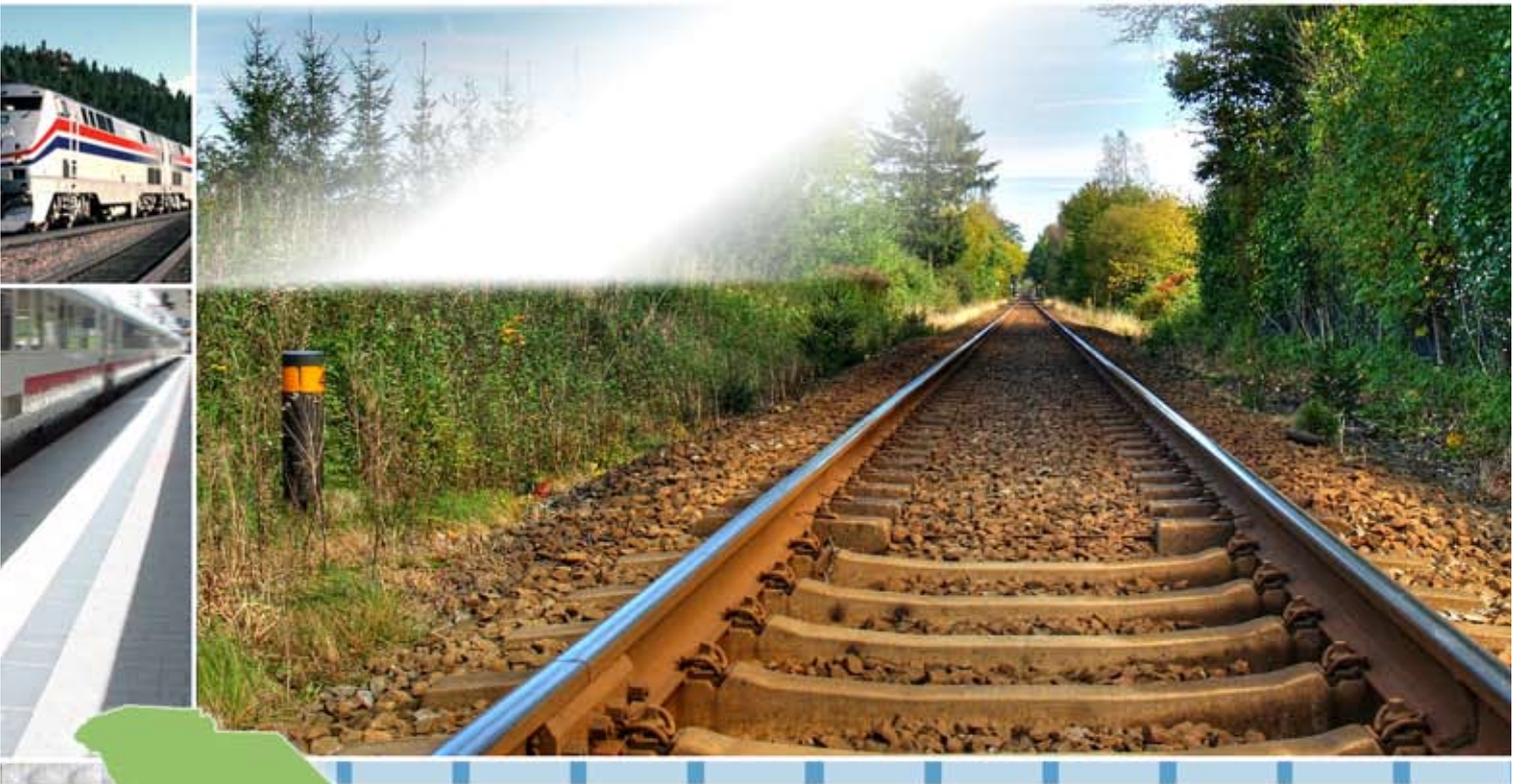




INTRODUCTION



1. Introduction

The South Carolina State Rail Plan 2008 Update has been prepared for the South Carolina Public Railways, a Division of the South Carolina Department of Commerce. This is the first update of the State Rail Plan since 1999. Prior to that updates were prepared in two to four year spans after the initial plan was prepared in 1976. The 1999 Update, as well as its predecessors, was prepared to meet the requirements for federal funding assistance. The 2008 Update is much broader in scope.

1.1 Purpose of Update

The scope of the State Rail Plan 2008 Update called for consistency with the requirements of Title 49, Part 266.15, and Requirements for a State Rail Plan. These State Rail Plan requirements were developed to establish state eligibility for federal funding under, first, the Local Rail Service Assistance Act (LRSA) and, later, the Local Rail Freight Assistance Program (LRFA). Although funding for the LRFA program has not been re-authorized since 1989 and public bodies are beginning to participate in mainline projects, the federal State Rail Plan requirements current at the start of this study (July 2008) as outlined in Title 49 still provide a good starting point for the preparation of a State Rail Plan.

