors. Indirect federal subsidies were often provided by the federal government in the form of route surveys made by army engineers and land grants.

By 1910, trains carried 95 percent of all intercity transportation nationwide. When the U.S. entered World War I in 1917, troops and war materiel were transported to seaports almost exclusively by railroads which were nationalized to control the rail system centrally. When nationalization of the railroads ended in 1920, trains carried 1.2 billion passengers a year, but by 1929, intercity passenger rail travel had fallen by 18 percent and continued to decrease throughout the Great Depression. The debut of cleaner, high-speed diesel and gasoline-powered streamliners enhanced the prestige of rail travel and by 1939 passenger rail travel had increased 38 percent. Throughout World War II, with passenger trains overloaded with troops, and freight trains moving war materiel, railroads successfully fought attempts at re-nationalization, encouraging the public to delay personal travel unless absolutely necessary.

In the post-World War II era, both passenger and freight rail's share of the various transportation modes (mode-share) struggled for a number of reasons. Passenger rail's decline had both direct and indirect causes. For example, a 15% excise tax on tickets intended to discourage wartime civilian train travel was not completely removed until 1962. Business travel grew rapidly after the war and turned increasingly to airlines for long-distance trips while the aviation system benefited from massive government spending on airports, the air traffic control system, and other public investments. However, the most lasting and perhaps most important cause of passenger rail's decline were the dramatic changes in American urban design. For the first time, subsidized mortgage programs allowed large numbers of Americans to buy homes. The resulting low-density suburbs were often built far from central-city train stations and lacked convenient public transportation. Automobile ownership flourished, spurring the development of additional highway networks and auto manufacturing. Construction of the Interstate Highway System began

in 1956 and during the next two decades more than 42,000 miles of high-quality, multiple-lane, limited-access superhighways were completed helping make car trips faster, cheaper, and more convenient than train travel.

From 1947 to 1970, rail's passenger mode share, dwindled from more than 70 percent to less than 8 percent. As railroads sought to eliminate money-losing passenger trains (a service they were required to provide), the national rail passenger system - Amtrak - was created as a way of providing some balance to transportation options. Railroads transferred their passenger traffic to the system on May 1, 1971. In exchange, railroads were required to give Amtrak access to their track and dispatching priority. Amtrak's ridership rose during the oil embargo of the mid-1970s, but the increase was not maintained. Amtrak's farebox revenues have never returned a profit or even recovered the system's operating costs.

For the same reasons the Interstate Highway System made travel by private automobile increasingly attractive, it also improved the viability and economy of long-distance trucking of freight. The Interstate Commerce Commission (ICC), which was originally created by Congress in 1887 to regulate railroad pricing and treatment of customers, strictly regulated rail rates, routes, and service thus hampering the railroads' ability to adequately respond to competition from other modes of transportation. Not surprisingly, rail's mode share for freight tumbled from more than 60 percent to 44 percent between 1947 and 1970. The Staggers Rail Act of 1980 limited the authority of the ICC (now the Surface Transportation Board [STB]) to regulate rates only for traffic where competition is not effective to protect shippers and also legalized railroad-shipper contracts. The effects on the industry have been substantial. Although many railroads abandoned unprofitable lines, mode share in the post-Staggers era increased and has become stable. Return on investment now averages around 7 percent, up from a 2 percent average in the 1970s. Since passage of the Staggers Act, freight shippers have seen a significant decline in shipping costs.

### **B. Rail in Florida**

From its early role in the development of the state to the current transport of crucial commodities, rail's 170 year history in Florida continues to add vitality to the state's economy. As early as the mid-1830s, railroads moved Florida's cotton and other goods to river and seaports for export. Later, rail brought passengers to hotels and other tourist destinations often developed by

the railroad companies. It is impossible to quantify the impact early railroad tycoons such as Henry Flagler, William Chipley, and Henry Plant had on the location and development of many of the state's urban areas as their endeavors opened previously inaccessible parts of the state. However, their names and their legacies are indelibly linked to Florida's geography.

