

Regional and Short Line Railroads in the United States

Since the Staggers Act of 1980, the number of nonclass I freight railroads has grown by about 260%, and there are now 574 nonclass I freight hauling railroads in the United States. While nonclass I rail holding companies (companies owning multiple nonclass I freight railroads) existed prior to Staggers, the existence of such holding companies proliferated post-Staggers, particularly in the 1990s. Today 341 (59%) of the nonclass I freight railroads and 64.5% of the nonclass I mileage are owned/controlled by 81 holding companies. The buying and selling activity in this market is very active. This article documents this growth and notes the participants in this dynamic industry. In addition, the changing ownership of individually owned nonclass I freight railroads is also documented and problems faced by nonclass I freight railroads are discussed.

by **W. Bruce Allen, Michael Sussman, and Drew Miller**

The US currently has seven class I freight railroads¹ (including the two major Canadian carriers (Canadian National and Canadian Pacific) and their three affiliates (CN's Illinois Central; Wisconsin Central; and CP's Soo Line). These railroads account for approximately 71% of the US rail route mileage, 91% of the freight revenue, and 89% of rail employment.² According to the Association of American Railroad's (AAR) Profiles of US Railroads, there were 561 for-hire, common carrier, freight hauling railroads operating in the US in 2000.³ Subsequent additions and deletions to that list found by the authors bring that number to 581 in early 2002 (although it must be stressed that the number of railroads changes frequently through births, deaths, and mergers).

The remainder of the rail activity is undertaken by regional and short line railroads. The latest listing by the AAR gives 35 regional railroads and 517 local and terminal and switching carriers. Including trackage rights, the class I operates 122,186 miles, the

regionals 20,978 miles, the locals 21,512 miles, and the terminal and switching companies 7,425.⁴

Prior to the Staggers Rail Act of 1980, there were about 220 regional and short line railroads.⁵ Since Staggers, the number of class I carriers has shrunk due to mergers and definitional changes,⁶ while the number of regionals and short lines has grown by about 260%. The Staggers Act encouraged the sales of lines that previously would have been abandoned to regionals and short lines and provided an expedited procedure, much easier than the previous abandonment procedures, in which entities that would retain the rail usage of the line were given preference in the transactions regarding that line. The mergers of the class I carriers also created redundant trunk lines that were purchased by the regional carriers.

Class I carriers have become more focused on a wholesale type of business—running high speed unit and intermodal trains longer distances. With expensive labor, the retail business to smaller customers requiring time

intensive switching and slow speed operations was deemed less profitable by the class I carriers.

This scenario provided a business opportunity for the regionals and short lines. With less expensive labor, less capital intensive operations (because of the nonhigh-speed operations allowing for less investment in track and motive power), and more management attention to the customer (the remote from class I headquarters/district office, branch line becomes the main line of the regional/short line), short lines could potentially operate a profitable business on lines where class I carriers lost money.

The situation has proven complementary to both parties. Since very little traffic both originates and terminates on the same short line, the short line originated traffic travels on class I carriers. Likewise, some traffic originated on a class I terminates on a short line. However, the traffic does not have to pick up or be delivered from/to the original shipper/receiver as previously but only picked up/delivered from/to the short line. The labor intensive retailing is done by the short line.⁷ Class I carriers have substituted cheap labor (the short line) for expensive labor and have saved capital, too. Short lines benefit since they make a profit from this service. Customers on the short line benefit because they receive rail service (they have revealed it to be better than the alternatives—since they could always use the alternatives/move/go out of business), which would most likely have been abandoned prior to Staggers.⁸

Start-Up Credit

While the Staggers Act is attributed much of the credit for the start-up of regional and short line railroads, Due⁹ points to several other reasons:

- (1) Conrail's formation in 1976, where over one-third of the lines of the predecessor railroads, were not included in Conrail.
- (2) The liquidation of the Rock Island Railroad and the partial liquidation of the Milwaukee Railroad.
- (3) The availability of Federal funds for assistance to new railroads.
- (4) The availability of state (or regional, local) government funds for acquisition and subsidy of new railroads. In some cases, states retain ownership of the fixed infrastructure and a private railroad company provides the transportation; in other cases, the state loans the money for acquisition to the acquiring railroad; in some cases, the government both owns and operates the line. In the 1971-1984 period, government authorities owned 51% of the new railroads established during that time frame.¹⁰

Levine et al. point out that the 3R Act of 1973, the 4R Act of 1976, and the Local Rail Service Assistance Act of 1978 all allowed for operational subsidies for rail branch lines and that the 4R Act had provisions that made rail abandonment easier.¹¹

Prior to Staggers, Due notes that 56 new railroads were started in the period 1971-1979.¹²

'Ma and Pa' Owners

Who are the entrepreneurs who have entered (and exited) the regional and short line market since 1980 causing it to more than double? Prior to 1980, there were a number of Ma and Pa owners in the business. These are owners of single railroads operating as a for-profit business—but many times with an inherent love of railroading added (and without that love, the capital probably would have been invested elsewhere). Certain industries, e.g., steel, paper, aluminum, extractive raw materials, etc., invested in railroads as part of vertical integration in their industries. Cities, counties, states, and port authorities owned railroads as part of their

industrial development strategies. Terminal/switching companies were jointly owned by class I carriers (or a city/port authority) to provide unbiased railroad access to all customers and interchange among railroads in a metropolitan area. Shippers on a line to be abandoned sometime purchased the line.

In addition, some entrepreneurs formed companies, e.g., Pinsky, Emons, Cagy, R.J. Corman, to operate multiple and spatially separated railroads. In general, however, the image of the industry was one of Ma and Pa operations.¹³

All of the above exist as owners today and certainly new Ma and Pa operators as well as governments and industries have entered the market. But by far the leading fuel of the growth since 1980 has been the entry of holding companies that own multiple railroads. These railroads are formed by entrepreneurs who view the industry as one of many possible places to put their capital and make money and by ex-class I railroaders who see the same monetary possibilities and left class I to take advantage of the opportunity (or were downsized as class I carriers merged). Of the approximately 48,000 nonclass I miles today, about 31,000 are controlled by or are affiliated with entities that control two or more US railroads (including class I, government, and nonrail industry control of some regional and short lines). Eighty-one entities control 341 of the approximately 574 regional and short line carriers.¹⁴ The evolution of these multi-railroad entities post-1980 is given by Due and Leever.

