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16. ABSTRACT

Since 1970, Washington State's rail system has shrunk from approximately 5,008 route miles to 3,123 miles. Many rural communicates and shippers no longer have rail service due to rail line abandonments. Of the remaining rail system in the state, approximately 1,600 miles are light density rail lines that are most vulnerable to abandonments. This document reports the results of a study of means of preserving service on these potentially endangered rail lines.

The changing nature of the rail system, both nationally and in Washington State is documented along with what these changes mean to the public and system stability. The reasons rail line are abandoned are reviewed and the revenue-cost relationship, the heart of the issue, is discussed at some length including how adjustments in both revenues and costs can impact line viability. Public assistance forms and availability are documented as are the existing and potential roles of various public bodies at both the state and local level. Findings are summarized, conclusions reached stated and recommendations made.

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Executive Summary

Overview

Since 1970 Washington State's rail system has shrunk from approximately 5,008 route miles to 3,123 miles.[1] Of the remaining rail system in the state, approximately 1,600[2] miles are light density rail lines that are most vulnerable to abandonment. Many of these rail lines are operated by small railroad operators and they have significant track and bridge rehabilitation needs.[3] Many rural communities and shippers no longer have rail service due to rail line abandonments, and as a consequence, suffered a variety of adverse impacts. Preservation of rail service on light density rail lines (LDLs) is a primary goal of the Washington State Department of Transportation (WSDOT).

This study reviews the causes of rail line abandonments, how they can be mitigated or overcome, and documents public assistance forms and availability. Existing and potential roles of various public bodies at both the state and local level in these actions are also discussed.

Purpose

The overall purpose of this study is to identify means of preserving service on light traffic density and low revenue-earning rail lines in Washington State. Specific objectives are to determine both financial and non-financial strategies to overcome the operating and ownership imbalance in revenue and costs associated with these lines.

Findings

Rail lines with low traffic levels earning inadequate revenues to cover costs are likely abandonment candidates. Costs are derived from day-to-day operations and maintenance, and capital needs such as those associated with acquisition of a line or improvement of facilities. The need for facility improvements, basically track and bridges, is common among these lines as they do not earn enough to permit reinvestment in the property.

[1] *Washington State Freight Rail Plan, 1998 Update,* Washington State Department of Transportation with assistance from Wilbur Smith Associates, November 1998, p. 2-2.
[2] Ibid, p. 3-6.
[3] Total unmet needs of $57.5 million were reported by Washington railroads in the *Ten-Year Needs of Short Line and Regional Railroads*, American Association of State Highway and Transportation Officials, December 1999.

If revenues cannot be increased through the development of new business, or other means, and costs cannot be decreased, then some form of outside assistance will be necessary to maintain service. A variety of assistance, mainly for capital improvements, is available in the form of loans and grants, but principally loans from various state and federal sources. Lines which are likely to be abandonment candidates are not typically in a position to repay loans. In addition, funding available from the Washington State Essential Rail Assistance Account (ERAA), can be granted only to publicly-owned rail lines. Seventy-seven percent of the LDLs in the state are in private ownership. Therefore, lines, which are real abandonment candidates, should be considered for public ownership.

Recommendations

Based on the report presented, and the conclusions reached, the following actions to help preserve rail service on LDLs are recommended.

1. That the action strategies associated with the rail freight service preservation objective (No. 2)[4] in the Draft Washington Transportation plan be implemented, and an on-going program with designated roles be established. The strategies form good basic program elements.
2. That the WSDOT support the WUTC in its regulatory role in abandonment proceedings, and maintain a close working relationship that leads to a continuing means of exchanging information on the status of the state's LDL system. The WUTC constantly has people in the field that can provide first-hand information on LDLs.
3. That a working relationship be established with the Department of Trade and Economic Development so that the Rail Division is in a position to assist with industrial locations, and is fully aware of funding opportunities available through TED in promoting expansion of existing industries and the recruitment of new industry. New business can save a line and the development process provides additional funding opportunities.

[4] "Freight Rail Service Objective 2:

A. Preserve, enhance, and promote service on light density lines, and preserve essential lines threatened with abandonment so that there is no net loss of track mileage by 2018.
B. Continue to monitor, analyze, plan and evaluate the state's light density and branch line system and identify deficiencies.
C. Secure funding from a variety of sources to finance rail line preservation and rehabilitation, and employ appropriate analysis to select specific projects for funding.
D. Assume the primary role in facilitating rail service improvement through cooperative approaches involving railroads, ports, local jurisdictions, tribal governments, the states of Oregon and Idaho, and British Columbia, and the federal government.
E. Work with local and regional entities to encourage regional transportation plans and local comprehensive plans to include existing or potential rail facilities and to consider compatibility of land uses with railroad facilities.
F. Advocate the importance of the state's light density and branch lines to the state's economy in ongoing public involvement and information programs."

4. That local support be developed for marginal lines by working with MPOs, RTAs and local agencies empowered to engage in rail preservation actions and insure that the necessary actions are on the local agenda, and that the aid of appropriate state and federal representatives is enlisted. Local support is essential in the service preservation process.
5. That the recommendations for railroad tax relief contained in the 1996 study on the subject be pursued, and that new opportunities to make use of tax credits be explored and proposals developed. Such actions will help reduce costs and promote viability.
6. Given that preservation of lines will likely require pubic ownership, that the Rail Division contact other public rail agencies for examples of railroad operating and maintenance contracts in order to tailor a standard for use in Washington State. A number of states have experience in this field.
7. If the 2018 rail system target (no net loss of rail trackage) is to be met, that through working with the operators and by performing the necessary physical, operating and financial analyses, the specific issues concerning each potentially endangered line be identified, and the proper remedial action be prescribed and implemented. All lines are unique and have their own business, physical and operating characteristics.

Background of Issue

Since 1970 Washington State's rail system has shrunk from approximately 5,008 route miles to 3,123 miles.[1] Many rural communities and shippers no longer have rail service due to rail line abandonments, and as a consequence, in many cases the cost of shipping products produced in these areas has increased. Of the remaining rail system in the state, approximately 1,600[2] miles are light density rail lines that are most vulnerable to abandonment. Many of these rail lines are operated by small railroad operators and they have significant track and bridge rehabilitation needs.[3]

Rail Service Preservation

Preservation of rail service on light density rail lines (LDLs) has been a goal of every state in the nation with an active rail program. Public involvement in rail planning, almost non-existent in the past due to the private-sector nature of the industry, began for all practical purposes with the Northeastern and Midwestern railroad bankruptcies in the 1970s. It spread to the rest of the country as all railroads began to experience financial problems resulting from declines in rail traffic and revenue, and began to rationalize their systems in attempts to reduce costs.

