Freight Rail in the Shenandoah Valley

1. **Short Line** - What is a short line railroad and how does it fit into the national rail system?

2. **Buckingham Branch** - What is the background on the Buckingham Branch Railroad?

3. **Regional Impact** - What is rail’s impact on the region and what is the importance of rail to regional economic development?

4. **Challenges** - What challenges does the Buckingham Branch face in terms of infrastructure, access and other issues?

5. **Highway Traffic** - Can rail make a difference on the I-64 Corridor traffic congestion?
What is a short line railroad and how does it fit into the national transportation system?
“Short Line” Railroad

- **Number** - Approximately 600 short line railroads in the US

- **Track Miles** – Short Lines operate 47,500 miles of track (29% of all freight track) compared to 95,000 miles for Class 1 RRs

- **Small Business** – Average 30 employees; operate 79 miles of track
“Short Line” Railroad

- **Revenue definition** - Annual Operating Revenue less than $36.6 million

- **Connectivity** - Connect thousands of customers to the US main line rail network to offer seamless service for shipping lane

- **Rail Preservation** - Typically operating on track that would have otherwise been abandoned by a larger railroad
Hallmarks of the Short Line Industry

- **Customer Focus** - flexible and responsive to the unique needs of each customer
- **Enteprenuerial Spirit** – success is dependent on aggressively pursuing business, advocating for customers, and investing in track
- **Connecting to Markets** – Short Lines are often the only direct link to national rail network for rural and small town America
- **Business Development** – Focused regional marketing & sales relationship and transload offerings
What is the background of the Buckingham Branch Railroad?
1988

BBRR Founded

1988

2 Employees

17 Miles of Track

1 Locomotives

2017

84 Employees

275 Miles of Track

17 Locomotives

1988

March 6, 1989

Ran First Train

7 Employees

1999

10 years

7 Employees

2005

56 Employees

2007

Spring BB takes over 24/7 Dispatching & Signals

73 Employees

2009

May VA Southern Division Begins

77 Employees

2014

25th Anniversary

99 Employees

2017

Present

84 Employees
Current Operation

• 7 train crews running 30 trains a week
• ≈ 12,500 Carloads/year
  o Local - 1000
  o NS – 3000
  o CSX - 8500

• Approximately 20 CSX Overhead trains each week.
• 170,000 Empty cars/year

• Amtrak’s “Cardinal” runs both directions 3 days a week amidst local and CSX Westbound traffic
Safety is No 1 and the Buckingham Branch is heavily regulated
Training and Management Critical to Regulatory Compliance

Selected Regulatory Agencies -

- FRA
- FCC
- OSHA
- EPA
- FMCSA
- PHMSA
- TSA
- FEMA
- Va SCC
Investing In Our People

- Safety and Training Days are held each quarter for transportation, track, mechanical, and signal departments
- Hands-on and classroom training
- Safety training is held for all staff including office personnel
To remain viable, BB must make significant capital investment each year

- **Investment in:**
  - Track
  - Signals
  - Rolling Stock
  - Vehicles
  - Bridges
  - Highway Crossings
  - Heavy Equipment
  - Maintenance Facilities

- **Primary funding sources are Buckingham Branch and Virginia Rail Preservation Fund**
Investing in our Infrastructure: R&A Division

- **Tie Replacement**
  - 140,000 completed, 60,000 to go
  - 600 Tons of Ballast per mile
  - 1,000 ties per mile

- **Rail Replacement**
  - ≈ ½ mile curve patch each year
  - 10 mile CWR on Piedmont this year

- **Undercutting**
  - Surface Improvement
  - Joint Replacement
  - Improved Drainage

- **New Siding**
  - More efficient movement of empty trains

- **Crossing surface replacements**
Tie and Surface Upgrades

- **Completed Work**
- **Not Yet Completed**

**Markers**:
- Circles: **Junctions**
- Triangular: **Buckingham Branch Stations**
- Triangular with dot: **Junctions and BB Stations**

Legend:
- 0-10 miles
- 10-25 miles
- 25-50 miles
- 0-10 km
- 10-25 km
- 25-50 km
Investing in our equipment

New Power - GP 38-2’s
State-of-the Art Buckingham Branch Technology

LED light upgrades at grade crossings for improved reliability and visibility

Fiber optic in RoW

Tablets for train crews
Samsung tablets enable train crews to update car deliveries and pick-ups in real time.
R&A Wayside Signal Upgrade

- 125 miles
- Replacing existing open pole lines with new electronic track circuits
- Existing pole line being removed
- 9 phases
- Final Cutover was October 2016
State-of-the-Art Technology

- LED light upgrades at grade crossings for improved reliability and visibility

- Pole line was not always reliable or safe

- New signals travel through the rail
What is rail impact on the region?
Overall Regional Rail Impact

1. Buckingham Branch freight customers
2. Shenandoah Valley Railroad freight customers
3. Norfolk Southern freight customers (north-south lines through Charlottesville and Waynesboro)
4. Amtrak passenger service from Charlottesville to Staunton (Cardinal Line from DC to Chicago)
Selected BB Customers Across I-64

- Houff's Feed & Fertilizer
- Cooperative Augusta Farm Bureau, Inc.
- Dixie Gas & Oil
- Flint Group
- Valley Recycling
- Lanford Brothers Co. Employee Owned
- Stella-Jones
- University of Virginia
- Luck Stone
Other Selected BB Customers

- WestRock
- SUNOCO
- kp klöckner pentaplast
- Martin Marietta Materials
- PURINA
- Bakery Feeds
- KOPPERS
- SPECIALTY COATING & LAMINATING
- Dominion
- U.S. SILICA
What are challenges for BB?
Primary challenges

1. **Rail funding** - Threat to state Rail Preservation funding

2. **Capital investment** - Constant BB capital investment requirement – while competing with trucks that use publicly funded highways

3. **Lack of viable sites** – Jurisdictions not rail oriented – very limited rail-served sites and buildings available between Staunton and Charlottesville

4. **US Industrial Economy** – Sluggish growth

5. **Supply Chain** – Just-in-time shipping trend favors speed and inventory reductions vs. lower freight costs
Can rail make a difference in corridor traffic congestion?
How can rail make a difference

1. **Rail served projects** – Every rail car takes 3-5 trucks off the highway for new or expanded manufacturing / distribution projects located on rail

2. **Transload/Intermodal** – Enables companies not located on rail to ship by rail / truck combination

3. **Passenger service** – Continued support for Amtrak service and future consideration of local passenger service / commuter service
Buckingham Branch Transload – Intermodal Service

• 70+% of future, new rail freight business will come from transload / intermodal

• 3 existing BB transload locations in corridor –
  • Staunton (C&O Flats)
  • Fishersville (Downtown)
  • Keswick (Louisa Road & Hunt Club Road)
BB Transload Locations

Potential Transload Sites

- Buckingham Branch Railroad
- Other Railroads

existing Track & Land

Land Available

-No Tracks

Distance:

0 10 Miles 25 Miles 50 Miles

0 10 KM 25 KM 50 KM
Transload Example - Doswell Trans-load Facility
Partner with Houff and ABC Trucking

**Customer** – Nestle-Purina

**Freight** – Bentonite (Powdered Clay) from Wyoming by rail to Doswell

**Use** – Trucked to Purina’s kitty litter facility in King William