#### *Passenger Rail in Florida*

Florida's passenger rail experience has, unfortunately, followed the national trend of intercity rail travel's decline. Passenger rail service is best described by breaking it into two types, the longer distance intercity service and the shorter metropolitan and regional commuter service.

Florida's only intercity passenger rail service is provided by **Amtrak**, the National Railroad Passenger Corporation. In 2004, Amtrak served 913,000 passengers in Florida, (an increase of 3.4 percent from 2003) ranking the state 10<sup>th</sup> in terms of ridership nationwide. Only two other top-ten states (California, Washington) were not from the Northeast. Amtrak provides four distinct services in Florida:

- The **Auto Train** operates daily non-stop service between Sanford, Florida and Lorton, Virginia. The unique service transports passengers' private vehicles on the train.
- The **Silver Star** and **Silver Meteor** offer daily service between Miami and New York City. Both trains follow the same route from New York to Raleigh, North Carolina. The Silver Star's route follows the Appalachian piedmont and includes a stop in Tampa. The Silver Meteor takes a more coastal route through Georgia and the Carolinas with no stop in Tampa.
- The **Sunset Limited** offers three trains per week with service between Orlando and Los Angeles. The route is Amtrak's longest at 2,768 miles, reflected in a travel time of 67 hours, 15 minutes.

Amtrak also serves some areas of the state lacking rail service with its **Thruway Motorcoach Service**, a rail-bus connection.

Florida's only commuter rail system, **Tri-Rail** operates 30 round trips every weekday between West Palm Beach and Miami. The 72-mile route is operated by the

South Florida Regional Transportation Authority on right-of-way owned by the State of Florida. Tri-Rail’s 2003 ridership of 2.7 million ranked 10<sup>th</sup> nationally in a comparison to other commuter rail systems. From 1996 to 2003, ridership increased by 18 percent overall, with double-digit increases at stations serving the three international airports (35 percent at West Palm Beach, 32 percent at Fort Lauderdale/Hollywood International, and 11 percent at Miami International).

Other rail-based passenger transportation systems in Florida include:

- **Metrorail** – an electric-powered elevated rail system operating in Miami-Dade County serving 22 stations over 22.4 miles. Total ridership in FY 2003 was 14.3 million passengers.
- **Metromover** – the largest automated guideway system in the U.S. The 4.3 mile route serves 21 stations in downtown Miami.
- **TECO Line Streetcar System**- a light rail system offering 10 station stops along a 2.3 mile route between Tampa and Ybor City.
- **Sky Train** – a 2.7 mile route in Jacksonville serving eight stations.

*Florida High Speed Rail*

High Speed Rail (defined as passenger service operating in excess of 120 mph) has been envisioned for Florida since at least the mid-1970s when the Florida Transit Corridor Study examined the potential for 150-mph trains between Daytona Beach and St. Petersburg. In the 1980s, Governor Bob Graham created the Florida High Speed Rail Committee which recommended public/private partnering as a means of achieving a high-speed system connecting Tampa, Orlando, and Miami. Ultimately, however, proposals for partnering were deemed too expensive. The New High Speed Rail Act of 1992 directed the Florida Department of Transportation (FDOT) to develop plans for a system. In 1995, FDOT announced a funding commitment of \$70 million per year for 30 years leading to a partnership with Florida Overland Express (FOX), a consortium of proposing a \$6.1 billion system. The system was to be financed by bonds repaid from system revenues and Florida’s \$70 million annual contribution. However, the effort was terminated in 1999. In November 2000, Florida’s voters passed a constitutional amendment mandating development of a

high-speed rail system linking the state’s five largest urban areas. In November 2004, voters repealed the constitutional amendment.