With the advent of legislation enacted in the Congress in response to these problems and a more relaxed attitude on the part of the Interstate Commerce Commission (ICC), the predecessor to today's Surface Transportation Board (STB), line abandonments became common. Research was conducted and literature published during this time as the public sector began to advance itself on the learning curve and seek solutions. As experience was gained in dealing with the problem, approaches to solutions, or at least mitigation measures, began to be developed.

[1] *Washington State Freight Rail Plan, 1998 Update,* Washington State Department of Transportation with assistance from Wilbur Smith Associates, November 1998, p. 2-2.
[2] Ibid, p. 3-6.
[3] Total unmet needs of $57.5 million were reported by Washington railroads in the *Ten-Year Needs of Short Line and Regional Railroads*, American Association of State Highway and Transportation Officials, December 1999.

Short-Line Railroads

One of the favored approaches was the use of short line carriers to operate branch lines. Reduced costs, principally labor, and ability to increase business with a local presence were the principal advantages touted, and short line operations began to increase. The short line movement really began to snowball in the mid-1980s when the Staggers Act permitted sales of branch lines to non-railroad entities, without the imposition of labor protective conditions. Two thirds of Washington State's branch lines are now in the hands of short line operators.

Since then, there has been very little rail line loss, but many of these operations are now in a position where their infrastructure has deteriorated to the point that major investments are required to maintain long-term operations. In addition, the increasing demand for heavier rail car loadings is accelerating the need to make improvements in track and structures.

A 1993 Federal Railroad Administration (FRA) study found that funding for track and bridge rehabilitation was the most difficult type of financing for small railroads to obtain. Internal financing, FRA concluded, would provide less than half of the money required to restore aging track. Consequently, Washington's communities and businesses served by light density rail lines are vulnerable to losing rail service without some form of outside intervention.

Study Purpose and Objectives

The overall purpose of this study is to identify means of preserving service on light traffic density and low revenue-earning rail lines in Washington State. Specific objectives are to determine both financial and non-financial strategies to overcome the operating and ownership imbalance in revenue and costs associated with these lines.

Chapter One – Introduction

The financial failure of the principal railroads in the Northeast, the bankruptcies of two major Midwestern railroads, and increased efforts of other railroads to eliminate unprofitable lines, created an awareness of the need for greater state and public involvement in the rail transportation planning process. This process was begun in the Regional Rail Reorganization Act of 1973 (3R Act) for lines not to be included in the Conrail System in the Northeast and Midwest. The program spread to the rest of the country under the provisions of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act) and the Local Rail Service Assistance Act of 1978 (LRSA) and its successor, the Local Rail Freight Assistance Act (LRFA).

Bankruptcies

The 3R Act of 1973 resulted from the bankruptcy of the Penn Central (at that time the nation's largest transportation company) and seven other carriers,[4] which affected 18 states in the Northeast, Midwest, and the District of Columbia. The restructuring of the railroads in the 3R Act region reduced a 23,000-mile rail system to 17,000 miles and several thousand additional miles were abandoned through the Northeast Rail Services Act (NERSA) and other actions. Additional bankruptcies in the Midwest involved the 8,000-mile Rock Island Railroad and the restructuring of the Milwaukee Railroad from a 10,000-mile carrier to a 3,000-mile "core system" as the problem spread west. The latter had a large impact on Washington State accounting for most of the state's 460 miles lost in 1980.[5]

Changing Rail System

The general deregulation of the railroad industry, brought about through the Staggers Rail Act of 1980, major railroad mergers, and expedited programs to abandon and spin off surplus railroad trackage, have brought about significant changes in the railroad industry. In 1980 there were 40 Class I railroads and 260 Class III carriers.[6] The Class I railroads accounted for 94 percent of the nation's rail mileage and 98 percent of its traffic. By 1998 there were 9 Class Is, 35 regional, and 515 local railroads. Class I mileage had dropped to 71 percent, but the large railroads still retained 91 percent of the revenue.

[4] Ann Arbor, Erie Lackawanna, Boston and Maine, Central of New Jersey, Lehigh Valley, Reading, and Lehigh and Hudson River.
[5] *1998 Update*, p. 3-2.
[6] *The Economic ABZ's of the Railroad Industry*, Association of American Railroads, 1982 and *Railroad Facts, 1999 Edition*, Association of American Railroads.

Washington State's rail system has had a similar experience. It once had five Class I carriers, now two, and one-third of the rail system is comprised of short line carriers. In Washington (1998), 1,634 miles or 52 percent of the state's rail system is comprised of LDLs (transporting five MGTM/M or less)[7] as shown in Attachment A. Of this mileage, 532 are still owned/operated by Class I railroads, BNSF, and UP. The remaining 1,102 miles are operated by short line carriers.

Ownership of the lines varies between the short line operators, Class I railroads, and public bodies. In the latter two cases, short lines operate under leases, contracts or other instruments. Approximately 375 miles, or one third of the short line category are owned, and in some cases operated, by the public sector.

Abandonment Causes

Before examining rail line preservation methods, it is helpful to review some of the basic reasons lines are abandoned. From the railroad perspective, the principal factor in the rail line abandonment decision process is line profitability. While other factors also influence a railroad's decision to initiate the abandonment process, the summation of these, except for those circumstances directed by management policy, is the net or the potential profitability of the line. Factors considered in the process of making the decision to abandon a segment of railroad are summarized below. Consideration is often triggered by line density or a set of circumstances related to the need for large expenditures, i.e., for track or structures necessitated by deferred maintenance or acts of nature.

1. **Revenue** – Revenue and the quality of revenue generated by a line for the owning railroad. Not only is total revenue considered, but the type of commodity and the associated revenue per carload. High-revenue commodities are more likely to promote economic viability than low-revenue commodities.
2. **Commodity Mix** – A mix of commodities being carried will offer greater opportunities for a line's future than dependence on a single commodity, which could be affected by singular business failures, changes in associated products or technology, poor market conditions, or a bad crop year.
3. **Rehabilitation Requirements** – Anticipated large expenditures due to major maintenance requirements (i.e., crosstie renewals, rail replacement or bridge repairs) will often accelerate a decision on a line. The current industry move to 286,000-pound carloads may trigger some new cases.[8]

[7] *1998 Update*; p 3-6.

[8] A recently completed study, *Impact of Heavy Axle Loads on Light Density Lines in the State of Washington* prepared for WSDOT by Ken Cassavant, Ph.D. and Denver Tolliver, Ph.D., March 2001, estimated that 482 miles of LDL needed track improvements which were estimated to cost between $117 and $141 million excluding bridge work.