During the period 1971-1984, shippers and entrepreneurs together formed 23.7% of the new lines while shippers alone formed 20.3% of the new lines. Outside entrepreneurs and investors formed 16.1%. Short line holding companies formed 11%.¹⁵

To obtain a perspective on the whole rail industry, Table 1 shows the Class I carriers by US mileage and ownership affiliation. This table is likely to change as the class I carriers react to a recent decision by the Sur-

face Transportation Board regarding rail mergers.¹⁶

Table 2 shows the regional railroads in the US. The railroads follow the pattern outlined above. The majority were formed since Staggers, i.e., post-1980, using redundant trunk lines of merged class I carriers (although the merger may have occurred prior to or after Staggers—the former proved difficult to abandon under the old abandonment procedures). Two are owned by government—the Alaska Railroad, owned by the state, and the Texas Pacific Transportation Co., owned by the South Orient (TX) Rural Rail District. Several are owned by class I carriers, i.e., the Chicago, Central and Pacific (by Canadian National), The Texas-Mexican Railway (49% by Kansas City Southern), the Gateway Western Railroad (by Kansas City Southern). Others are owned by industries—Utah Rail (by Mueller Industries) and the Elgin, Joliet, and Eastern (US Steel). The Iowa Interstate is 80% owned by shippers on the line (Heartland Corp.). Some of the rest are independent and founded prior to Staggers, e.g., Florida East Coast (1912), Providence and Worcester (1973), Tuscola and Saginaw Bay (1977), while others are independent and formed after Staggers, e.g., Dakota, Minnesota and Eastern (1986), Paducah and Louisville (1986), and Wisconsin and Southern (1988). But at least 16 of these carriers are part of the holding companies formed after Staggers.

Prior to 1984, there were very few regional carriers. From 1984 to 1993, the formation of regional railroads was one of the big stories in short lines. The other was that 184 new carriers were formed in this period.¹⁷ Regional railroads entailed more than one-third of the new railroad mileage during this time frame. Of the new railroads started in this period, governments owned 15.4%, the original (i.e., abandoning) carrier owned 8.9% (usually on a lease purchase agreement with the short line), while the short line railroads (including short line holding compa-

Table 1: Class I Railroads by Mileage, 2000 (railroads with operating revenues > \$256.4 million)

Railroad	States of Operation	Mileage
Burlington Northern-Santa Fe	AL,AR,AZ,CA,CO,KY,IA,ID,IL,KS,LA,MN,MO,MS,MT ND,NE,NM,NV,OK,OR,SD,TN,TX,UT,WA,WI,WY	33,251
Union Pacific	AR,AZ,CA,CO,IA,ID,IL,IN,KS,LA,MN,MO,MT,NE,NM NV,OK,OR,TN,TX,UT,WA,WI,WY	33,035
CSX	AL,CT,DC,DE,FL,GA,KY,IL,IN,LA,MA,MD,MI,MO,MS NC,NJ,NY,OH,PA,SC,TN,VA,WV	23,182
Norfolk Southern	AL,DC,DE,FL,GA,KY,IA,IL,IN,KS,LA,MD,MI,MO,MS NC,NJ,NY,OH,PA,SC,TN,VA,WV	21,457
Canadian National	AL,IL,IN,KY,LA,MI,MN,MS,NY,OH,TN,VT,WI	5,726
Canadian Pacific	DC,IL,IN,KY,MD,MI,MN,ND,NJ,NY,PA,SD,WI,VA	4,722
Kansas City Southern	AL,AR,KS,LA,MO,MS,OK,TN,TX	2,701
Total		124,074

Source: Association of American Railroads at <http://www.aar.org/rrstates2000.nsf/>

nies) owned 73%; in fact, short line holding companies owned 56.9% of the short line owned miles formed in this period.¹⁸

In the 1993-1997 period, Due and Leever note the growth of subregional railroads, i.e., those with track between 150 and 400 interconnected miles and the continued growth of short line holding companies. Only two regional railroads were formed in this period (the I & M and the Central Kansas), while 108 new lines were formed. Governments owned 14.9%, the abandoning railroad owned 15.2%, and the short lines and regional railroads (including rail holding companies) owned 69%. Of the short line and regional railroad owned miles, 85% were owned by short line railroad holding companies. Shippers only accounted for 2.8% of the total new mileage.¹⁹

Table 3 shows industrial owners of multiple railroads. In most cases, these railroads have been around for a long time as part of the integrated production strategy of the owning firm. In several cases, e.g., Beth Intermodal, Transtar, and Great Lakes Transportation, the railroads have been put into a new entity by the industry owner.

The major rail holding companies are shown in Table 4. This list excludes class I carriers, governments, and nonrail industries and defines major as controlling over 200 miles of track. Virtually all were formed post-Staggers. To contrast the multirail entities, consider the following: the largest of these companies is RailAmerica, already a major operator in 2000. During that year they acquired RailTex, which was the largest US operator. In 2001, RailAmerica acquired both StatesRail and Park Sierra Properties. RailAmerica controls 39 US freight railroads (as well as railroads outside the US) and operates 6,792 miles of track in the US. It was formed in 1986. One of the smallest is SMS Rail with two railroads and seven miles of track. RailAmerica is a New York Stock Exchange, publicly traded company, while SMS Rail is privately held.

Table 5 lists the 81 owners/controllers/affiliates that have two or more US railroads and the names of their railroads. It includes all types of owners. Table 6 gives the rank order by mileage operated by the 81 rail holding companies.

Table 7 lists the short line railroads clas-

Table 2: Regional Railroads, 2000—by Mileage

Railroad	States of Operation	Owner	Mileage	Year Formed or of Last Transaction
I & M Rail Link	IA,IL,KS,MO,MN,WI	Cedar American Rail Holdings	1,336	2002
Guilford Rail System	CT,ME,MA,NH,NY,VT	Guilford Rail System	1,166	1981
Dakota, Minnesota, & Eastern RR	IA,MN,NE,SD,WY	Cedar American Rail Holdings	1,101	1986
Kansas & Oklahoma	CO,KS	WATCO	920	2001
Montana Rail Link	ID,MT,WA	Washington Rail Group	908	1987
Wheeling & Lake Erie Railway	MD,OH,PA,WV	Wheeling & Lake Erie Railway	878	1990
Kyle Railroad	CO,KS,NE	RailAmerica	746	2001
Chicago, Central, & Pacific RR	IA,IL,NE	Canadian National	736	1999
Wisconsin & Southern Railroad	IL,WI	Wisconsin & Southern Railroad	640	1988
Red River Valley & Western RR	MN,ND,SD	Oakes Development	636	1987
Iowa Interstate Railroad	IA,IL	Heartland/Rail Development Corp.	563	1984
Providence & Worcester Railroad	CT,MA,NY,RI	Providence & Worcester Railroad	545	1973
Texas Mexican Railway	TX	Kansas City Southern (49%) Trans Maritima Mexican (51%)	544	1995
Missouri & Northern Arkansas RR	AR,KS,MO	RailAmerica	537	2000
Alaska Railroad	AK	State of Alaska	482	1985
Dakota, Missouri Valley & Western	MT,ND	Dakota, Missouri Valley & Western	460	1990
Central Oregon & Pacific Railroad	CA,OR	RailAmerica	447	2000
Utah Railway	UT	Mueller Industries	438	1912
Nebraska, Kansas, & Colorado Railnet	CO,KS,NE	North American RailNet	433	1996
Gateway Western Railroad	KS,IL,MO	Kansas City Southern	415	1997
Bangor & Aroostook Railroad	ME	Iron Road	414	1993
Buffalo & Pittsburgh Railroad	NY,PA	Genesee & Wyoming Inc.	411	1988
New York, Susquehanna, & Western Railway	NJ,NY,PA	Delaware Otsego Corp.	409	1980
Indiana & Ohio Railway	IN,MI,OH	RailAmerica	409	2000
South Kansas & Oklahoma RR	KS,OK	WATCO	398	1990
Tuscola & Saginaw Bay Railway	MI	Tuscola & Saginaw Bay Railway	396	1977
Northern Plains Railroad	MN,ND	Northern Plains Railroad	388	1997
Florida East Coast Railway	FL	Florida East Coast Industries	386	1912
Texas Pacifico Transportation Co.	TX	Bristol Group/State of TX	371	2000
Paducah & Louisville Railway	KY	Four Rivers Transportation	329	2001
Duluth, Missabe, & Iron Range Rwy	MN,WI	Great Lakes Transportation	283	1986
Bessemer & Lake Erie Railway	OH,PA	Great Lakes Transportation	186	2001
Elgin, Joliet, & Eastern Railway	IL,IN	US Steel	168	2001
Total			18,479	