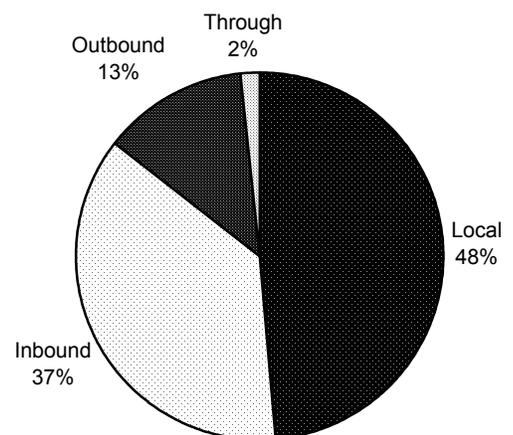
*Freight Rail in Florida*

Today, there are 14 railroads operating in Florida on a rail network extending 2,700 miles, connecting nearly all of the state’s population centers. The vast majority of Florida’s rail network is privately owned. This network:

- extends the markets of the state’s farmers, manufacturers, ports, and other industries;
- provides competition resulting in lower shipping costs;
- alleviates congestion on the highway system;
- adds redundancies needed to enhance security of the transportation system;
- and promotes industry expansion and jobs.

Florida’s rail system moves an enormous and increasing amount of freight. In 2003, 117 million tons were carried, up from 113 million in 2002. The FDOT estimates freight volumes will nearly double over the next 20 years. In 2003, the 14 railroads operating in Florida carried 1.97 million carloads of freight, the equivalent of six million heavy truckloads that likely would have traveled on the state’s highways. Nearly half of the freight movements had an origination and destination within Florida.

**Figure 1 Florida Freight Rail Tonnage**



At least seven Florida industries are acutely impacted by the performance of the state’s rail system.

- **Phosphate and Fertilizer mining** places unique demands on the Central Florida transportation system. Florida produces over 25 percent of the nation's non-metallic minerals, which also includes crushed rock and sand. By weight, non-metallic minerals account for 61 percent of rail freight originating in Florida. About 20 million tons of phosphate-related materials are shipped through the Port of Tampa each year.
- **Distribution and Retail** relies heavily on the trucks for movement of consumer products to sales outlets; however, the rail system is crucial for long-haul movements from other states. The efficiency of ship-to-rail intermodal connections in Florida's ports also figures prominently in the ports' competitiveness.
- **Food and Agriculture** presents numerous examples of dependence on rail freight service. In addition to the famous Juice Trains carrying fresh orange juice to the Northeast, Midwest and California, other special unit trains move bulk refined sugar from South Florida to the Hershey chocolate factory in Pennsylvania. Grocers depend on rail to bring canned goods into the state.
- **Paper and Fiber** production's most visible aspect is often a log truck; however, a majority of the finished product is moved by rail. Jacksonville-based Rayonier ships 80 percent of its product destined for the U.S. via rail. Additionally, large quantities of the industry's inputs, such as chemicals are moved by rail.
- **Automotive Distribution** figures prominently in the total value of goods moved by rail. New cars sold in Florida (1.4 million in 2003) are usually transported into the state via rail from assembly plants in the Southeast and Midwest. Florida's ports (especially Jaxport) also rely heavily on rail for movement of imported vehicles. The availability of rail lines has also become a major factor in the siting of new assembly plants.
- **Energy** production is affected greatly by the price of the fuel burned and the cost of transporting the fuel. As petroleum/natural gas prices rise, producers look toward coal as a cost effective alternative. Rail provides cost

effective transport which helps to keep energy's cost to the consumer low.

- **Construction**, one of Florida's largest employment industries, depends heavily on the availability of steel, lumber, concrete, and other materials often moved most efficiently by rail.

## METHODOLOGY

Staff reviewed historical accounts, surveys and data relating to rail transportation planning, operations, and funding. Staff researched the role of existing rail planning and advisory bodies in other states. In addition, staff conducted interviews and reviewed federal and state requirements for rail planning.