4. **Net Liquidation Value** – The value of the track materials as well as the value of right-of-way may influence an abandonment decision. The likelihood of abandonment in a marginal situation is greater if the line has good rail, which can be utilized in other locations, and parcels of right-of-way with high potential sale value for other purposes.
5. **Trends** – A railroad will consider trends when, for example, branch line revenues have consistently been declining, and industrial development through the line's area has been slow, or away from railroad-oriented industry.
6. **Industrial Development Opportunities** – Continued rail service is more likely when there are available sites with utilities and rail access (or sites within range of practical utility and track extension), proper zoning, and a healthy attitude within an area toward industrial development. The opposite is true for lines located in areas with little potential for industrial development or where additional development is not desired.
7. **Length** – A long line with a poor revenue base will be harder to save than will a shorter line.
8. **Changing Rail Traffic Patterns** – Some lines have been threatened with abandonment as the result of rail line coordination or consolidation due to major railroad mergers. Rail lines that were mainly routes for overhead traffic (traffic passing through that neither originates nor terminates on a line) can become candidates as overhead traffic is shifted to other through lines. While this process has already largely taken place in Washington State, there may still be some future cases.

Branch Line Profitability

Except for political issues or other reasons for special handling, branch line abandonment centers around the issue of profitability. Specifically, attributable revenues have to exceed costs. The generation of revenues and costs as specified in the abandonment process (49 CFR Part 1152) is briefly discussed.

Revenues

Revenues attributable to a branch line are those derived by the owning or operating carrier from the rail traffic originating on it, terminating on it, or moving over it in a bridge movement. It can also include other non-traffic sources such as property rentals. The revenue from traffic is the amount the owning road receives, which may be less than the gross revenue because of interline revenue sharing when more than one railroad is involved. In that case, the total revenue is divided among all railroads involved in the traffic's movement from origin to destination.

In the case of new short lines, or those created through recent spin-offs, revenue from rail traffic is typically derived from per-car switching charges rather than a division of the through revenue. The per-car revenue often varies by the commodity handled. Older short lines typically participated in revenue divisions.

Costs

Based on STB procedures, as defined in the CFR[9], branch line or light density line costing is comprised of the following elements:

- On-Branch Costs
  - Maintenance of Way and Structures
  - Maintenance of Equipment
  - Transportation
  - General Administrative
  - Deadheading, Taxi and Hotel
  - Overhead Movement
  - Freight Car Costs
  - Return on Investment – Locomotives
  - Revenue Taxes
  - Property Taxes
- Off-Branch Costs
- Return on Investment (Opportunity Costs)

The various on-branch cost elements are largely a function of the level of service required to handle the traffic generated by the line with a few exceptions. For Class I railroads, the cost items are basically prorations of system costs based on the time spent or miles operated on the line although line specific costs are utilized where available. A brief discussion of these cost elements from § 1152.32 follows.

1. Maintenance-of-Way and Structures includes labor, materials, purchased services, leases, joint facilities, depreciation and administration for repair and maintenance of track, tunnels, bridges and culverts, roadway property, signals and interlocking, communications, power, highway grade crossings, stations, offices, shops, locomotive servicing, and other facilities and terminals.

2. Maintenance of Equipment includes all expenses (see list above) related to locomotives, freight cars, and other equipment such as trucks, trailers, machinery, and computers.

3. Transportation includes all expenses related to train and yard operations such as engine crews; train crews; dispatching; operating signals, interlockings, draw bridges, etc.; highway crossing protection: train inspection and lubrication; locomotive fuel, freight loss or damages, servicing locomotives, fringe benefits and administration.

[9] Code of Federal Regulations, Title 49, Parts 1000 to 1199 Transportation, Revised as of October 1, 2000, pp. 225-250.

4. General Administration consists of: accounting, auditing and finance; management services and data processing; marketing; sales; industrial development; personnel and labor relations; legal and secretarial; public relations and advertising; and research and development.

5. Deadheading, Taxi and Hotel costs are actual costs involved in the listed activities incurred as a result of providing service to the line.

6. Overhead movement costs are the actual costs related to movement over any other rail line for the sole purpose to reach and serve the branch.

7. Freight Car Costs are the on-segment costs for freight cars calculated as per the CFR on the basis of average cost per day and per mile.

8. Return on Investment – Locomotives is to be calculated as per the methodology in the CFR based on actual locomotive types used on the line using current replacement costs and the nominal cost of capital.

9. Revenue Taxes are to be those actually paid in the state.

10. Property Taxes paid based on local taxation.

11. Off-branch costs are the line-haul and terminal costs for branch traffic incurred off the line computed using the Uniform Rail Costing System (URCS).

12. Return on Investment is computed using the methodology specified in the CFR. It is to show the carrier's opportunity cost involved in retaining the line. It is principally comprised of the net liquidation value of the rail line multiplied by a rate of return as specified by the STB each year.

Chapter Two – Preservation Methods

The eligible project types in the federal programs for local rail service established the principal preservation means for LDLs. Some states established programs of their own commensurate with the level of rail problems being experienced, which for the most part, are very similar to the federal program. Once the public became familiar with the problem and programs, the states and a variety of researchers began to enlarge the list and at the same time, refine the approaches.

Rail Service Continuation Economics

Rail service preservation normally requires intensive capital investment such as rehabilitation and/or acquisition, financial risks, and commitment among a number of parties. It requires much detailed study and evaluation to properly assess and much more effort to implement.

The discussion of light density rail lines and their associated problems has illustrated that economics is the basic problem. Any efforts to preserve rail service thus will have to address this basic issue by adjusting the economics, either increasing revenues or reducing costs, or a combination of the two. Regardless of other steps taken as already discussed, the proper revenue-cost relationships have to be established if the operation is to remain viable in the long term. Short-term solutions buy time and permit rail users to gradually adjust, but do not deal with the fundamental issue(s).

The Revenue Approach

The revenue side of the revenue-cost relationship can be increased in two ways—increased rail usage by existing on-line rail freight shippers/receivers, or new on-line rail-using businesses. Sometimes, increases in revenue can also be obtained through revised traffic routings of existing traffic (this does not apply to most recent short line arrangements with mainline carriers, as the short line's revenue is usually a fixed switching charge). In addition, surcharges on a line's traffic or contractual volume commitments from the line's users can be used to stabilize or even increase on-line revenues. Surcharges and volume commitments would typically require business decisions by the involved rail users that might not prove to be acceptable or economical.

Landing new rail-using business is, of course, desirable from many viewpoints. The location of new business ventures on light density rail lines, however, is a "chicken and egg" relationship. While such a location could significantly impact a line's traffic and thus solidify the longevity of the line, an industry with rail-dependent traffic is not likely to find a site on a light density line with abandonment potential to be very attractive. Reloads or transfer facilities, sometimes in combination with warehousing and logistics services, have proven to provide good opportunities to develop new traffic for several small railroads.

The railroads in the past have marketed main lines. Increased usage of light density line rail service was contrary to the fundamental economics of the large railroads. Traffic development on branch lines emphasized that the closer a firm was located to a main line, the better the chances were of continued rail service. If an industry was to survive on a branch line, then it must be large enough to virtually support rail service without dependence on other smaller firms. This situation has changed somewhat with the advent of spin-offs to short line carriers, but the basic premise still has some validity, at least from a perception standpoint.