Class II Railroads have annual operating revenues between \$20.5 million and \$256.4 million. Most regional railroads are class II carriers

Source: Association of American Railroads at <http://www.aar.org/rstates2000.nsf/> and Strategic Rail Finance database

Table 3: Industrial Owners of Two or More Railroads, 2002

Company	Number of Railroads	Mileage	Industry
Alcoa	4	36	Aluminum
Beth Intermodal	7	49	Steel
BHP Copper	3	60	Copper
Champion International	2	22	Paper
Georgia Pacific	5	220	Lumber/Paper
IMC Chemicals	2	37	Chemicals
LTV Steel	2	24	Steel
Martin Marietta Materials	2	20	Aggregates
Potlatch Corp.	4	85	Paper
Temple Inland	2	52	Paper
US Steel	5	231	Steel
Unimin Sand	2	112	Sand
Weyerhaeuser	4	146	Lumber/Paper
Total	44	1,094	

Source: Strategic Rail Finance database

sified by the AAR as local railroads, and Table 8 lists the short line railroads classified by the AAR as terminal and switching railroads—as augmented by our update. (Note: See Tables 5,6,7, and 8, starting on page 105).

Complexity of Operations

In addition to the above mentioned benefits of nonclass I railroads, the proliferation of railroads since 1980 has increased the complexity of operations in the rail industry. Rail safety entails not only physical inspection of rail property but also examination of carrier records. Since the number of entities has increased, this increases the government's (state and Federal Railroad Administration) burden. More parties now exist with which to interchange (which requires interchange agreements). To the extent that each entity

tends to do things in an idiosyncratic fashion, there are more ways of doing things in the industry—an industry that requires complementarity. On the other hand, the holding companies create a uniformity that mitigates these effects, i.e., instead of having to deal with more than 570 individual nonclass I entities for certain items, the FRA needs to deal with about 310.

Many of the holding companies are quite explicit for the reasons for their formation. RailAmerica describes the industry as one of exceptional growth opportunities which were brought about by the Staggers Act's streamlined provisions regarding the transaction of rail properties (as well as other deregulatory actions of the act).²⁰ Rio Grande Pacific Corp. also recognizes the significant changes and developments that occurred in transportation as a primary result of deregulation.²¹

Table 4: Major Rail Holding Companies—Over 200 Miles of Track, 2002

Company	Number of Railroads	Mileage	Year Started or Last Ownership Change
Anacostia & Pacific	4	488	1985
Cagy Transportation	4	323	1974
Cedar American Rail Holdings	2	2,437	1986
R. J. Corman	6	521	1973
Genesee & Wyoming	20	2,141	1899
Genesee Valley	5	258	1989
Grainbelt/Farmrail	2	424	1981
Great Lakes Transportation	2	469	2001
Gulf & Ohio Railways	10	316	1984
Iron Road	4	804	1993
KBN Inc.	2	331	1997
Livonia, Avon & Lakeville Railroad Co.	3	226	1964
Mueller Industries	2	463	1993
North American RailNET	5	1,145	1996
North Shore	8	254	1984
Oakes Development Corp.	4	993	1987
Ohio Central Rail	9	336	1986
OmniTRAX	8	223	1986
Pioneer Rail Corp.	16	444	1982
Pinsly Rail	5	214	1938
RailAmerica	39	6,792	1986
Rail Management & Consultants	13	668	1980
Rio Grande Pacific	4	565	1986
Seminole Gulf	2	242	1987
Vermont Rail	4	223	1997
WATCO	7	2,254	1983
Western Group	5	498	1987
Wheeling & Lake Erie	2	946	1990
Total	197	24,998	

(Excludes Class I, government, and industry owned railroads)

Note: Genesee & Wyoming has done most of their acquisitions post-1980

Source: Strategic Rail Finance database

Short line railroads are not without problems. Their trade association, the American Short Line and Regional Railroad Association, notes several major issues²²—the largest being the development of 286,000-pound, gross vehicle weight cars. This weight car is becoming the choice for shippers of commodities such as grain, lumber, and paper products—commodities that are shipped in significant quantities on short lines. These heavier cars require more expensive infrastructure—rail, ties, ballast, and bridges than exist on many smaller railroads. Many small railroads do not have the capital to make such investments.

Short lines do not originate and terminate the same shipment very often. Thus, they depend on connecting carriers (mostly class I carriers) for service. Since the shipper views service as performance from origin to destination, an excellent job by the short line can be offset by a poor performance by another operator. A piece of traffic which is a primary piece of traffic for a short line operator may be perceived as a marginal piece of traffic by a class I. Poor service can occur during normal operations or can be entailed by a systemic change in the handling of traffic as a result of a merger of larger carriers. Short lines would like compensation for service failures that arise when their business is harmed by actions of other railroads not in their control.

Having to interchange to service their customers' shipping needs, short lines can also be disadvantaged when they are inhibited in their ability to interchange with all available carriers because of routing restrictions imposed by their initial interchange partner, gateway closures, or because of pricing on interchanges and routes that preclude the use of preferred interchanges/routes.

Short lines are concerned about discriminatory pricing policies potentially practiced by class I carriers. Place competition entails commodity X potentially being supplied from multiple places to the market. But since

transportation rates will influence which locations will serve the demand for good X at the market, short line railroads are concerned that a class I can advantage shippers located on class I lines to the disadvantage of shippers located on short lines by controlling the rates that short lines can quote their shippers.