## FINDINGS

Although freight rail has lost mode-share to the trucking sector, it remains economically competitive in many markets such as containerized-freight and especially bulk commodities like coal and Florida orange juice. The 2004 Florida Rail Plan identified three primary issues facing freight rail:

- **Grade Crossings** - The more than 5,000 at-grade road-rail crossings are the number one issue for freight rail due to the inherent safety and noise concerns as well as the delay incurred by both the road and rail users.
- **286,000-pound rail cars** – Upgrading track and bridges to accommodate the industry standard 286,000-pound rail cars allows railroads to more easily connect with other railroads and better compete with trucking.
- **Passenger Rail** – Growing interest in using existing rail lines for intercity and commuter passenger services will create capacity and safety/liability issues.<sup>1</sup>

Clearly, rail passenger mode-share has declined more intensely than that of rail freight. In recent years, much effort has been expended in improving the technological applications of passenger rail, e.g., speed, to entice ridership. However, many researchers hold

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<sup>1</sup> Passenger rail service is most often provided by public entities enjoying sovereign immunity. Since the public entity has limited liability, the private railroads are potentially exposed to economic damages in the event of passenger rail crashes, derailments, or other incidents.

that operational difficulties, lagging infrastructure development, and lack of coordination among transportation modes are largely to blame for the lack of progress in passenger rail's performance. The speeds and performance of the line-haul portion of intercity travel have generally been maintained or have experienced some improvement within the last thirty years. In fact, travel times for rail remain competitive with both airline and auto travel for trips in the 75 to 300 mile range. Some rail policy experts have argued antiquated or isolated passenger terminals and the lack of amenable intracity travel options are the most significant causations of passenger rail's decline. The American Association of State Highway and Transportation Officials' (AASHTO) report "Intercity Passenger Rail Transportation" espouses the benefits of focusing passenger rail development programs on corridors, i.e., shorter-distance intercity markets where passenger rail can offer a reasonable travel time option to consumers.

While the planning and funding of highway and air travel infrastructure has become well ingrained in government persona and practice, planning for rail transportation has not. It is different from the planning process used for other modes since virtually none of the rail system is publicly owned. Unlike public highways and airports which serve private vehicles and aircraft, nearly all railway infrastructure including the right-of-way and rolling stock are privately owned. Further, federal jurisdiction over interstate commerce regulations has resulted in diminished state concern with rail planning, other than safety programs and right-of-way abandonment issues. Another report from AASHTO, "Freight-Rail Bottom Line Report" acknowledges:

Market-driven evolution will accommodate some of the forecast freight growth, but relieve little of the forecast congestion on the highway system. A public-policy-driven expansion could produce a rail industry that provides the cost-effective transport needed to serve national and global markets, relieve pressure on overburdened highways, and support local social, economic, and environmental goals.

Numerous parties participate, in varying degrees, in the regulation, planning, and development of passenger and freight rail transportation in Florida.

### **A. Federal Organizations**

#### *Federal Railroad Administration*

The Federal Railroad Administration (FRA) was created by the Department of Transportation Act of 1966 (49 U.S.C. 103, Section 3(e)(1)) to:

- promulgate and enforce rail safety regulations;
- administer railroad assistance programs;
- conduct research and development in support of improved railroad safety and national rail transportation policy;
- provide for the rehabilitation of Northeast Corridor rail passenger service;
- and consolidate government support of rail transportation activities.

Within the FRA, the Office of Railroad Development (RDV) is responsible for Federal investment and assistance to the rail industry, as well as the development and implementation of Administration policy concerning intercity passenger rail service and high-speed rail. The RDV sponsors research and development activities to advance science and engineering to improve the technology for railroad safety and work, and provides investment opportunities for small freight railroad projects.