The revenue problem is further complicated by the specific commodities involved in the applicable traffic. The revenues derived from some commodities are far more attractive to the railroads than others. Even if a line originates or terminates significant carloads and tonnage, if it is a low-valued commodity, a carloading increase is not likely to alter the economics of a line. In some extreme cases, increased carloadings can even increase the deficit from operations when all costs are considered.

The Cost Approach

The discussion of branch line costs contained earlier provided some clues for potential cost reductions. If the various cost elements are examined on an item-by-item basis, additional clues can be obtained. The following discussion is by necessity of a broad nature as the circumstances of each case are unique and require an independent analysis. Based on the referenced discussion, off-branch costs are not considered, as they are not involved in the factors surrounding the branch line itself.

- **Maintenance-of-Way and Structures** – Assuming a line is in satisfactory condition and a problem with deferred maintenance does not exist, normalized annual maintenance[10] expenditures of $6,000 to $12,000 per mile can be expected. The actual amount depends on the line's characteristics such as number, type and length of bridges, number and protection of grade crossings, railway signals, and other factors. Track inspections and spot maintenance are performed on an as-required and -needed basis, but major timbering and surfacing operations are normally performed on a cyclic basis approximately every six to eight years depending on traffic and climatic conditions. While cyclic expenses are incurred only when the operations are performed, the line should be earning enough to permit an amount to be set aside equal to the annual pro rata share of these cyclic expenses.

  Thus LDL maintenance-of-way expenditures do not vary with the amount of traffic generated by the line (such expenditures and traffic traversing a line segment do have a relationship on lines transporting heavier tonnages than encountered on typical light density lines), but should be considered in the light of "normalized" levels rather than actual expenditures in any one year. Although expenditures are often reduced or eliminated, this cost, as it is based on the length and physical features of the line, does not offer potential for reduction for long-term operations.

- **Maintenance of Equipment** – This expense category is comprised essentially of locomotive repairs and depreciation, and for a Class I operation, is a proration of expenses based on time spent on the line. Depending on locomotive types, time spent on the line, and other factors, the potential for cost reductions would require an independent analysis, but the cost is usually nominal for light density lines with infrequent service by Class I railroads. For short line carriers, the cost basis is different as locomotives are typically captive to the operation. The expense as compared with larger railroads, is offset by the use of less costly motive power.
-
- **Transportation** – Including crew costs, fuel costs, locomotive servicing costs, train supplies, and expenses and station costs, this cost element is the most directly affected by labor costs. It offers potential for cost improvement if time on-line can be reduced. For example, a track rehabilitation project, which increases permissible operating speeds and thus decreases time on-line, would lower this expense. The rehabilitation costs have to be weighed against savings, however. Conversely, a decrease in service frequency would reduce operating costs, but would increase car costs due to the extended time on-line. It could also impact traffic volumes if the decreased frequency was not agreeable with rail users.

[10] Normalized Maintenance – The average annual expenditure that is required to keep track at the desired level of operation. This average annual expense includes actual expenses plus an allowance for those items worked on a longer cycle basis, such as, crosstie renewals, surfacing and lining, road crossing repairs, ditching, and bridge maintenance.

In theory, the principal advantage of short line operators was in the opportunity to use labor at lower costs than Class I railroads. Given the number of such operations, this advantage would appear to have been realized.

- **Administrative** – Deadheading, Taxi and Hotel – Overhead movement. These are special circumstances and have to be considered on a case-by-case basis.
- **Freight Car Costs** – Freight car costs are based on two components, time and mileage. These in turn vary depending on factors such as the service frequency, the number and type of cars involved, and whether or not they are home or foreign line cars. This item offers little room for improvement unless service frequency is increased to permit cars to turn faster, reducing time charges. That also assumes there are no problems with shippers/consignees loading and unloading cars in a timely fashion. More frequent service is offset by increases in operating expense and would require an analysis to determine the optimum combination. Class I's spinning off lines provided many new short-line operators with limited free days (days where no time charge would be made for using a rail car) to enhance the economics of the operation.
- **Return on Investment – Locomotives** – A cost item usually within the range of maintenance of equipment costs which is dependent on more or less the same operational factors.
- **Property Taxes** – Although this is usually a relatively nominal consideration, it can be improved under various tax forgiveness schemes if state and local governments permit it.
- **Opportunity Costs** – This cost item is typically one of the larger ones and is more of a fixed cost than most of the other elements. It has a direct relationship with the value of the owning railroad's major assets that are tied up in the light density line—the right-of-way and track materials. This value could vary significantly depending on the line's location, typical land values, and the materials of which the line is constructed. The real or opportunity costs can be completely eliminated if the operating carrier does not own the line and is not responsible for defraying the cost of purchase or any interest, which may be due on the purchase funds. This one item alone is often sufficient to place a line in a deficit position.

Considerations

There are many potential options on both sides of the revenue-cost issue. Although some factors are readily evident, only analysis of all factors given the specifics of each situation will point out the optimum actions.

For example, an efficiently operated marginal branch line with adequate track and bridge condition requires an increase in revenue. But if the track needs rehabilitation, then that should be the short-term strategy with revenue increases required for a long-term solution.

A Class I branch line with good track and high train operating hours may be a good candidate for operation by a short line with lower labor costs. A long branch line with high opportunity costs (i.e., considerable unrealized value in real estate and salvage that could be freed by abandonment) would require ownership by another party who can absorb the costs to relieve the operator of having to bear the expense. Long lines could be rationalized to retain service where needed and justified, and the remainder abandoned. In cases where other lines are crossed, connections between the two could facilitate this action.

The foregoing discussion, brief as it is, illustrates the necessity of a thorough analysis of each line and of all elements before pursuing a course of action. The ability to perform such detailed analyses must be present in any viable branch line program.

The preceding discussion is diagrammed for ready reference in Figure 2.1. The items are discussed in more detail in the remainder of this chapter.

Short-Line Operations

The short-line operation became the preferred rail service preservation solution during the period of heavy abandonments. Short lines were also the solution for problem branch lines, which the larger railroads spun off once the Staggers Rail Act of 1980 eased the way.

Advantages

The most important factor in favor of short lines is their ability to operate at less cost, mostly because of labor advantages. The advantages include ability to pay local wage rates, greater flexibility in the use of labor (cross craft lines), outsource work, and use part-time and occasional help among others. The ability to adjust services, such as switching times and frequencies, in response to shipper requests helps develop traffic and generate shipper loyalty. A local presence, especially in contrast with Class I railroad service agents operating from 800-numbers, helps relations with rail users and with the communities served.

Disadvantages

While there are many advantages, there are also a number of disadvantages with short-line operations. First, and foremost, most short-line operators don't have the financial resources of the larger railroads. Therefore, they are more likely to be endangered by unanticipated large financial needs, which might result from disasters such as floods, or loss of revenue when a major shipper closes.

