

RJ Corman

Railroad Group



Kentucky Rail Association

William Downey, Chair



Railroads in Kentucky

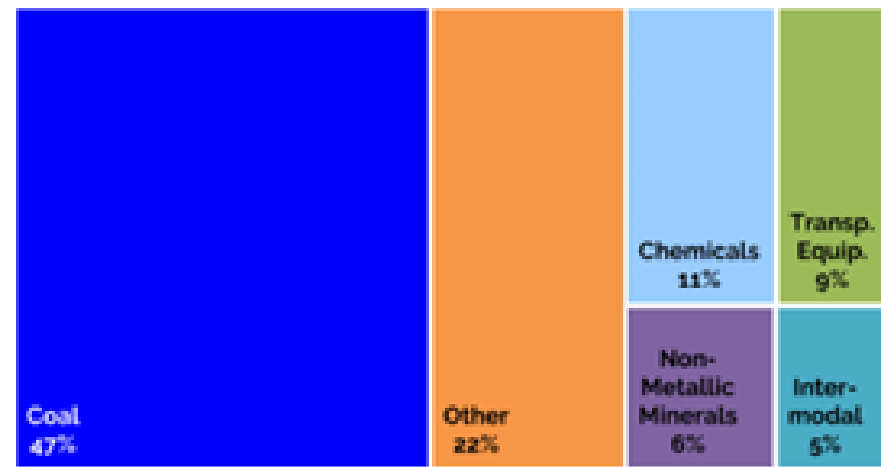


Kentucky Carload Data

Rail Traffic Originated in 2021

Total Tons: 22.6 million

Total Carloads: 366,400



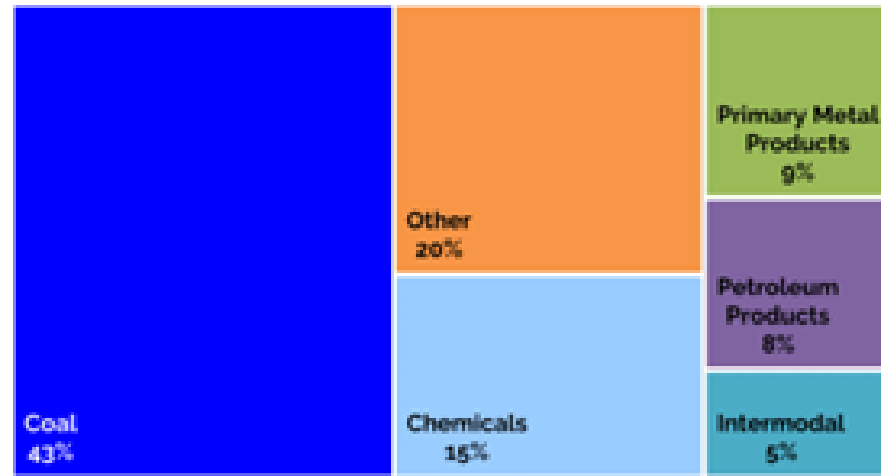
Commodity	Tons (mil)	Carloads
Coal	10.6	90,700
Chemicals	2.5	26,300
Transportation Equip.	2.0	94,800
Nonmetallic Minerals	1.4	13,300
Intermodal	1.1	80,900
Other	5.0	60,300

Source: AAR analysis of industry data
(% based on tonnage)

Rail Traffic Terminated in 2021

Total Tons: 19.4 million

Total Carloads: 269,400



Commodity	Tons (mil)	Carloads
Coal	8.4	71,500
Chemicals	2.9	30,600
Primary Metal Products	1.7	18,500
Petroleum Products	1.5	18,900
Intermodal	1.0	74,600
Other	3.9	55,400

Source: AAR analysis of industry data
(% based on tonnage)

A red RJ Corman Railroad Company locomotive, numbered 3814, is pulling a train of red freight cars across a wooden trestle bridge. The locomotive has "RJ CORMAN RAILROAD COMPANY" and "RJ Corman Railroad Company" written on it. The freight cars also have "RJ CORMAN RAILROAD COMPANY" written on them. The bridge is made of wooden trestles and is situated over a grassy area. The sky is blue with white clouds.