Car supply has historically been a rail problem. Since many products are seasonal and since specialty cars exist for some products, peaks and troughs of demand for the movement of commodities leads to peaks and troughs in the demand for rail cars. While some short lines own cars (indeed, some short lines were formed to earn money on car-hire per diem rates as opposed to line haul/switching transportation), most short lines rely on class I carriers for car supply. Short lines are concerned about adequate car supply in times of shortage and also concerned about fair prices to pay for cars in the depressed (read deregulated) car-hire market.

Threats and Opportunities for Short Lines

A recent article in *Transportation Quarterly* by Landry and Ozment²³ surveyed short line executives about their views as to the threats and opportunities for short lines. Their greatest concern was with their relationships with class I railroads. These relate to the items above concerning pricing policy, impacts of mergers on services, routing/gateway policies, etc. These class I relationships dominated their responses. Of course, given the nature of their traffic flow characteristics, this is not surprising. Class I (in lip service at the very least) refers to short lines as partners and generally give short lines exposure in their marketing programs. According to Landry and Ozment, short line executives view their relationships with class I carriers as slightly better than mediocre.

The second largest concern of executives was with government interaction. Recent

service failures surrounding mergers brings concern about reregulation—which they do not desire. Items not deregulated by Staggers, (e.g., safety) also cause them concern, as they fear an escalation of government involvement in their activity. Car supply is a distant third in their list of concerns. Heavier car requirements and a need for revenue were fourth and fifth on their list.

Executives are optimistic about their business. Seventy-five percent predict growth exceeding the rate of inflation. They are optimistic that their value-added service approach will be appreciated by a growing number of companies. They also view growing into other value-added components of the supply chain and view positioning themselves for future class I shredding of redundant or unwanted lines (the short line role in the last 20 years) or for taking over other functions which the class I carriers feel are not core to their mission of a wholesaler of high volume, high speed freight, e.g., customer switching, and yard operations—and one could expand this to managing currently outsourced class I activities such as car and locomotive repair, maintenance, etc. Clearly, these activities will run into labor opposition but opposition was also faced in the already accomplished rail abandonment and existing outsourcing scenarios.

What separates the successful short lines from those who have failed? To survive, Due notes in his early analysis that short lines require competent, experienced management—both operating and executive/sales/marketing; shipper support; adequate (due to deferred maintenance) track and facilities, e.g., bridges, yards; adequate traffic; access to more than one connecting carrier (for bargaining leverage); adequate financing; and government assistance.²⁴ Adequate financing was often tied to the fact that the short line operator had paid too much for the line, the line generated an inefficient cash flow, and traditional commercial lending institutions did not lend to the industry.

Wolfe lists multiple reasons for failure, but the most important is limited traffic.²⁵ Prater and Babcock find that the most important determinants of short line financial success are adequate traffic density (carloads/mile of mainline track), control over nonmaintenance of way costs, and amount of traffic moved in the top three commodities of the carrier (all variables lagged by a year).²⁶

Lines fail for a lack of the above. Many lines are also dependant on one or a few dominant shippers. If those shippers are in economic distress, the short line is likely to be in distress, also. As with all rail, short lines are susceptible to truck competition for origin to destination moves. But trucks can also hurt short lines in another way—trucking short line traffic to the class I carriers, thus bypassing the short line in the shipping route. In fact, class I carriers may be encouraging such moves with their development of load centers for grain. Because of limited capital, a force majeure, e.g., a major physical problem—a track washout or a bridge collapse, or a major derailment/accident can bring a carrier down. The short line is dependant on its connections, so if a connection is abandoned, either physically or by cancellation of joint rates, the short line is either physically or practically disconnected from the rail network. Car supply is another concern—without cars from a class I carriers, the originating short lines can't serve their customers.

In the most recent period of Due's analysis (1993-1997),²⁷ the reasons for short line failure concentrated on the lack of traffic volume. Rail management did not seem to be a problem (bad management railroads having failed in the earlier periods—the survivor principle). Due and Leever note that subsidy does not seem to be nearly as important in the latter period as it did in earlier periods. Of the original group of 409 railroads started in the 1971-1997 time frame, 62 had failed (15.2%) to continue to operate as a railroad—although in some cases, when a

line failed, another carrier took its place. Given that the average life of an American business is about six years (perhaps less with the recent demise of so many dot.coms), the 15.2% over a quarter of a century is not a bad record at all. Large rail holding companies also tend to lead to financial stability because they hold entities in multiple geographic areas (thus insulating themselves from regional economic downturns) and have a more diverse commodity mix across their whole system (thus insulating themselves from an economic downturn of a specific industry or a specific shipper). In addition, they are diversified from the impacts of force majures.

Conclusion

In the years directly prior to the Staggers Act (1980) and especially since the Staggers Act, there has been an explosion of short line and

regional railroads (a 260% increase). The dominant portion of this very large increase is accounted for by the formation and growth of entities, which own, control, or are affiliated with multiple railroads. Of more than 570 regional and short line railroads, 81 multiple owning, controlling, or affiliated with entities control 59% of these railroads and 64.5% of the regional/short line mileage.

This article documents the short line and regional carriers in the US and the owners, controllers, and affiliates of multiple railroads. The likelihood of further rail mergers, the restructuring of existing rail entities, the existence of a buy and sell market among multirail owning entities,²⁸ and the statements of multirail owning entities that they are optimistic about opportunities in this line of business, suggest that the trend of multirail ownership will continue.

Table 5: Multi-Railroad Holding Companies/Entities, 2002

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
Aberdeen & Rockfish	Aberdeen & Rockfish Railroad	46	2
	Pee Dee River Railway	20	
	Total	66	
Alcoa	Bauxite & Northern Railway	6	4
	Massena Terminal Railway	4	
	Point Comfort & Northern Railway	16	
	Rockdale, Sandow & Southern Railroad	10	
	Total	36	
American Railroads	Southern California Railroad	NA	2
	Gulf, Colorado and San Saba	68	
	Total	68	
Anacostia & Pacific	Chicago, South Shore & South Bend Railroad	75	4
	Louisville & Indiana Railroad	123	
	New York & Atlantic Railway	269	
	Pacific Harbor Line	21	
	Total	488	
Arkansas Shortline	Central Columbiana & Pennsylvania	39	3
	Dardanelle & Russellville Railroad	5	
	Ouachita Railroad	26	
	Total	70	
Ballard Terminal	Ballard Terminal Railroad	3	2
	Meecker Southern Railroad	5	
	Total	8	
Beth Intermodal	Brandywine Valley Railroad	6	7
	Conemaugh & Black Lick Railroad	9	
	Lake Michigan & Indiana Railroad Co	5	
	Patapsco & Back River Railroad	10	
	Philadelphia, Bethlehem, and New England RR	8	
	Steeltown & Highspire Railroad	5	
	Upper Merion & Plymouth Railroad	6	
	Total	49	
	BHP Copper	Arizona Railroad BHP	
Nevada Railroad BHP		3	
San Manuel Arizona Railroad		29	
Total		60	
Black River & Western	Belvidere & Delaware River Railway	16	2
	Black River & Western Railroad	16	
	Total	32	
Burlington Northern-Sante Fe	Belt Railway Company of Chicago (16.67%)	4.5	4.17
	Central California Traction (50%)	34	
	Longview Switching Co. (50%)	8.5	
	Los Angeles Junction Railway	63	
	Oakland Terminal Railway (50%)	6	
	Portland Terminal Railroad Co. (50%)	1.5	
	Port Terminal Railroad Association (50%)	18.5	
	Texas City Terminal Railway (50%)	2.5	
	Total	138.5	
Cagy Transportation	Chattanooga & Chickamauga Railway	68	4
	Columbus & Greenville Railway	178	
	Luxapalilia Valley Railroad	34	
	Redmont Railway	43	
	Total	323	