The carriers also, for the most part, cannot take advantage of many economies of scale in operations, utilization of equipment, both power and maintenance, and purchasing. These disadvantages have been offset somewhat for the operations which are part of large short-line holding companies such as RailAmerica.

Source: Wilbur Smith Associates

Figure 2.1
Rail Service
Continuation Options

Short lines have a third problem—they are not truly independent of the Class I that spun them off. The transaction agreements often limit the ability of short lines to increase traffic, e.g., with so-called "paper barriers" which limit or prohibit interchange with other railroads. A much publicized agreement between the Association of American Railroads and the American Short Line and Regional Railroad Association executed in 1998, the Railroad Industry Agreement, addressed this problem and other similar issues (routing, car supply, rates, etc.) between Class I and short-line carriers, but as of yet has not proven to be effective. These issues comprise an ongoing point of contention at the national as well as local level. A recent survey indicated that the relationship with Class Is (monopolies, mergers, pricing, power, practices, services, demarketing) was the largest concern of short-line railroads[11] by over 2 to 1 compared with the second most frequent response.

Federal Program Assistance

While other federal programs have been utilized for rail service preservation in unique circumstances, most efforts were directed through the Local Rail Service Assistance Act of 1978 (LRSA) (the 3R and 4R Act programs were utilized prior to 1978), which permitted the expenditure of federal funds on a matching basis for specified project types on a universe of "eligible" lines. The program became the Local Rail Freight Assistance Program (LRFA) in 1989 under the Local Rail Service Reauthorization Act.

Rail Lines Eligible for Assistance

Under LRSA, and its successor LRFA, several rail line categories were eligible for assistance, all LDLs. Under LRSA, a light density line was defined as one, which transported three million gross ton-miles (MGTM) per mile the previous year. This criterion was raised to five MGTM under LRFA. The focus of the program also changed over time from a reactive posture of dealing with abandonments and abandonment candidates to a more proactive program of prevention. Rehabilitation of lines became, and remains, the preventive act of choice.

[11] "Short Line and Regional Railroad Executives Look at Their Industry" by Michael Landry and John Ozment, *Transportation Quarterly*, Eno Foundation Vol. 55, No. 2, Spring 2001, p. 20.

Types of Assistance

Various types of assistance were available. Assistance was tied not only to the type of rail line, but also to its abandonment status.

- **Rail Service Continuation Assistance** – This form of assistance provided funding for subsidy (including lease of facilities) in order to continue rail service on a line that had an abandonment application (either physical abandonment or service termination) approved. This form of assistance was eliminated from the federal program after just a few years. It is mentioned, however, as an option.

  The funds covered the difference between the revenue attributable to the rail line and the avoidable costs of providing rail service on the line plus a reasonable rate of return on the value of the line and other rail properties related to it. Certain administrative costs were also covered. This type of assistance was intended to provide only a short-term solution to rail service continuation, which was sometimes appropriate and needed to buy time until other options could be explored in more detail. In some cases, however, this form of assistance only perpetuated a bad situation and offered no incentives to make an operation profitable.

- **Acquisition Assistance** – This assistance form provides funds for acquisition of a rail line, or other rail property, by purchase (or another form of acquisition such as donation) for existing or future rail service.

- **Rehabilitation and Improvement Assistance** – Under this category, funding was provided to upgrade or replace a rail line to the extent necessary to permit adequate and efficient rail service. This type of assistance became the most popular of all and continues to be the most utilized mean of line preservation.

- **Substitute Service Assistance** – Intended to mitigate abandonment impacts rather than preserve service, this form of assistance might include, but not necessarily be limited to, the construction or improvement of alternative facilities, provision of substitute freight service, or assistance to cover relocation costs. While not germane to service preservation, it is important to recognize that all lines may not require preservation.

- **Rail Facility Construction Assistance** – This type of assistance covered construction of rail, or rail-related facilities including new connections between existing lines, team track facilities/intermodal freight terminals, sidings, and relocation of existing lines.

Permissible Washington State Approaches

Public rail service preservation means in Washington State are codified at RCW 47.76. Permissible actions and parties include virtually all potential approaches.

Freight Rail Preservation Program

RCW 47.76.240 states that all parties benefiting from rail service continuation should participate in it. It further states "State funding for rail service, rail preservation, and corridor preservation projects must benefit the state's interests. The state's interest is served by reducing public roadway maintenance and repair costs, increasing economic development opportunities, increasing domestic and international trade, preserving jobs, and enhancing safety. State funding for projects shall be contingent upon appropriate local jurisdiction and private sector participation and cooperation. Before expending state monies on projects the department shall seek federal, local, and private funding participation to the greatest extent possible."

Essential Rail Assistance Account (ERAA)

Funds in this state-funded account for service preservation may be distributed to county rail districts, port districts, counties, economic development councils, and cities. Funds are provided as low interest loans wherever practical but can be granted to public entities. In the case of privately-owned projects, funds can be provided only as loans, although the terms may be liberal compared to commercial loans. Funds may be used for the following purposes:

- Acquiring, rebuilding, rehabilitating, or improving rail lines;
- Purchasing or rehabilitating railroad equipment necessary to maintain essential rail service;
- Constructing railroad improvements to mitigate port access or mainline congestion;
- Construction of transloading facilities to increase business on light density lines or to mitigate the impacts of abandonment; or
- Preservation, including operation, of light density lines, as identified by the Washington State Department of Transportation (WSDOT).

Once a rail property is acquired by a public body, it may grant a franchise to a privately-owned operator. It can also grant trackage rights over lines acquired.

In summary, the only real limitation imposed on the state's preservation effort by statute concerns grants of state monies for privately-owned projects. This limitation effectively prohibits state grants to 77 percent of the LDL system.

Program Expenditures

Virtually every permissible form of assistance has been used by WSDOT—line acquisition, line rehabilitation, equipment acquisition (locomotives and grain cars), and shop and shop equipment acquisition. The most innovative of all was the grain cars. The Grain Train program has not only helped preserve service, but is self-supporting.[12] A second set of cars has been purchased given the success of the first.

Tax Relief

Taxation has always been an issue with railroads, which consistently have raised questions about fairness. The issue of equitable treatment, however, is not the subject of this discussion, but rather tax treatments, which assist in the preservation of service from LDLs.

Prior Study

The WSDOT examined railroad taxation in 1996.[13] Railroads in the state are subject to three principal forms of taxation—property, retail sales and use, and public utility. Lines owned by public bodies, however, are not subjected to property nor public utility taxes.

Based on statistics current at the time, "the Retail Sales and Use tax is the larger of the three taxes considered." "Most of the Retail Sales tax, and all of the Public Utility tax are of a statewide nature. The benefits of retention of service on branch lines have a greater impact on local economies than do those associated with improvement of main lines, which have more of a statewide impact. On this basis, relief from local property taxes on branch lines would be a logical approach to assist the operators."[14]

A proposed program was based on rail lines with three traffic density levels -- one of very light density lines with traffic densities below one MGTM/M/Y, another of light density lines with traffic densities in excess of one MGTM/M/Y but below five MGTM/M/Y, and the third for all other lines. Only the LDL designations are discussed.