#### *Surface Transportation Board*

The STB has no planning or development activities, but is a federal economic regulatory agency charged by Congress with the fundamental missions of resolving railroad rate and service disputes and reviewing proposed railroad mergers and abandonments. The STB is decisionally independent, although it is administratively affiliated with the U.S. Department of Transportation. The STB was created by the Interstate Commerce Commission Termination Act of 1995 and is the successor agency to the Interstate Commerce Commission.

### **B. Florida-Based Organizations**

#### *Florida Department of Transportation*

Since 1969, when the State Road Department was reorganized as the Florida Department of Transportation (FDOT), FDOT has worked to integrate all modes of transportation into a comprehensive, complementary system which maximizes the efficiency of each mode. In 2003, the Legislature passed SB 676

which clarified FDOT's responsibilities in serving all transportation modes. Specifically, the bill:

- Created the Strategic Intermodal System (SIS) comprising transportation facilities of statewide and interregional significance, and directed the FDOT to develop an implementation plan;
- Directed the Florida Transportation Commission to conduct an assessment of the need for an improved philosophical approach to regional and intermodal input in the planning for and governing of the Strategic Intermodal System and other transportation systems; and
- Directed MPOs to develop coordination mechanisms with one another to expand and improve transportation within the state.

The SIS consists of appropriate components of: (1) The Florida Intrastate Highway System, (2) The National Highway System, (3) Airport, seaport, and spaceport facilities, (4) Rail lines and rail facilities, (5) Selected intermodal facilities; passenger and freight terminals; and appropriate components of the State Highway System; county road system, city street system, inland waterways, and local public transit systems that serve as existing or planned connectors between the components, and (6) Existing or planned corridors that serve a statewide or interregional purpose.

Rail planning and development within FDOT is accomplished by the FDOT Rail Office. The Rail Office is statutorily charged with developing and implementing a statewide rail program and rail system plan in conjunction with other governmental units and the private sector. FDOT's rail program is designed to ensure the proper maintenance, safety, revitalization, and expansion of the rail system to assure its continued and increased availability to respond to statewide mobility needs. The Florida Rail System Plan is updated every two years and summarizes strategies and goals for planning and monitoring the state's rail system.

In 2000, the FDOT Rail Office presented the Intercity Passenger Rail Vision Plan, a joint effort with Amtrak. The Plan's overall approach was to develop passenger rail service incrementally, both in terms of speed and geography. Implementation of the plan was temporarily delayed to accommodate the provisions of the High

Speed Rail constitutional amendment. With the repeal of the amendment, the Rail Office has begun updating the Passenger Rail Vision Plan with an expected completion in February 2006. The Rail Office is currently working with CSX Transportation to increase passenger rail capacity by rerouting some freight trains to an alternate rail line. Freight service would be concentrated on the "S Line" between Jacksonville and a possible distribution center between Orlando and Tampa freeing capacity on the "A Line" for possible passenger service.

#### *Florida Transportation Commission*

The Florida Transportation Commission (FTC), created by the 1987 Legislature to serve as a citizen's independent oversight board for FDOT, is composed of nine Commissioners appointed by the Governor. The Commissioners represent transportation needs of the state as a whole and review major transportation policy initiatives and recommend major transportation policy to the Governor and Legislature. In their "Assessment of Florida's Regional and Intermodal Transportation Planning Process" – December 2003, the FTC stated:

There is a multiplicity of transportation, expressway, aviation, seaport, transit, and rail authorities, which are often single-purpose organizations that make multi-modal planning efforts more difficult.

#### *Regional/Commuter Rail Authorities*

**South Florida Regional Transportation Authority:** Formerly the Tri-County Commuter Rail Authority (Tri-Rail), the South Florida Regional Transportation Authority's (SFRTA) mission is to coordinate, develop and implement a viable regional transportation system in South Florida for the movement of people, goods and services. The SFRTA provides transit services to Palm Beach, Broward, and Miami-Dade Counties including the 72-mile Tri-Rail commuter rail system and feeder bus system.

