



Steel Interstate Newsletter

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Welcome to the new RAIL Solution railroad industry update. In this periodic communication we attempt to keep you informed of key developments and place our Steel Interstate advocacy in context. The **Newsletter** is also attached as a PDF to facilitate downloading and reviewing on a wider variety of electronic devices. Prior issues and other creative materials are available at www.railsolution.org

IN THIS ISSUE:
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- ***Platooning of Autonomous Trucks – a Challenge for Railroads***
by David Foster, RAIL Solution Executive Director
- ***Wick Moorman Named to Head Amtrak – Good for Passenger Rail***
by Ken Marsh, RAIL Solution Chairman
- ***A Note on Donations***

Platooning of Autonomous Trucks

This is one of the most threatening ideas for the future of U.S. railroading in years. Billions of dollars of research money is pouring into autonomous vehicle technology. The trucking industry foresees in the not too distant future what it calls “platoons” of driverless trucks on our highways. In justification they cite enhanced efficiency from paying fewer drivers. Links to a few recent stories:

- [Platooning and Dedicated Truck Lanes](#)
- [Can Autonomous Trucks Solve the Driver Shortage?](#)

While at first this idea may seem preposterous, you will see that these people are deadly serious. There are huge problems inherent in this concept. But public sector investment often chases what is trendy, not what is rational. So rail advocates will have to be super vigilant.

Fewer drivers may save truckers money. But the big inefficiency of having each truck operating over the road, driverless or not, is the three-fold higher energy consumption compared to moving mid- to long-distance freight by railroad. And of course the extra fuel means extra emissions and greater climate impact.

Likely anticipating correctly the backlash of motorists on the highway to platoons of driverless trucks, autonomous vehicle advocates seek dedicated lanes. RAIL Solution got its start campaigning against dedicated truck lanes in the Interstate 81 Corridor of Virginia between 2003 and 2007, so there's a certain *déjà vu* here for us. Economic costs to taxpayers of a whole new tier of highway infrastructure to accommodate autonomous trucks quickly erase any efficiency claims. And environmental disruption and impact to build all this would be devastating.

Look for a moment at what these people are trying to achieve. They want a dedicated right-of-way. They want multiple vehicles to operate without individual driver supervision. They want guidance, control, signaling, and operation all to happen automatically.

Such systems for movement of people and goods already exist. They are called railroads!

The goal of moving trucks without each one being driven can readily be achieved on upgraded railroads that the Steel Interstate makes possible. Land Ferry service (aka Truck Ferry or Rolling Highway) is widely offered in Europe, but not in the U.S. RAIL Solution is working with Nevada DOT on a pioneering [Land Ferry](#) demonstration across northern Nevada in the Interstate 80 Corridor.

We will have more to say about this in a future newsletter. For now it is important to recognize that railroads are a far better alternative for future freight transport in America than platoons of autonomous trucks on new dedicated highways.

Wick Moorman & Amtrak Prospects

The recent announcement that retired Norfolk Southern Railway chairman C. W. “Wick” Moorman will become the new president of our Amtrak national passenger railway system is welcome news. A successful CEO with deep operating and management experience plus an established record of effective public relations for the rail industry bodes well for Amtrak.

Four critical elements for growing Amtrak include: 1) a reliable dedicated funding stream for capital improvements and operating subsidies; 2) better on-time operation of long haul passenger train service via meaningful incentives to the Class I operators; 3) expanded services to include restoration of key links such as Chicago-Florida and New Orleans-Florida service plus added services in dense short haul Corridors and finally; 4) improved amenities on all Amtrak trains. Things such as quality meal service are important elements for growing passenger traffic. Congress should leave such details up to management rather than legislation.

Next year, 2017, the pioneer [All Aboard Florida](#) passenger service aiming to connect Miami and Orlando expects to begin operations. This public/private enterprise ‘for profit passenger service’ is a leap of faith for passenger service by risk taking investors. Its success will almost certainly advance other projects such as service between California and Las Vegas, intra-Texas opportunities and Southeastern routes centering around Atlanta.

Mr. Moorman, as Norfolk Southern (NS) chairman, proved amenable to passenger service on his own railroad. Saying “just bring money with passenger ideas” he approved new services to Lynchburg and Norfolk, Virginia, added operations in North Carolina and a scheduled extension of service from Lynchburg to Roanoke next year. He also sanctioned extensive excursion operations over NS including operation of various steam locomotives to the excitement of millions of citizens throughout the south.

With the current decline in railroad freight volumes, revenues and profits the industry needs to look for new and innovative sources of traffic and revenues. Passenger operations have the potential to provide a new revenue stream for underutilized rail routes in connection with Amtrak and possibly private enterprise efforts. The Iowa Pacific passenger operation between Chicago and Indianapolis is a good example of what can be done. Upgrading rail corridors to high-performance standards for passenger trains will benefit premium intermodal freight services, as well.

New Amtrak leadership, fresh CEOs at most Class I railroads, a change in national legislative and presidential policies, emergence of private enterprise rail passenger operations and a public desire for better alternatives to airline and driving travel all point toward an awakening of passenger train opportunities for everyone. Hopefully, the convergence of all these situations will work toward positive progress to flesh out the railroad passenger system. RAIL Solution will continue to advocate for increased regional and national passenger train services and the Steel Interstate shared infrastructure to make them happen .

A Note on Donations

Congress has made permanent the charitable tax break for direct donations from IRA accounts. Persons over the age of 70½, required to take a minimum annual distribution, can now have the IRA custodian make contributions to 501(c)(3) organizations such as RAIL Solution for all or part of the required withdrawal amount. This can have important tax benefits by keeping such donated amounts out of the calculation of Federal Adjusted Gross Income (FAGI) that is the basis for many other federal and state tax calculations. In your year-end tax planning, please consider whether this strategy can both help you reduce taxes and help support RAIL Solution’s work.



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