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[12] *Review of the WSDOT Rail Freight Program*, February 1997, p. 5-9. As information, the project was described in the chapter on Exemplary State Rail Freight Programs in *State Rail Policies, Plans and Programs*, Lyndon B. Johnson School of Public Affairs, Policy Research Report Number 123, 1997.

[13] *Railroad Taxation – Evaluation of Tax Relief for Railroads in Washington State*, WSDOT with assistance from Wilbur Smith Associates, February 1996.

[14] Ibid, p. 20.

The first category of the program consists of relief from property tax for lines with traffic densities of one million gross ton-miles per mile annually or less. These lines have the greatest difficulty financially and typically are the category from which candidates for abandonment are derived. Relief from property taxes would only affect those lines owned by private-sector operators since publicly-owned railroads pay no property taxes.

Other Relief Approaches

Other approaches in the form of tax credits have been used and/or proposed. The 1996 study found that several states—e.g., New York, Connecticut, Maine, Michigan, South Dakota, and Vermont—granted credits (on earnings, ad valorem, and sales taxes) for maintenance and capital investments. A recent Canadian National Railway proposal is aimed at rail shippers rather than rail operators. It suggests that tax credits be provided for freight shipped by rail instead of truck. Adoption of such a proposal would address one of WSDOT's principal rail objectives to reduce highway damage.

Chapter Three – Funding Sources for Light Density Lines

Current LDL public funding sources consist of federal and state programs. Washington is one of 23 states that provide funding for rail assistance projects from state sources.[15]

Federal Rail Program

LRSA/LRFA

The federal rail service assistance program mentioned earlier, LRFA, while still on the books, has not been funded since 1995. As the preceding discussions have revealed, there are a variety of ways to preserve rail service, but many require sizeable investments. Project funding in the past was derived from a combination of federal, state and private sources.

TEA-21 Funding

The reauthorization of Intermodal Surface Transportation Efficiency Action (ISTEA), the Transportation Equity Act for the 21st Century (TEA-21), contains several provisions for rail assistance project funding. Two of these, Section 7302, Light Density Line Pilot Programs which is intended to replace LRFA, and Section 7203, Rail Rehabilitation and Improvement Financing (RRIF), are specifically designated for rail lines. Others are not, but can be used in limited applications in an overall program.

Rail initiatives are concentrated in seven sections. They are listed below and discussed in the following paragraphs.

- Light Density Line Pilot Program;
- Rail Rehabilitation and Improvement Financing (RRIF);
- Congestion Mitigation and Air Quality Improvement Program (CMAQ);
- Coordinated Border Infrastructure and Safety Programs;
- Transportation and Community and System Preservation Pilot Program (TCSP);
- Highway Rail Grade Crossing Program/Operation Lifesaver; and
- Rail and Intermodal Project Earmarks.

[15] *State Programs for Light Density Rail Lines, 1976-1995*, AASHTO, Standing Committee on Rail Transportation, February 1997, p. 6.

§ 7202: Light Density Line Pilot Program – The purpose of this section is to fund capital improvements and rehabilitation for publicly- and privately-owned LDLs. An annual total of $17.5 million was authorized for the life of TEA-21, but funds have yet to be appropriated. Members of Congress mounted an effort to finally fund this program in July 2001.

§ 7203: Rail Rehabilitation and Improvement Financing (RRIF) – This section provides loans/loan guarantees for acquisition, development, improvement, or rehabilitation of intermodal or rail equipment or facilities. It permits an aggregate unpaid balance of $3.5 billion over the life of TEA-21 with $1 billion to be designated for non-Class I carriers. As insurance against default, a risk-factor premium will be required. The factor will be computed by the U.S. Department of Transportation and must be funded from non-federal sources. Priority is to be given for projects which:

- Enhance safety;
- Enhance the environment;
- Promote economic development;
- Are included in state transportation plans;
- Promote U. S. competitiveness; and
- Preserve/enhance service to small communities.

Final rules for this program were finalized effective September 5, 2000 (49 CFR 260). Several applications have been submitted, but as of yet, only one project has been funded, $100 million for I&M RailLink for recapitalization.[16]

§ 1110: Congestion Mitigation and Air Quality Improvement Program (CMAQ) – A holdover from ISTEA, this section continues the eligibility of rail projects and expands eligibility to Maintenance Areas as well as Non-Attainment Areas. Total available funding is $8.1 billion.

Projects to be funded are to improve air quality. CMAQ funding has been used by the Arizona and California Railroad (ARZC), a sister railroad to the Puget Sound and Pacific, as well as several Class I and short-line carriers. The ARZC grant (actually, city of Blythe) was for the Blythe Intermodal Facility.

§ 1119: Coordinated Border Infrastructure and Safety Program – Improvement of safety and efficiency at or across U. S. borders is the objective of this section. Funding of $700 million is to be coordinated with the National Corridor Planning and Development Program. Improvements to existing infrastructure and operations that facilitate international trade are eligible for funding.

[16] *Progressive Railroading* website, July 16, 2001.

§ 1221: Transportation and Community and System Preservation Pilot Program (TCSP) – Allocations of $25 million annually are available for initiatives regarding relationships between transportation, community and system preservation, and private-sector initiatives. States, local governments, and Metropolitan Planning Organizations (MPOs) are eligible for funding to:

- Plan and implement strategies improving transportation efficiency;
- Reduce transportation's environmental impacts;
- Reduce future infrastructure investments;
- Ensure efficiencies and access to jobs, services and trade; and
- Examine related private-sector development and investment patterns.

§ 1108: Highway Rail Grade Crossing Program – Under this section, the §130 Program of ISTEA is continued. It also increased the Surface Transportation Program (STP) Safety Set Aside ($466 million) with the Section 152 Hazard Elimination Program. The minimum funding in each state is tied to FY 1991 levels. However, all of the STP set aside is eligible at the state's option.

Rail and Intermodal Project Earmarks – A number of states, working through their Congressional delegations, secured specific freight rail assistance projects under ISTEA. An example is repair of Oregon's Coos Bay Bridge ($5.5 million) on the Central Oregon and Pacific.

Other TEA-21 rail initiatives are also applicable.

- **§1203 – 1204:** *Streamlined Planning* adds freight shippers to MPO and statewide planning initiatives. For long-term access to TEA-21 funds (and presumably future versions of the federal transportation program), an MPO presence will be imperative.

- **§ 1201 (35):** *Transportation Enhancements* continues investment options for historic rail facilities. These funds have been used largely for station renovations.