**Central Florida Regional Transportation Authority:** More commonly known as LYNX, the Central Florida Regional Transportation Authority (CFRTA) provides transit services to Orange, Seminole and Osceola Counties. The CFRTA is currently working with FDOT and the Federal Transit Administration to develop the Central Florida Commuter Rail System. The proposed system would travel along existing CSX tracks for 61 miles through Volusia, Seminole, Orange, and Osceola Counties generally paralleling the Interstate 4 corridor.

Tampa Bay Commuter Transit Authority: Like the SFRTA and CFRTA, the Tampa Bay Commuter Transit Authority (TBCTA) derives its authority from Florida Statute. The TBCTA has been inactive for several years.

Jacksonville Transportation Authority: The Jacksonville Transportation Authority (JTA), an independent state agency serving Duval County, has multi-modal responsibilities. JTA designs and constructs bridges and highways and provides varied mass transit services. These include express and regular bus service, a downtown Skyway monorail, and a trolley service. JTA is also studying the feasibility of providing rapid transit in Northeast Florida.

#### *Florida High Speed Rail Authority*

In March 2001, the Florida Legislature enacted the Florida High Speed Rail Authority Act and created the Florida High Speed Rail Authority (Authority) to advance the development of a Statewide High Speed Rail System in Florida in accordance with Article X Section 19 of the Florida Constitution. The Act established a nine member Board made of three appointments each by the Governor, the Speaker of the Florida House, and the President of the Florida Senate. The Authority is statutorily charged with locating, planning, designing, financing, constructing, maintaining, owning, operating, administering, and managing the high-speed rail system in the state. Each year, the Authority issues an annual report of actions, findings and recommendations to the Governor and the Legislature. In July of this year, the Authority completed the federally-required Environmental Impact Study (EIS) for the proposed Tampa to Orlando route.

#### *Florida Intermodal Centers*

The Miami Intermodal Center (MIC) is a \$2.25 billion project under construction adjacent to Miami-Dade International Airport. Once completed, the MIC will be a consolidated transfer center for passengers using the airport, intercity and commuter trains, rapid transit, local and intercity buses, and cruise ships in the Port of Miami. The project is being developed by FDOT and the Miami-Dade Aviation Department, with cooperation from the Miami-Dade Expressway Authority, Miami-Dade Transit, Amtrak, and various rental car agencies serving the airport.

The 2003 and 2004 Legislatures included proviso language appropriating \$4.9 and \$5 million respectively to provide for the planning, design, and engineering of additional intermodal centers around the state. FDOT has initiated project development and

environmental activities associated with intermodal centers at Orlando International Airport (OIA) and in two Tampa Bay locations (Downtown Tampa and Pinellas Gateway.)

#### **C. Other States**

Title 49 U.S.C., Sec. 22102, requires states to prepare and periodically update a State Rail Plan as a requirement to participate in federal freight rail service continuation funding programs. Typically, the plan is developed by the state department of transportation (DOT). Most state rail plans tend to focus on the issues and needs of the freight rail system with less deference to passenger rail, often only identifying existing passenger service.

#### *California*

One notable exception is the California State Rail Plan, prepared by the California Department of Transportation (CALTRANS) which includes a corridor-level assessment of needs for existing and proposed rail passenger routes. In addition to working with the private railroads for freight concerns, CALTRANS works closely with Amtrak in planning and providing passenger rail service in three major corridors, running 12 to 14 trains per day in each direction and serving 4.1 million riders per year. The state contributes annual operating support of about \$73 million.

#### *Virginia*

In 2003, the Virginia Assembly adopted legislation calling for the creation of the Virginia Rail Transportation Development Authority (VRTDA) to identify needed construction, reconstruction, improvements, or repairs to railroads and their facilities and equipment. The VRTDA would have had bonding authority to finance needed rail infrastructure improvements and would have developed a rail transportation plan in conjunction with the Virginia Department of Rail and Public Transportation. However, required re-enacting legislation was not adopted and the authority has not been created.