Table 5, continued

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
Canadian National	Belt Railway Company of Chicago (16.67%)	4.5	2.5
	Cedar River Railroad	102	
	Chicago, Central, & Pacific Railroad	736	
	Peoria & Pekin Union Railway (33.33%)	7,333,333	
	Total	849,8333	
Canadian Pacific	Albany Port Railroad Corp. (50%)	5	0.67
	Belt Railway Company of Chicago (16.67%)	4.5	
	Total	9.5	
Cedar American Rail Holdings	Dakota, Minnesota, & Eastern Railroad	1,101	2
	I & M Rail Link	1,336	
	Total	2,437	
Champion International	Angelina & Neches River Railroad	15	2
	Moscow, Camden & San Augustine Railroad	7	
	Total	22	
R. J. Corman	Allentown Lines	15	6
	Bardstown Line	20	
	Cleveland Lines	49	
	Memphis Lines	98	
	Penn Lines	245	
	Western Ohio Lines	94	
	Total	521	
CSX	Albany Port Railroad Corp. (50%)	5	2.92
	Belt Railway Company of Chicago (16.67)	4.5	
	Conrail (50%)	262.5	
	High Point, Thomasville & Denton RR (50%)	17	
	The Indiana Rail Road (40%)	64	
	Paducah & Louisville Railway (35%)	115.15	
	Winston-Salem Southbound Railway (50%)	45	
	Total	513.15	
Denver Rock Island Railroad	Denver Rock Island Railroad	11	2
	Sunflour Railroad Inc	26	
	Total	37	
Everett Railroad	Everett Railroad Co.	25	2
	Hollidaysburg & Roaring Spring Railroad Co	10	
	Total	35	
Genesee & Wyoming	Allegheny & Eastern Railroad	154	20
	Bradford Industrial	2	
	Buffalo & Pittsburgh Railroad	411	
	Carolina Coastal Railway	17	
	Commonwealth Railroad	17	
	Corpus Christi Terminal Railroad	23	
	Genesee & Wyoming Railroad	75	
	Golden Isles Terminal Railroad	12	
	Illinois & Midland Railroad	126	
	Louisiana & Delta Railroad	206	
	Penn Eastern Rail Lines	40	
	Pittsburgh & Shawmut Railroad	237	
	Portland & Western Railroad	220	
	Rochester & Southern Railroad	121	
	Savannah Port Terminal Railroad	25	
	South Buffalo Railway	12	
	St. Lawrence & Atlantic Railroad	169	
	Talleyrand Terminal Railroad	4	
	Willamette & Pacific Railroad	230	
	York Railway Co.	40	
	Total	2,141	

Table 5, continued

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
Genesee Valley	Delaware Lakawanna Railroad	73	5
	Depew, Lancaster & Western Railroad	12	
	Falls Road Railroad	45	
	Lowville & Beaver River Railroad	11	
	Mohawk, Adirondeck & Northern Railroad	117	
	Total	258	
Georgia Pacific	Arkansas, Louisiana, & Mississippi Railway Co	109	5
	Chattahoochee Industrial Railroad	15	
	Fordyce & Princeton Railroad	57	
	Gloster Southern Railroad Co.	36	
	Old Augusta Railroad Co.	3	
	Total	220	
Grainbelt/Farmrail	Farmrail	184	2
	Grainbelt	240	
	Total	424	
Great Lakes Transportation	Bessemer & Lake Erie Railway	186	2
	Duluth, Missabe, & Iron Range Railway	283	
	Total	469	
Great Walton	Great Walton Railroad	37	2
	Hartwell Railroad	58	
	Total	95	
Gulf & Ohio Railways	Conecuh Valley Railroad	15	10
	H & S Railroad	8	
	Knoxville & Holston River Railroad	18	
	Laurinburg & Southern Railroad	35	
	Lexington & Ohio Railroad	15	
	Mississippi Delta Railroad	58	
	Nash County Railroad	20	
	Three Notch Railroad	34	
	Wiregrass Central Railroad	20	
	Yadkin Valley Railroad	93	
	Total	316	
Illinois Western	Effingham Railroad	3	2
	Illinois Western Railroad	3	
	Total	6	
IMC Chemicals	Hutchinson and Northern Railway	6	2
	Trona Railway	31	
	Total	37	
Indiana Railroad Company	The Indiana Rail Road (60%)	96	1.6
	Missouri Central Railroad	49	
	Total	145	
Iron Horse Resources	BSDA Railroad	1	4
	Railroad Switching Services of Missouri	2	
	Rio Valley Switching	78	
	Southern Switching	13	
	Total	94	
Iron Road	Bangor & Aroostook Railroad	414	4
	Canadian American Railroad	102	
	Iowa Northern Railway	162	
	Northern Vermont Railroad	126	
	Total	804	