The 2008 Update identifies the state's existing rail capacity capabilities and constraints, as well as future capacity requirements, necessary to meet current and future economic development needs. The report recognizes the expanding interest in determining the rail industry's capability to maintain its current market share of freight movements in the future and its potential to attract additional elements of freight from the highway network.

Based on current rail status, as well as future state economic growth expectations, the report addresses the needs of the state rail system. It also identifies opportunities for improvement to the rail system to support long-term economic growth.

In addition to meeting the requirements of Title 49, Part 266.15, Requirements for a State Rail Plan, the purpose of this Plan is to address the following topics:

- A. Identify and describe the state's rail system.
- B. Review the impact of rail on economic development in South Carolina, including both passenger and freight, and its role in the multimodal transportation infrastructure of the state and southeast region.
- C. Identify all state agencies that have responsibility for rail transportation both freight and passenger, and describe their respective responsibilities.
- D. Investigate and determine the current and expected operating practices of participants in the rail industry.
- E. Identify and evaluate rail commodity flows and traffic types.
- F. Identify and evaluate those rail freight lines that may be abandoned or have recently been abandoned. Quantify the cost and benefits of maintaining rail service on those lines that are likely to be abandoned.

- G. Identify lines and corridors that have been rail banked or preserved.
- H. Identify and describe all funding sources available for rail infrastructure.
- I. Identify current and future capacity requirements and constraints for South Carolina's rail system. Passenger, freight and short-line rails are considered.
- J. Identify and evaluate any other issues affecting rail traffic in South Carolina.
- K. Identify port-to-rail opportunities in South Carolina to facilitate economic expansion, including both the Port of Charleston and future Port at Jasper.
- L. Examine the feasibility of development of an intermodal facility to serve the existing Charleston area State Ports Authority facilities that would be accessible by both Norfolk Southern and CSX.
- M. Identify opportunities for expansion of freight rail infrastructure to ease road traffic congestion and improve residents' quality of life. In particular, examine traffic and rail congestion in and out of port areas.
- N. Identify opportunities for expansion of short-line rail to improve sites, create dual access, and facilitate economic development.
- O. Identify several alternative realistic policy options. Provide a summary of recommendations, as well as a plan for implementation.

The financial condition of the larger, Class I railroads has, of course, changed significantly since the original federal requirements for State Rail Plans. The deregulation of the industry through the Staggers Rail Act, cost efficiencies resulting from reductions in plant and manpower, increased highway congestion and the proliferation of intermodalism has greatly stabilized the industry.

In fact, existing demand, accelerated by fuel prices, has led to national concern over rail freight and passenger capacity constraints. These concerns have led to legislative proposals that tie proposed federal capital assistance programs with new State Rail Plan requirements that expand the scope of plans from local rail lines to statewide rail freight and passenger needs. These proposals culminated in the Passenger Rail Investment and Improvement Act of 2008¹⁸, which came into law during the course of this study (October 2008). This report, the State Rail Plan 2008 Update, contains many aspects, but not all, of the additional information required of a State Rail Plan by the new legislation.

As discussed below, a second report has also been prepared to supplement the State Rail Plan 2008 Update that addresses the feasibility of potential mega sites.

¹⁸ H.R. 2095, The rail safety and Amtrak funding authorization bill, signed on October 16, 2008.

1.2 Contents of Report

The information contained within this report is divided into four main areas and nine sections:

INTRODUCTION

Section 1: Introduction

EXISTING SOUTH CAROLINA RAIL SYSTEM

Section 2: Public Rail Planning in South Carolina

Section 3: State Rail System

Section 4: Rail Traffic and Flows

Section 5: Intermodal Connectivity

Section 6: Rail-Related Economic Impacts in South Carolina

ISSUES AND OPPORTUNITIES

Section 7: Rail Capacity Requirements

Section 8: Light Density Rail Line Needs

Section 9: Rail to Port Opportunities

Section 10: Other Issues Affecting Rail Traffic

Section 11: Opportunities for Short Line Expansion

PROPOSED DIRECTION AND NEXT STEPS

Section 12: Rail Project Funding Sources

Section 13: Policy Options to Enhance Rail-related Economic Development

Section 14: Next Steps

An Executive Summary of the State Rail Plan 2008 Update has also been prepared.

1.3 Supplemental Report

The State Rail Plan 2008 Update was prepared between August 2008 and February 2009. In parallel with this effort two additional supplemental tasks were undertaken:

- Supplement 1 – Capacity Requirements and Constraints
- Supplement 2 – Mega Site Feasibility Analysis

The findings resulting from Supplement 1 have been incorporated within this report. The results of Supplement 2 have been documented in a separate report.