Though it is not cited as rationale for not re-enacting the VRTDA legislation, it is of interest to note a survey conducted by the Virginia Transportation Research Council at the request of the Assembly. The survey found no state rail planning model presented a single "appropriate" format for a rail planning authority. The survey found rail entities were created in six states (Maryland, New York, Ohio, Pennsylvania, South Dakota, and West Virginia) to plan overall rail strategy and to buy/operate/improve/lease rail lines to preserve

and expand service. However, the entities differed greatly in their focus, e.g., passenger vs. freight vs. transit, corridor vs. statewide, as well as funding sources and governmental status. Several were agencies of the state (sometimes within the state DOT) with eminent domain and bonding powers. The report stated the Ohio Rail Development Commission, a part of the Ohio DOT, might serve as model for the Virginia authority.

*Ohio*

The Ohio Rail Development Commission was created in 1994 by the Ohio General Assembly as an independent commission within the department of transportation. The Commission has 14 members, including four non-voting members from the Ohio General Assembly. Six commissioners are appointed by the governor and one each by the President of the Ohio Senate and the Speaker of the Ohio House. The Ohio Department of Transportation and the Ohio Department of Development both have ex-officio membership. Through the use of grants and loans, the ORDC assists business development with rail spurs and other rail infrastructure and assists in the acquisition and continued operation of branch lines. Short-line and regional railroads receive assistance in the rehabilitation of light density branch lines. Additionally, the ORDC assists with the promotion of the rail-related tourism industry and maintains Ohio's readiness to move toward intercity passenger rail service at both conventional and high speeds through a variety of planning initiatives.

*West Virginia*

In addition to developing the state rail plan, the West Virginia State Rail Authority (WVSRA) is responsible for the rehabilitation, improvement, and restoration of the financial stability of the railway system in the state, enabling it to remain a viable mode of transportation for the public sector. The WVSRA is empowered to issue bonds and set rates for the rail system and receives Federal and State grants to supplement the cost of operations. The Authority consists of seven members. The Secretary of the West Virginia DOT is an ex officio member. The other six members are appointed by the governor. For Fiscal Year 2004, the WVSRA had \$5,571,931 in expenditures.

*Illinois*

The Illinois DOT provides rail planning services through two offices within the department. The Bureau of Railroads administers rail service programs that supplement rail passenger service provided by Amtrak's national system and preserve rail freight

service. The bureau sponsors 20 rail passenger trains service between Chicago and Springfield, Champaign-Urbana, Quincy and Milwaukee. These trains supplement service provided by approximately 38 national Amtrak trains. Under the rail freight program, the bureau administers low-interest loans to finance rail improvements that will preserve freight service critical to keeping and expanding industry and employment. The Division of Public & Intermodal Transportation provides technical assistance and administers state and federal funding to 50 public transit systems throughout the state. The division administers capital grants to assist in the purchase of rail transit cars; and the upgrading of track, support facilities and stations for commuter rail and rapid transit service.

**RECOMMENDATIONS**

By creating and funding the SIS, the Legislature has initiated a statewide public-policy-driven process capable of planning and developing freight and passenger rail transportation in coordination with all modes of transportation. Although it is still in an embryonic stage, the SIS represents the state's most aggressive attempt to fully integrate all modes into a cost-effective intermodal system for the seamless point-to-point movement of people and goods between regional, national, and global markets. The FDOT's deliberate and detailed coordination of the rail system's intermodal connections would relieve pressure on overburdened highways, and support the state's social, economic, and environmental goals. Therefore, assuming the FDOT provides for the development of the inter- and intra-city rail components of the SIS through public, private or joint investment, the Legislature need not create an additional statewide body for rail planning and development at this time.