

RAIL

FLORIDA RAIL SYSTEM PLAN

2015

December 2018



FLORIDA RAIL SYSTEM PLAN - 2018 UPDATE

The Florida Department of Transportation (FDOT) Freight and Multimodal Operations Office (FMO) present this 2018 update of the 2015 Florida Rail System Plan. As new challenges have had a great impact on the needs and future projects identified in the 2015 Rail System Plan, FDOT prepared this update.

CHALLENGES

- New State Rail Plan Guidance was created in 2013 to set a standard format and elaborate on required elements of the plan to include a 5-year update cycle, and a requirement for states seeking capital grants under Sections 301, 302, and 501. See <https://www.fra.dot.gov/Page/P0511>. Thereafter, FDOT prepared a 2015 Rail System Plan that was completed in December 2015. The Plan was not published at that time, as major industry changes were expected and no public outreach had yet been conducted.
- Major industry changes occurred that impacted most of the rail mileage in Florida:
 - CSX hired Hunter Harrison in spring of 2017, and radically changed the company by imposing precision-scheduled railroading instead of a hub-and-spoke system. This approach has been continued by CSX leadership through 2018.
 - Grupo México Transportes (GMXT), the leading rail freight transportation company in Mexico, successfully completed the acquisition of Florida East Coast Railway in 2017.
 - Brightline began service in 2018 between West Palm Beach, Ft. Lauderdale, and Miami later in the year, and with plans to connect to Orlando and potentially to Tampa in the future.

APPROACH

- The FAST Act (Title 49, Section 22702) passage in December 2015 changed the 5-year update cycle to a 4-year update cycle.
- FDOT initiated this 2018 update to revise the inventory and needs aspects to reflect current conditions.
- This updated version of the plan was shared for public review, edited based on feedback, and is now published as the 2015 Rail System Plan - 2018 Update to meet Florida statute and Federal Railroad Administration (FRA) requirements.
- As industry changes continue to impact the rail industry in Florida, FDOT will address any changes in needs and future projects in the next full Rail System Plan update. These industry changes include the intention for CSX to sell track between Pensacola and Jacksonville to Florida Gulf and Atlantic Railroad, as well as Brightline partnering with Virgin Group.



EXECUTIVE SUMMARY

INTRODUCTION

The Florida Department of Transportation (FDOT) developed the *Rail System Plan* to guide the state's rail freight and passenger transportation planning activities and project development plans. This Plan complies with Section 341.302(3), Florida Statutes, which require an identification of priorities, programs, and funding levels required to meet statewide and regional goals. This Plan also meets the requirements embodied in the Federal Passenger Rail Investment and Improvement Act (PRIIA), as amended by the Fixing America's Surface Transportation Act (FAST Act) of 2015, and in the Federal Railroad Administration's (FRA) *State Rail Plan Guidance*. The plan describes the state's existing rail network, its challenges and opportunities, and rail-related economic and socio-environmental impacts of each rail mode. The plan also includes Florida's Rail Vision and Supporting Goals, along with both proposed publicly sponsored short and long-range capital improvements and policy recommendations to achieve the Vision and Goals.

FLORIDA'S RAIL SYSTEM

Freight rail is a vital asset to the State of Florida. Freight rail provides a critical link to business markets across the state, nation, and ultimately the world. Freight rail is a key component of the State's mobility network, as it provides:

- Opportunities to manage growing highway congestion;
- An economic resource that provides employment and business development opportunities; and
- A means to adapt to changing market conditions using technology and innovative management tools.

The freight rail network in Florida transports many of the goods consumers and businesses use every day. Historically, freight railroads primarily transport large, heavy bulky items for long distance that are usually inappropriate for truck or air cargo. However, more and more railroads are finding market 'niches' and competing with the trucking industry for lighter load short-haul products. Computers, fresh produce, medical equipment, and other items traditionally transported by long haul trucks are more frequently being carried by freight rail cars in containers.