Table 5, continued

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
ISS Rail	ISS Rail	12	2
	Kiski Junction Railroad	5	
	Total	17	
International Shipholding Corp.	CG Railway	NA	2
	Terminal Railroad, Alabama State Docks	8	
	Total	8	
KBN Inc.	Minnesota Northern Railroad	271	2
	St. Croix Valley Railroad	60	
	Total	331	
KCS Industries	Gateway Eastern Railway	32	2.49
	Gateway Western Railroad	415	
	Texas Mexican Railway (49%)	266.56	
	Total	713.56	
Livonia, Avon, & Lakeville Railroad Co.	B & H Rail Corp.	17	4
	Livonia, Avon, & Lakeville Railroad Co.	68	
	Ontario Central Railroad	13	
	Western New York & Pennsylvania Railroad	145	
	Total	243	
LTV Rail	Aliquippa & Southern Railroad	5	2
	Cuyahoga Valley Railway Co.	19	
	Total	24	
Martin Marietta Materials	Alamo Gulf Coast Railroad Co.	10	2
	Fredonia Valley Railroad Inc.	10	
	Total	20	
Modesto & Empire Traction	Modesto & Empire Traction	33	2
	Stockton Terminal & Eastern Railroad	17	
	Total	50	
Mueller Industries	Salt Lake City Southern Railroad	25	2
	Utah Railway	438	
	Total	463	
Nashville & Eastern	Nashville & Eastern	130	2
	Nashville & Western	6	
	Total	136	
New Hampshire & Vermont	Florida West Coast Railroad	14	3
	New Hampshire & Vermont Railroad	40	
	Twin State Railroad	28	
	Total	82	
New York & Lake Erie	New York & Lake Erie Railroad	29	2
	Oil Creek & Titusville Lines	59	
	Total	88	
Norfolk Southern	Belt Railway Company of Chicago (16.67)	4.5	2
	Conrail (50%)	262.5	
	High Point, Thomasville & Denton RR (50%)	17	
	Peoria & Pekin Union Railway (33.33%)	7.333333	
	Winston-Salem Southbound Railway (50%)	45	
	Total	336.3333	
North Shore	Juniata Valley Railroad	12	
	Lycoming Valley Railroad	37	
	Nittany & Bald Eagle Railroad	63	
	North Shore Railroad	43	
	Shamokin Valley Railroad	27	
	Stourbridge Railroad	25	

Table 5, continued

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
North Shore, continued	Union County Industrial Railroad	12	8
	Wellsboro & Corning Railroad	35	
	Total	254	
Oakes Development Corp.	Minnesota Prairie Railroad	95	4
	Red River Valley & Western Railroad	636	
	Rutland Line	17	
	Twin Cities & Western Railroad	245	
	Total	993	
Ohio Central Rail	Columbus & Ohio River Railroad	160	9
	Mahoning Valley Railway	4	
	Ohio & Pennsylvania Railroad	3	
	Ohio Central Railroad	94	
	Ohio Southern Railroad	11	
	Pittsburgh & Ohio Valley Railroad	42	
	Warren & Trumbull Railroad	6	
	Youngstown & Austintown Railroad	4	
	Youngstown Belt Railroad	12	
	Total	336	
OmniTRAX	Chicago Rail Link	57	8
	Georgia Woodlands Railroad	18	
	Great Western of Colorado Railway	80	
	Great Western of Iowa Railway	7	
	Manufacturer's Junction Railway	2	
	Newburgh & South Shore Railroad	3	
	Northern Ohio & Western Railway	25	
	Panhandle Northern Railroad	31	
	Total	223	
	Owego & Harford	Luzerne & Susquehanna Railway	
Meridan Southern Railway LLC		55	
Owego & Harford Railway		26	
Total		136	
Pickens Railway Co	Pickens Railway Co.	9	2
	Pickens Railway Co.-Honea Path Division	26	
	Total	35	
Pioneer Rail Corp.	Alabama Railroad	60	16
	Alabama & Florida Railway	43	
	Decater Junction Railway	38	
	Elkhart & Western Railroad	9	
	Fort Smith Railroad	18	
	Garden City Western Railway	45	
	Gettysburg & Northern Railroad	23	
	Indiana Southwestern Railroad	23	
	Kendalville Terminal Railway	1	
	Keokuk Junction Railway	38	
	Michigan Southern Railroad	57	
	Mississippi Central Railroad	57	
	Pioneer Industrial Railway	8	
	Shawnee Terminal Railway	3	
	Vandalia Railroad	3	
West Michigan Railroad	18		
Total	444		
Pinsly	Arkansas Midland Railroad	69	5
	Florida Central Railroad	64	
	Florida Midland Railroad	37	
	Florida Northern Railroad	27	
	Pioneer Valley Railroad	17	
	Total	214	

Table 5, continued

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
Potlatch	Duluth & Northeastern Railway	4	4
	Prescott & Northwestern Railroad	5	
	St. Maries River Railroad	71	
	Warren & Saline River Railroad	5	
	Total	85	
RailAmerica	Alabama & Gulf Coast	155	39
	Arizona & California Railroad	297	
	Arizona Eastern Railway	135	
	California Northern Railroad	250	
	Carolina Piedmont of the SC Central Railroad	48	
	Cascade & Columbia River Railroad	137	
	Central Oregon & Pacific Railroad	447	
	Central Railroad Company of Indiana	81	
	Central Railroad of Indianapolis	33	
	Chesapeake & Albermarle Railroad	73	
	Connecticut Southern Railroad	76	
	Dallas, Gardland & Northeastern Railroad	187	
	Eastern Alabama Railway	25	
	Georgia Southwestern Railroad	279	
	Grand Rapids Eastern Railroad	50	
	Huron & Eastern Railway	181	
	Indiana & Ohio Railway	409	
	Indiana & Ohio Central Railroad	168	
	Indiana Southern Railroad	176	
	Kiamichi Railroad	249	
	Kyle Railroad	746	
	Mid Michigan Railroad	67	
	Michigan Shore Railroad	6	
	Missouri & Northern Arkansas Railroad	537	
	New England Central Railroad	343	
	North Carolina & Virginia Railroad	52	
	Otter Trail Valley Railroad	72	
	Puget Sound & Pacific Railroad	149	
	Saginaw Valley Railway	66	
	San Diego & Imperial Valley	114	
	San Joaquin Valley Railroad	310	
	San Pedro & Southwestern Railway	68	
	South Carolina Central Railroad	55	
Texas & New Mexico Railroad	110		
Texas Northeastern Railroad	117		
Toledo, Peoria & Western Railway	328		
Ventura County Railroad	13		
Virginia Southern Railroad	79		
West Texas & Lubbock Railroad	104		
Total	6,792		
Rail Management & Consultants	Atlantic & Western Railway	10	13
	Bay Line Railroad	110	
	Copper Basin Railway	68	
	East Tennessee Railroad	11	
	Galveston Railway	43	
	Georgia Central Railway	178	
	KWT Railroad	55	
	Little Rock & Western Railway	79	
	M & B Railroad	51	
	Tomahawk Railway	4	
	Valdosta Railway	10	
	Western Kentucky Railway	42	
Wilmington Terminal Railroad	7		
Total	668		