- **§ 1501-1503**: *TIFIA Funding* – Although not established specifically for rail projects, certain rail projects could be eligible for funding under the Transportation Infrastructure Finance and Innovation Act (TIFIA). This TEA-21 program provides assistance in the form of credit (direct loans, loan guarantees, and standby lines of credit) for major transportation projects of critical national importance. The project must cost at least $100 million or 50 percent of the state's annual apportionment of federal aid funds, whichever is less. Federal participation is limited to 33 percent of total project costs as the program is designed to fill market gaps and to leverage capital from other sources.

HR 1020

This pending federal legislation would establish a $350 million per year program (for three years) for Class II and III railroad infrastructure improvement. Funding is to be available in the form of capital grants to preserve, or improve roadbed, track and bridges. The grants are intended to permit safe and efficient operations particularly when handling 286,000-pound equipment.

The bill also permits the grants to be used in conjunction with the RRIF loan program to pay the credit risk premium, lower interest rates, or provide a "holiday" on principal payments.[17]

Washington State Program

ERAA

Washington State Freight Rail Program funding is available from the Essential Rail Assistance Account (ERAA). Funds in this account may be distributed to county rail districts, port districts, counties, economic development councils, and cities. Funds are provided as low interest loans wherever practical but can be granted to public entities. In the case of privately-owned projects, funds can be provided only as loans. Funds may be used for the following purposes:

- Acquiring, rebuilding, rehabilitating, or improving rail lines;
- Purchasing or rehabilitating railroad equipment necessary to maintain essential rail service;
- Constructing railroad improvements to mitigate port access or mainline congestion;
- Construction of transloading facilities to increase business on light density lines or to mitigate the impacts of abandonment;
- Preservation, including operation, of light density lines, as identified by WSDOT; or
- Preserving rail corridors for future rail purposes by purchase of rights-of-way. Purchase of rights-of-way may include track, bridges, and associated elements, and must meet the following criteria:
  - The right-of-way has been identified and evaluated in the state rail plan;
  - The right-of-way may be or has been abandoned; and
  - The right-of-way has potential for future rail service.

Program Budget

Since state funds were first authorized in 1991, WSDOT has received $12.1 million for freight rail planning and project appropriations from the State Legislature as shown in Table 3.1 by biennium.

[17] Testimony of Frank Turner, President, American Short Line and Regional Rail Association, House Committee on Transportation and Infrastructure Subcommittee on Railroads, April 25, 2001.

Table 3-1
Washington Rail Program Funding

BIENNIUM	AMOUNT
1991 – 1993	$1,696,206
1993 – 1995	1,906,305
1995 – 1997	2,440,745
1997 – 1999	1,006,000
1999 – 2001	$5,100,000*
2001 – 2003	$3,100,000[+]

*For project funding
[+]Current law budget, includes $2.0 million earmark

Source: WSDOT

Local Authorities

Not only are county rail districts, port districts and cities eligible for receipt of ERAA funds, but they also have the ability to raise monies to fund rail projects through bond issues. Both general obligation and revenue bonds are authorized although the use of each varies by entity. General obligation bonds can be retired through tax levies as authorized by the voters.

Economic Development

There are also programs, which exist in the various economic and community development agencies, which are applicable in specific circumstances. For example, the Community Economic Revitalization Board would consider a rail improvement if it benefited a business within the community. The project has to be publicly-owned, benefit the public infrastructure, and sponsored by the local government.

Funding Summary

Funding for LDL projects is available from both state and federal sources. Both programs are basically loan programs, however. The only exception is for lines owned by the public sector, which are eligible for state grants. Thus, the programs are most applicable to operations where they are earning at least enough to repay the loans.

Conclusions

A successful preservation effort, the retention of rail lines that otherwise would be abandoned, is not possible under the current programs unless private funds are used. Private funding, given the risk involved, is not likely unless it is derived from on-line shippers who might lose service. Investment from this sector, however, is not likely to exceed the difference in rail and alternative transport cost plus some measure for loss of competition.

The obvious conclusion is that the significant public funding needs for lines in trouble will require them to be in public ownership. There are any number of political entities that have the legislated authority to own and operate rail lines. Since these types of lines usually provide local service, there is some logic in them also being locally owned. The local jurisdiction, however, has to have the ability to operate or oversee operation of the line(s).

Participation

The intent of the state program, stated as "Before expending state monies on projects, the department shall seek federal, local, and private funding participation to the greatest extent possible," is not to carry the entire effort, but to provide seed money and leverage as much outside funding as possible.[18]

[18] RCW 47.76.240.

Chapter Four – Conclusions and Recommendations

While abandonments of Class I branch lines were the focus of concern and programs as the public sector began rail planning in the 1970s and continuing into the 1980s, the focus soon turned to assisting short-line carriers. The short lines were, and are, operating former Class I branches which had been spun off by the large railroads.

Short Line Formation

The short line movement grew rapidly for several reasons. First, it provided relief for the large railroads in that they avoided the negative public relations, not to mention the expense, accompanying a line abandonment, and it provided an out for continued responsibility for marginal lines.

Second, it was embraced by public planners as short lines had by then had become the LDL problem "cure-all." Abandonments virtually stopped and public rail programs focused on assisting short lines, principally with rehabilitation of properties long subjected to deferred maintenance.

Third, rail users, shippers and consignees, while apprehensive about the staying power of some of the underfunded and inexperienced operators that first jumped on the short-line bandwagon, did begin to enjoy better local service.[19]

Problems have begun to appear, however, as lack of investment in many of the lines (in spite of many patchwork rehabilitation efforts) can no longer be ignored, and the Class I have initiated use of heavier cars,[20] exacerbating the infrastructure problem. Several studies have recently been performed to determine short-line needs, some with nationwide scope, and the needs are significant.[21] Norfolk Southern Senior Vice President James McClellan allegedly told the Railroad Shipper Transportation Advisory Council that 80 percent of short-line railroads could fail due to Class I railroad cost-cutting and efficiency initiatives.[22]

[19] *A Survey of Shipper Satisfaction with Service and Rates of Short Line and Regional Railroads*, Federal Railroad Administration and Interstate Commerce Commission, August 1989, p. iv.
[20] One-third of UP's 24,000 grain cars are 286,000-lb. cars, *Progressive Railroading*, Trade Press Publishing Corporation, May 2001, p. 45.
[21] AASHTO Ten-Year Needs for short line and regional carriers estimated at $7.9 to $11.8 billion nationwide, of which the carriers can fund only $1.8 to $2.3 billion.
[22] *Traffic World*, November 13, 2000, p. 16.

Washington State LDLs

While LDLs, based on the federal five MGTM/M/Y criteria, comprise a sizeable portion of the state's rail system, many of them are solid operations and are not candidates for preservation measures. Some lines were at best marginal when the new operators started, and haven't improved, but the point is that all of the LDL universe is not in danger. Those that are endangered should be identified and monitored.