Private Investment in Kentucky

- Industry Average – 25% total revenues invested back into rail network
- Annual investment in Kentucky railroads \$160 million+ in rail infrastructure
 - Includes maintenance and rehabilitation, capital expenditures

Public/Private Investments

INFR INFRASTRUCTURE FOR
REBUILDING AMERICA



Rural

Rockport Bridge Rehabilitation Freight Rail Project

INFRA Award: \$17,331,850

Ohio and Muhlenberg Counties, Kentucky

Applicant: Green River Area Development District

Project Description:

This project will rehabilitate the Rockport Railroad Bridge by replacing the deck, filling in portions of the existing approach with rockfill and culvert pipes, and upgrading the electrical and mechanical components that allow the bridge to be raised to accommodate river traffic.

Project Benefits:

This project makes important investments in the 100-year-old existing freight rail line bridge, allowing it to operate at a full level of performance. The bridge is a vital link for the transportation of commodities such as chemicals, grain, coal, lumber, steel, and petroleum on the 280-mile railway, which would be diverted to truck if the bridge were to be closed. Additionally, the project is being delivered through an innovative public-private partnership with Paducah & Louisville Railway, Inc., a Class III short-line railroad operator.



R. J. Corman Railroad Company, LLC Awarded CRISI Grant for Central Kentucky Lines



Kentucky – The Bluegrass Multimodal Freight Improvement Project (Up to \$7,380,600)

R.J. Corman Railroad Company, LLC

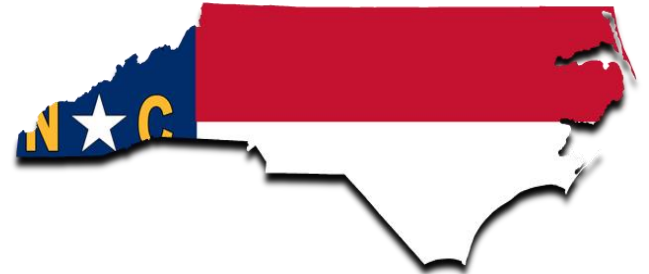
This project will fund three improvements to the Central Kentucky Lines railroad (RJCC) between Frankfort and Lexington, Kentucky. Specifically, it will build a new freight rail-to-truck transload facility just outside of Frankfort, KY, rehabilitate track on the RJCC mainline between Frankfort and Lexington, KY, and make improvements to an existing main yard and transload facility in Lexington, KY, which includes switch replacements, rehabilitated grade crossings and track, expanded transload storage pads, and paving truck and traffic areas. The project qualifies for the statutorily required set-aside for rural investment. The Class III RJCC will provide a 40 percent match.

Public Investment in Kentucky



- Kentucky Rail Crossing Improvement Program (KRCI)
 - \$1.6 million annually
 - Limited to grade crossing repairs and improvements
 - \$350K of funds went towards needs assessment study in partnership with KYTC



State Leaders in Funding Programs



State Funding Programs




Indiana's Highway-Rail Crossings

Indiana is known as the "Crossroads of America" in part due to the many busy railroad lines that carry both freight and passenger trains across the state. In total, Indiana has more than 8,700 highway-rail crossings, two-thirds of which are grade public crossings. That's more than in all but four other states.

Many of these crossings have active warning devices; but installation of train-activated lights and gates does not solve the whole problem of vehicle-train crashes at highway-rail crossings. Driver behavior contributes significantly to these crashes, more than half of which occur at railroad crossings equipped with flashing lights and gates that are in place and operating.

To improve safety and reduce crashes, injuries and fatalities at highway-rail crossings, the state has developed a comprehensive Highway-Rail Grade Crossing Safety Action Plan.