Table 5, continued

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
RailNET	Camas Praire RailNET	245	5
	Georgia & Florida RailNET	300	
	Illinois RailNET	80	
	Mississippi & Tennessee RailNET	87	
	Nebraska, Kansas, & Colorado RailNET	433	
	Total	1,145	
Rio Grande Pacific	Idaho Northern & Pacific Railroad	157	4
	Nebraska Central Railroad	282	
	New Orleans & Gulf Coast Railroad	24	
	Wichita, Tillman & Jackson Railway	102	
	Total	565	
RMW Ventures LLC	C & NC Railroad	28	3
	Maumee & Western Railroad	51	
	Wabash Central Railroad	26	
	Total	105	
W. L. Ross	Chicago Short Line Railway	14	3
	Cuyahoga Valley Railway Co.	19	
	River Terminal Railway	35	
	Total	68	
Seminole Gulf	Bay Colony Railroad	124	2
	Seminole Gulf Railway	118	
	Total	242	
Sequatchie Valley	Pine Belt Southern	43	4
	Sequatchie Valley Railroad	11	
	Southern Alabama Railroad	15	
	Walking Horse & Eastern Railroad	8	
	Total	77	
Eyal Shapira	New York & Ogdensburg Railway	30	2
	Raritan Central Railroad	11	
	Total	41	
Sierra Pacific Industries	Amador Foothills Railroad	12	2
	Quincy Railroad	30	
	Total	42	
SMS Rail	Penn Jersey Rail Lines	2	2
	SMS Rail Services	5	
	Total	7	
South Carolina Public Railways	East Cooper & Berkeley Railroad	17	4
	Port Royal Railroad	25	
	Port Terminal Railroad of South Carolina	27	
	Port Utilities Commission of Charleston	10	
	Total	79	
South Central Rail Group	South Central Tennessee Railroad	50	3
	Tennken Railroad	51	
	West Tennessee Railroad	43	
	Total	144	
South East Shortlines	Caldwell County Railroad	22	2
	Thermal Belt Railway	7	
	Total	29	
South Plains Switching Co.	South Plains Lamesa Railroad	5	2
	South Plains Switching Co.	15	
	Total	20	

Table 5, continued

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
Temple Inland Corp.	Sabine River & Northern Railroad	40	2
	Texas South Eastern Railroad	12	
	Total	52	
TNW Corp.	Nebraska Northeastern Railway	120	4
	Texas, Gonzalez & Northern Railway	12	
	Texas North Western Railway	43	
	Texas Rock Crusher Railway	6	
	Total	181	
Tri Max Holdings	Allegheny Valley Railroad	29	3
	Camp Chase Industrial Railroad	14	
	Southwest Pennsylvania Railroad	65	
	Total	108	
Tulare Valley	Tulare Valley Railroad	6	2
	V & S Railway Inc.	43	
	Total	49	
Unimin Sand	Winchester & Western Railroad-NJ Div.	54	2
	Winchester & Western Railroad-Virginia Div.	58	
	Total	112	
Union Pacific	Belt Railway Company of Chicago (16.67%)	4.5	3.5
	Central California Traction (50%)	34	
	Longview Switching Co. (50%)	8.5	
	Oakland Terminal Railway (50%)	6	
	Peoria & Pekin Union Railway (33.33%)	7.333333	
	Portland Terminal Railroad Co. (50%)	1.5	
	Port Terminal Railroad Association (50%)	18.5	
	Texas City Terminal Railway (50%)	2.5	
	Total	82.83333	
US Steel	Birmingham Southern Railroad	38	5
	Elgin, Joliet, and Eastern Railway	168	
	Lake Terminal Railway	1	
	McKeesport Connecting Railroad	2	
	Union Railroad	22	
	Total	231	
Vermont Rail	Clarendon & Pittsford Railroad	25	4
	Green Mountain Railroad	52	
	Vermont Railway	132	
	Washington County Railroad	14	
	Total	223	
WATCO	Eastern Idaho Railroad	269	7
	Kansas & Oklahoma Railroad	920	
	Palouse River & Coulee City Railroad	305	
	Southeast Kansas Railroad	49	
	South Kansas & Oklahoma Railroad	398	
	Stillwater Central Railroad	275	
	Timber Rock Railroad	38	
	Total	2254	
West Virginia DOT	South Branch Valley Railroad	52	2
	West Virginia Central	131	
	Total	183	

Table 5, continued

Multi-Carrier Holding Companies	Railroad	Mileage	# Owned
Western Group	Arizona Central Railroad	38	5
	Cimarron Valley Railroad	266	
	Southwestern Railway-New Mexico Division	60	
	Southwestern Railway-Texas Division	85	
	Wyoming & Colorado Railroad	49	
	Total	498	
Weyerhaeuser	Columbia & Cowlitz Railway	8	4
	DeQueen & Eastern Railroad	99	
	Golden Triangle Railroad	17	
	Mississippi & Skuna Valley Railway	22	
	Total	146	
Wheeling & Lake Erie	Akron Barberton Cluster Railway	68	2
	Wheeling & Lake Erie Railway	878	
	Total	946	
Total		31,093.71	340.85

Source: Strategic Rail Finance database

Table 6: Rank of Rail Holding Companies By Mileage, 2002

Railroad	Mileage	Number of Railroads
RailAmerica	6,792	39
Cedar American Rail Holdings	2,437	2
WATCO	2,254	7
Genesee & Wyoming	2,141	20
North American RailNET	1,145	5
Oakes Development Corp.	993	4
Wheeling & Lake Erie	946	2
Canadian National	850	2.5
Iron Road	804	4
KCS Industries	714	2.49
Rail Management & Consultants	668	13
Rio Grande Pacific	565	4
R.J. Corman	521	6
CSX	513	2.92
Western Group	498	5
Anacostia & Pacific	488	4
Great Lakes Transportation	469	2
Mueller Industries	463	2
Pioneer Rail Group	444	16
Grainbelt/Farmrail	424	2
Norfolk Southern	336	2
Ohio Central Rail	336	9
KBN Inc.	331	2
Cagy Transportation	323	4
Gulf & Ohio Railways	316	10
Genesee Valley	258	5
North Shore	254	8
Livonia, Avon, & Lakeview Railroad	243	4
Seminole Gulf	242	2
US Steel	231	5
Vermont Rail	223	4
OmniTRAX	223	8
Georgia Pacific	220	5
Pinsly	214	5
West Virginia Department of Transportation	183	2
TNW Corp.	181	4
Weyerhaeuser	146	4
Indiana Railroad Company	145	1.6
South Central Group	144	3
Burlington Northern-Sante Fe	139	4.17
Nashville & Eastern	136	2
Owego & Harford Railway	136	3
Unimin Sand	112	2
Tri Max Holdings	108	3
RMW Ventures LLC	105	3