Outside Assistance

The preceding discussions have defined the LDL problem as basically one of revenue enhancement and/or cost reduction. When these approaches fail, outside assistance is required.

Based on the financial situation, the operator would have trouble repaying a loan, and a grant would be the preferred form of assistance. If assistance is to be provided by the state, only lines in public ownership are eligible for grants.

Washington Transportation Plan (Draft)

The light density line preservation issue is the subject of the second freight rail service objective. It is stated as follows:

> **"Freight Rail Service Objective 2:**
> Preserve, enhance, and promote service on light density lines, and preserve essential lines threatened with abandonment so that there is no net loss of track mileage by 2018.
>
> A. Continue to monitor, analyze, plan, and evaluate the state's light density and branch line system and identify deficiencies.
> B. Secure funding from a variety of sources to finance rail line preservation and rehabilitation, and employ appropriate analysis to select specific projects for funding.
> C. Assume the primary role in facilitating rail service improvement through cooperative approaches involving railroads, ports, local jurisdictions, tribal governments, the states of Oregon and Idaho, and British Columbia, and the federal government.
> D. Work with local and regional entities to encourage regional transportation plans and local comprehensive plans to include existing or potential rail facilities and to consider compatibility of land uses with railroad facilities.
> E. Advocate the importance of the state's light density and branch lines to the state's economy in ongoing public involvement and information programs."

While these strategies are fairly broad based, they do contain the basic elements of a good service preservation program. Items A and B, monitor and analyze, and secure funding, respectively, are at the heart of the issue.

Recommendations

Based on the report presented, and the conclusions reached, the following actions are recommended:

1. That the action strategies associated with the rail freight service preservation objective (No. 2) in the Draft Washington Transportation Plan be implemented, and an on-going program with designated roles be established;

2. That the Washington State Department of Transportation (WSDOT) support the Washington Utilities and Transportation Commission in its regulatory role in abandonment proceedings, and maintain a close working relationship that leads to a continuing means of exchanging information on the status of the state's LDL system;

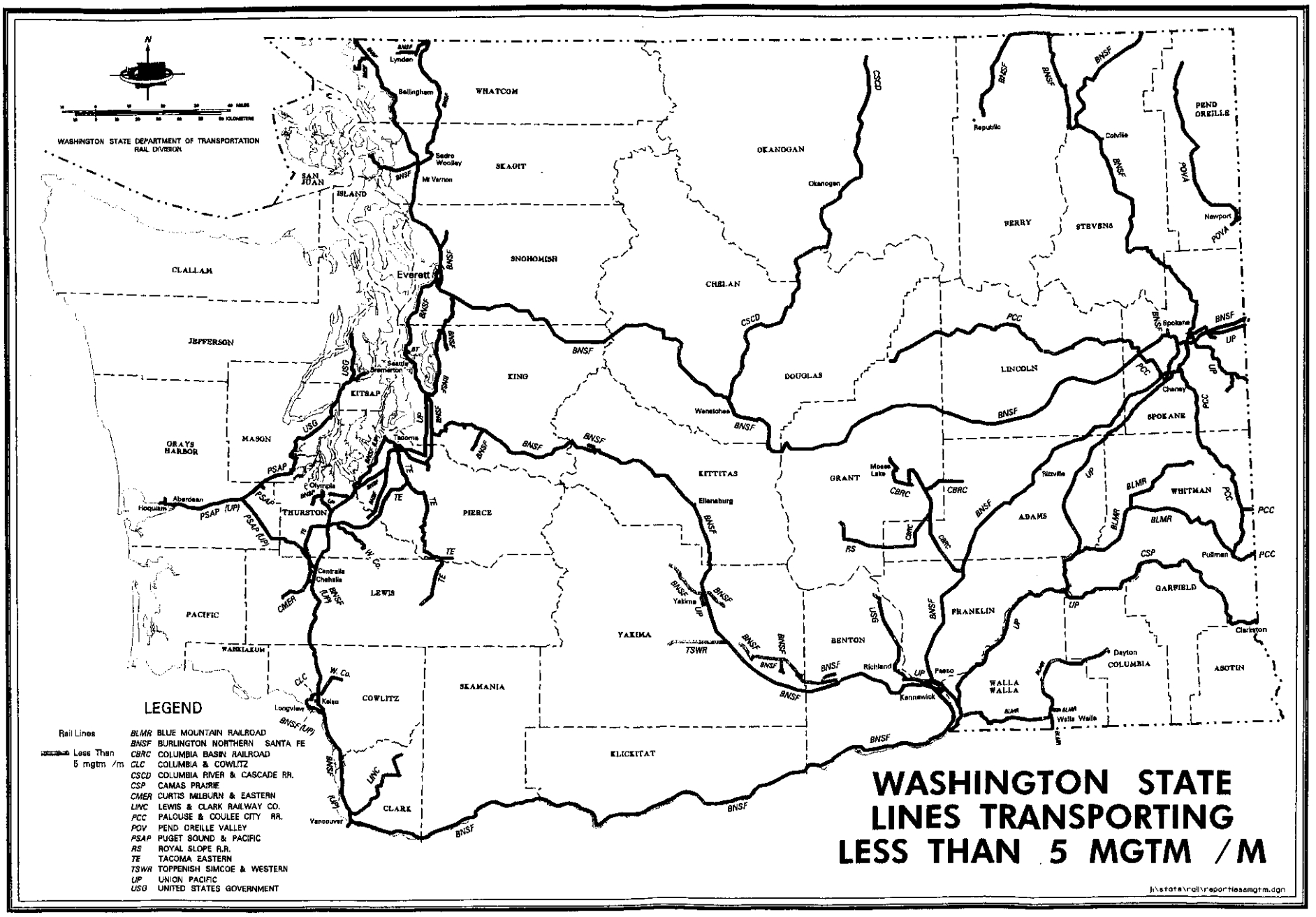
3. That a working relationship be established with the Department of Trade and Economic Development (TED) so that the WSDOT Rail Office is in a position to assist with industrial locations, and is fully aware of funding opportunities available through TED in promoting expansion of existing industries and the recruitment of new industry;

4. That local support be developed for marginal lines by working with MPOs, RTAs, and local agencies empowered to engage in rail preservation actions and ensure that the necessary actions are on the local agenda, and that the aid of appropriate state and federal representatives is enlisted;

5. That the recommendations for railroad tax relief contained in the 1996 study on the subject be pursued, and that new opportunities to make use of tax credits be explored and proposals developed;

6. Given that preservation of lines will likely require pubic ownership, that the WSDOT Rail Office contact other public rail agencies for examples of railroad operating and maintenance contracts in order to tailor a standard for use in Washington State; and

7. If the 2018 rail system target is to be met, that through working with the operator and by performing the necessary physical, operating and financial analyses, the specific issues concerning each potentially endangered line be identified, and the proper remedial action be prescribed and implemented.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BNSF BURLINGTON NORTHERN SANTA FE
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