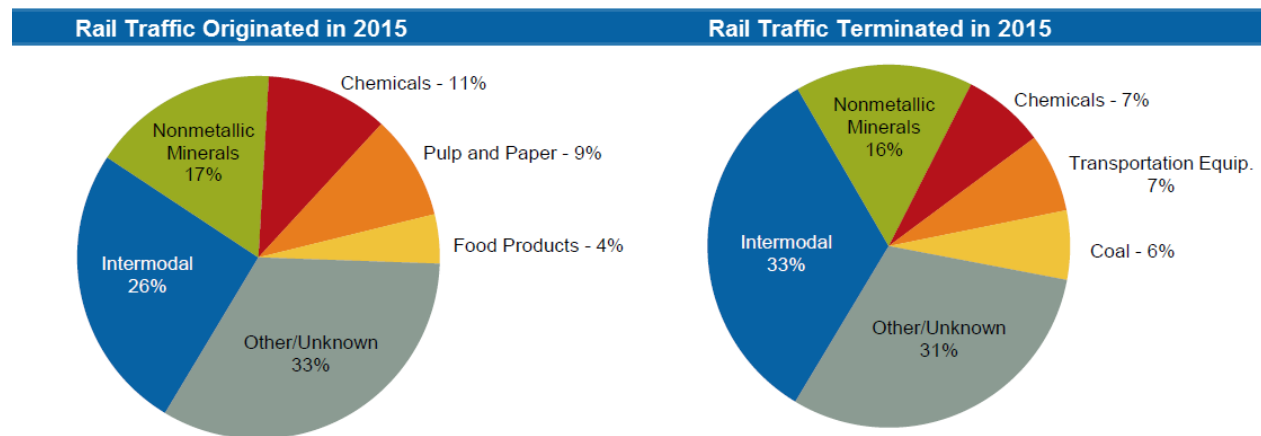
Railroads are classified based on their annual operating revenues. The class to which a carrier belongs is determined in accordance with the following revenue thresholds:

- Class I - \$447,621,226 or more
- Class II - Less than \$447,621,226 but in excess of \$35,809,698
- Class III - \$35,809,698 or less

These revenue thresholds are periodically updated to account for the impact of inflation. They were last updated in 2017. Railroads are reclassified upward or downward if they meet revenue requirements for three consecutive years. Florida's freight rail system is operated by two Class I railroads, one Class II railroad, and Class III railroads that are further categorized as switching and terminal railroads or short lines. The system consists of 2,743 mainline miles, excluding connector, siding, spur, storage, and yard miles.

The majority of rail mileage in the state is owned by the Class I carrier CSX Transportation (CSX), and Class II carrier Florida East Coast Railway (FEC). These railroads own a total of 2619 miles, or 68% of the statewide total. Class I Carrier Norfolk Southern Railway (NS), the short line railroads, and the State of Florida own the remaining miles in the state.

In 2015, Florida's freight railroads carried 83 million tons of freight that originated in, terminated in, or traveled through the state of Florida. The leading commodities are shown below.



Source: American Association of Railroads, 2017

Florida is served by three long-distance intercity trains operated by the National Railroad Passenger Corporation (Amtrak). Two commuter services, SunRail (serving the Orlando area) and Tri-Rail (serving southeast Florida) currently operate in the state. There are also four tourist railroads offering excursion trips and exhibits in the Central and Southern Florida regions.

Amtrak operates mostly over CSX Transportation (CSX) freight trackage, but also operates over state owned trackage between Deland, Orlando and Poinciana, and between Mangonia Park and Miami. The three long-distance Amtrak trains are: the *Silver Meteor* and the *Silver Star*, operating between New York and Miami, and the *Auto Train*, operating between Lorton, Virginia (south of Washington DC) and Sanford. A total of over 920,000 passengers boarded and alighted at the 18 Florida Amtrak stations in 2017. Of these 228,943 boardings and alightings were at Sanford, 133,248 were at Orlando, and 110,577 were at Tampa.

Operating since 1989, Tri-Rail links Miami, Fort Lauderdale, and West Palm Beach. Tri Rail is managed by the South Florida Regional Transportation Authority (SFRTA) along lines owned by the FDOT. The 72-mile system has 18 stations and connects to Metrorail and Metrobus, the Miami Airport, and to Amtrak at several stations. Tri-Rail service includes 50 weekday trains and 30 weekend/holiday trains. Tri-Rail's average weekday ridership is approximately 14,000.

SunRail service began on May 1, 2014. Phase 1 covers 32 miles with 12 stations along former CSX Transportation tracks connecting Volusia and Orange Counties through the City of Orlando. Phase 2 opened July 30 2018 and added four more stations and extended South 17.2 miles to Poinciana in Osceola County. SunRail currently runs 36 train trips per day, Monday through Friday, excluding holidays. Average daily ridership is approximately 5,000.

Florida has two long journey tourist trains, the Orlando Star Clipper Dinner Train and the Seminole Gulf Railway. Additionally, there are five other tourist or excursion trains. These attractions include the Walt Disney World Railroad, which features an original restored steam locomotive; the TECO Line Streetcar System, which provides trolley rides on restored Briney cars through downtown Tampa on more than two miles of streetcar trackage, and other long journey tourist trains that enact murder mysteries or other interactive theatre experiences.

RAIL IMPACTS

Freight rail facilitates the movement of goods and associated economic activity, reflecting the reallocation of intermediate goods for production and final goods for consumption. Freight volumes can be translated into economic impacts to demonstrate the role that rail activities provide in Florida's economy.