The Local Trax Rail Overpass Program is just one tool aimed at improving safety as well as the quality of life for residents through large-scale rail-related transportation projects.



The Highway-Rail Grade Crossing Safety Action Plan will:

- Reduce the number of public-grade crossings
- Encourage grade separations where possible to bridge over or under busy rail lines
- Accelerate education and enforcement statewide
- Improve passive warning devices to the latest standards
- Upgrade active warning devices at crossings exhibiting the greatest need
- Focus attention on grade crossings with a recent history of multiple collisions


Working Together to Enhance Safety at Indiana's Highway-Rail Intersections



The Indiana Department of Transportation is always looking for new ways to partner with local governments, businesses and industry to address transportation needs in Hoosier communities.

In 2018, the Local Trax program provided grants to cities, towns and counties for grade separation, crossing closure and other safety enhancement projects at highway-rail intersections on local roads. Funding for this program, totaling at least \$125 million, was provided through changes to House Enrolled Act 1002, effective July 2017. Twelve awards were given in 2018.

INDOT will manage Local Trax projects 100%, from beginning to end. Local input and involvement, however, is critical to project success and will be incorporated every step of the way. INDOT will also fund 100% of project design fees and 80% of total project construction and right-of-way costs. The required local match of 20% can be reached through any local partnerships, including funding from the host railroad.



Local Trax Rail Overpass Program

Indiana is known as the Crossroads of America in part due to the many busy railroad lines that carry trains across the state. In total, Indiana has more than 8,700 at-grade railroad crossings, two thirds of which are public crossings.

To improve safety and reduce crashes, injuries and fatalities at railroad crossings, the Indiana legislature in 2017 passed HB 1002, establishing the Local Trax Rail Overpass Program. The program provided grants to cities and counties for grade separation, crossing closure and other safety enhancement projects at highway-rail intersections. Lawmakers approved \$10 million in annual debt service, which amounted to about \$125 million for the Local Trax program.

Industrial Rail Service Fund

The program provides grants to assist Class II and III railroads, as well as railroad port authorities, with the maintenance and upgrade of rail infrastructure to better serve existing customers and to promote rail-based business development.

The fund receives a percentage of the state sales tax (0.031%) which is deposited into the fund quarterly. The fund receives between \$3.5 million and \$4 million each year.

Grant awards must not exceed 75 percent of the total cost of a project. The railroad contribution may include funds from other state or federal agency. The maximum grant award for a railroad in a fiscal year is \$250,000.

State Funding Programs



- **Older Funding - \$32.4 Million**
- Released in Fiscal Year (FY) 2019
- Percent Under Contract - **87% or \$28 Million**
- # Projects/Contracts Closed/Completed from FY 2019, 2020, and 2021 - **45**
- **Newer Rail Preservation Funding - \$85 Million**
- Released Beginning in FY 2022
- **\$85 Million** - FY 2022 Tennessee Appropriations Bill
- **20** New Projects Started Already in FY 2022

RFAP and RTAP Funding - PennDOT

Fiscal Year	No. of Projects	Funding
2016	34	\$40,281,519
2017	27	\$32,146,734
2018	27	\$23,596,202
2019	26	\$40,025,783
2020	26	\$31,310,658
2021	25	\$33,250,234
2022	24	\$26,000,000
	189	\$226,611,130
	Avg	\$1.2M/per award

Fiscal Year	Amount
2014	\$19.2M
2015	\$3.75M
2016	\$3.75M
2017	\$17.5M
2018	\$17.5M
2019	\$17.2M
2020	\$21.75M
2021	\$9.95M
2022	\$20.95M

Next Steps

KYTC and HDR Engineering – Rail Assessment Study

Investment in Rail Infrastructure

- KFIP – Kentucky Freight Investment Program
 - Preservation and maintenance, expansion, industrial access, economic development
- KFFF – Kentucky Federal Freight Fund
 - Program to assist communities, authorities, railroads, riverports seeking federal grant opportunities for rail infrastructure projects