In terms of freight rail-related impacts, transport providers (CSX, FEC, NS and the short lines), and users (Florida rail shippers) create direct economic impacts through rail operations. Further, indirect impacts associated with suppliers, and induced impacts associated with the re-spending of income, are also quantified. The indirect and induced impacts are collectively known as multiplier effects. The same is true of passenger rail-related impacts, with transport providers (Amtrak, commuter rail operators and tourist trains) and users (residents and visitors).

Key freight impacts calculated using *IMPLAN* data include the employment (measured in terms of full-time-equivalent job-years), personal income (wages and salaries), and value added (or net economic activity or Gross State Product¹):

- *Employment* – Economic impacts of rail extend beyond the 4,990 direct employed in the provision of freight rail transport. When the freight user impact activities and multiplier effects are included, rail-related employment in Florida totals 738,840 jobs, which represent 7.0% of the 10.6 million jobs statewide.
- *Income* – \$34.2 billion earned by these total impacted employees represent 7.0% of Florida's total labor income.
- *Value-Added* – The combined value-added impact, \$57.9 billion, associated with the rail services and users represent 7.3% of the state's Gross State Product.

¹ 2013 dollars

Key passenger impacts calculated using *IMPLAN* data:

- *Employment* – Economic impacts of rail extend beyond the 970 directly employed in the provision of passenger rail transport. When the passenger rail user impact activities and multiplier effects are included, passenger rail-related employment in Florida totals 9,420 jobs.
- *Income* – A total of \$379.8 million is earned annually by these total impacted employees.
- *Value-Added* – A combined value-added impact of \$589.3 million is associated with the passenger rail services and users.

RAIL SYSTEM PLAN DEVELOPMENT PROCESS

FDOT is the designated State Rail Transportation Authority (SRTA) and State Rail Plan Approval Authority (SRPAA) for Florida. The *Rail System Plan* was developed under the authority and guidance of the Florida Department of Transportation’s Freight and Multimodal Operations Office. The Freight and Multimodal Operations Office is comprised of various rail-related functions and areas of oversight. These areas include leadership, direction and support for rail staff activities, rail policy and technical support to executive leadership, and liaison with the private rail industry, the Federal Railroad Administration, and Amtrak. The office also has a role addressing multimodal freight issues and opportunities.

Freight and passenger railroads operating in the state were contacted to solicit information regarding their operations, projects or other needs, as well as their opinions regarding what the public sector could do to assist or improve the efficiency and expansion of rail in the state. Also, interviews were conducted for shippers located on the Class I, II and III railroad networks within the state to gather stakeholder input on the quality of rail service in Florida.

Various themes were raised during the outreach process regarding existing freight and passenger rail issues at the local, regional or state levels and the direction or actions that should be taken in the future. The major themes described include:

- Railroad concerns about maintaining their physical infrastructure.
- Shipper concerns about access to intermodal facilities and rail line capacity.

The plan is intended to integrate with and expand upon past Florida transportation plans including Florida’s *Freight Mobility and Trade Plan* and updated *Florida Transportation Plan*.

FLORIDA’S RAIL VISION, GOALS AND INITIATIVES

Based on the comments obtained through the outreach effort, FDOT has developed the following vision statement for freight and passenger rail transportation in the state.

Florida Rail Vision Statement

"A safe, secure, reliable, efficient and well-maintained passenger and freight rail system enhancing quality of life, environmental stewardship, mobility, and economic competitiveness for Floridians through sustainable investments."

Rail service goals aligned with the vision statement were developed based on the rail-related benefits, issues and obstacles that had been identified. These goals are as follows:

- **Safety and Security:** Identify and support rail and rail-highway safety improvements and coordinate with appropriate partners to identify and implement security and emergency response plans.
- **Agile, Resilient, Quality:** Maintain and preserve rail infrastructure and service, and modernize the rail system.
- **Efficient and Reliable Mobility:** Emphasize improvements in on-time performance of passenger trains and for fluidity of the state's rail system for handling freight and passenger rail traffic.
- **More Transportation Choices:** Aggressively pursue opportunities for funding rail projects in cooperation with leaders at the local, regional, state, and national levels.
- **Economic Competitiveness:** Invest in rail system capacity improvements to enhance the interstate and intrastate movement of people and goods when public benefit can be demonstrated.
- **Quality Places:** Integrate rail and land use planning at the state, regional, and local levels.
- **Environment and Conserve Energy:** Integrate transportation and environmental decisions into the statewide, regional, and local planning processes.

CAPITAL INVESTMENT PROGRAMS AND FUTURE STUDIES

Based on identified needs and available funding sources, short and long-range proposed rail investment programs were developed for both freight and passenger rail. The projects are divided into short range and long-range projects, and financing will include a mix of funding sources.

Freight projects in the Rail Service and Investment Plan total between \$903.5 and \$909.5 million. Projects include rail infrastructure needs on several railroads and highway-rail crossing improvements. Passenger projects in the Rail Service and Investment Plan total to \$616 million. Projects include SunRail expansion and additional vehicles.