Table 6: Rank of Rail Holding Companies By Mileage, 2002

Railroad	Mileage	Number of Railroads	Railroad	Mileage	Number of Railroads
Great Walton	95	2	Denver Rock Island Railroad	37	2
Iron Horse Resources	94	4	IMC Chemicals	37	2
New York & Lake Erie	88	2	Alcoa	36	4
Potlatch	85	4	Everett Railroad	35	2
Union Pacific-Southern Pacific	83	3.5	Pickens Railway Co.	35	2
New Hampshire & Vermont	82	3	Black River & Western	32	2
South Carolina Public Railways	79	4	South East Shortlines	29	2
Sequatchie Valley	77	4	LTV Rail	24	2
Arkansas Short Line	70	3	Champion International	22	2
American Railroads	68	2	Martin Marietta Materials	20	2
W. L. Ross	68	3	South Plains Switching Co.	20	2
Aberdeen & Rockfish	66	2	ISS Rail	17	2
BHP Copper	60	3	Canadian Pacific	10	0.67
Temple Inland Corp.	52	2	Ballard Terminal	8	2
Modesto & Empire Traction	50	2	International Shipholding Corporation	8	2
Tulare Valley	49	2	SMS Rail	7	2
Beth Intermodal	49	7	Illinois Western	6	2
Sierra Pacific Industries	42	2	Total	31,094	340.85
Eyla Shapira	41	2			

Source: Calculated from Table 5

Table 7: AAR Local Railroads, 2002

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
AT & L Railroad	OK	48	Wheeler Brothers Grain	1985
Aberdeen & Rockfish	NC	46	Aberdeen & Rockfish	1892
Aberdeen, Carolina, & Western Railway	NC	140	Western Railway	1987
Acadiana Railway	LA	95	Trac-Work Inc.	1990
Alabama & Gulf Coast	AL,FL	155	RailAmerica	2001
Alexander Railroad	NC	19	Alexander Railroad	1946
Algiers, Winslow, & Western Railway	IN	16	Kendall Mining	1931
Allegheny & Eastern Railroad	PA	154	Genesee & Wyoming	1992
Almanor Railroad	CA	13	Collins Pine	1942
Angelina & Neches River Railroad	TX	15	Champion International	1900
Ann Arbor Railroad	OH, MI	51	Ann Arbor Acquisition	1988
Apache Railway	AZ	45	Abitibi Soya	1999
Apalachicola Northern Railroad	FL	96	St. Josephs Paper	1903
Arcade & Attica Railroad	NY	15	Arcade & Attica Railroad	1917

Table 7, continued

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
Arizona & California Railroad	AZ,CA	297	RailAmerica	2001
Arizona Central Railroad	AZ	38	Western Group	1989
Arizona Railroad BHP	AZ	28	BHP Copper	1914
Arkansas & Missouri Railroad	AR,MO,OK	153	J.A. Hannold	1977/1986
Arkansas & Oklahoma Railroad	OK	113	Arkansas & Oklahoma Railroad	1996
Arkansas, Louisiana, & Mississippi Railway	AR,LA	109	Georgia Pacific	1991
Arkansas Midland Railroad	AR	69	Pinsly Railroad	1992
Ashland Railway Co-OH	OH	60	Ashland Railway	1986
Atlantic & Western Railway	NC	10	Rail Management & Consultants	1988
BHP Nevada	NV	3	BHP Copper	1996
Batten Kill Railroad	NY	34	Batten Kill Railroad	1982
Bauxite & Northern Railway	AR	70	Alcoa	1907
Bay Colony Railroad	MA	124	Seminole Gulf Railroad Affiliation	1982
Bay Line Railroad	AL,FL	110	Rail Management & Consultants	1994
Beaufort & Morehead Railway	NC	2	North Carolina Port Railway Comm.	1995
Beech Mountain Railroad	WV	8	Cartery Roag Coal Co.	1953
Belfast & Moosehead Lake RR	ME	33	Belfast & Moosehead Lake Railroad	1991
Belvidere & Delaware River Rwy	NJ	16	Black River & Western Affiliation	1995
The Blacklands Railroad	TX	64	NE TX Rural Transportation District	1999
The Bloomer Line	IL	51	Alliance Grain	1990
Border Pacific Railroad	TX	32	Border Pacific Railroad	1984
Buckingham Branch Railroad	VA	39	Greater Shenandoah Valley Develop.	1989
Caddo Valley Railroad	AK	53	Bean Curt Treatment Plant	2000
Caldwell County Railroad	NC	22	Southeast Short Lines	1995
California Northern Railroad	CA	250	RailAmerica	2001
Camas Praire RailNet	ID, WA	245	North American RailNET	1998
Canadian American Railroad	ME	102	Iron Road	1994
Carolina Coastal Railway	NC	17	Genesee & Wyoming	1989
Carolina Piedmont Division of the South Carolina Central Railroad	SC	48	RailAmerica	2000
Carolina Southern Railroad	NC,SC	77	Carolina Southern Railroad	1995
Cascade & Columbia River RR	WA	137	RailAmerica	2000
Cedar Rapids & Iowa City RR	IA	60	Alliant Energy	1904
Cedar River Railroad	IA,MN	102	Canadian National	1991
Central Columbiana & Pennsylvania Railway Inc	OH,PA	39	Arkansas Shortline Railroads	2001
Central Michigan Railway	MI	92	The Straits Corp.	1987
Central Montana Rail	MT	88	Central Montana Rail	1985
Central New England Rail	CT	22	Central New England Rail	1995

Table 7, continued

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
Central Railroad Company of IN	IN,OH	81	RailAmerica	2000
Central Railroad of Indianapolis	IN	33	RailAmerica	2000
Chattahoochee Industrial RR	GA	15	Georgia Pacific	1963
Chattanooga & Chickamauga Rwy	GA,TN	68	Cagy Transportation	1989
Chesapeake & Albemarle RR	NC,VA	73	RailAmerica	2000
Chicago, Shore Shore, and South Bend Railroad	IL,IN	75	Anacostia & Pacific	1989
City of Prineville Railway	OR	18	City of Prineville, OR	1918
Claremont Concord Railroad	NH	4	Claremont Concord Railroad	1988
Clarendon & Pittsford Railroad	NY,VT	25	Vermont Rail	1997
Colorado, Kansas & Pacific Rwy	CO	122	Colorado DOT	2000
Columbia & Cowlitz Railway	WA	8	Weyerhaeuser	1928
Columbia Basin Railroad Co.	WA	86	Brig Temple	1996
Columbia Terminal	MO	21	City of Columbia, MO	1987
Columbus & Greenville Railway	MS	178	Cagy Transportation	1975
Columbus & Ohio River Railroad	OH	160	Ohio Central Rail	1992
Commonwealth Railway	VA	17	Genesee & Wyoming	1989
Conecuh Valley Railroad Co.	AL	15	Gulf & Ohio Railways	2000
Connecticut Southern Railroad	CT	76	RailAmerica	2000
Copper Basin Railway	AZ	68	Rail Management & Consultants	1986
D & I Railroad	IA,SD	138	L.G. Everist Co.	1982
Dakota Rail	MN	44	Hennepin County Rail Authority	2001
Dardanelle & Russellville Railroad	AR	5	Arkansas Shortline Railroads	1988
Delaware-Lackawanna Railroad	PA	73	Genesee Valley Transportation	1993
Delta Southern Railroad	AR, LA	145	W & L Wainwright	1993
Depew, Lancaster, & Western RR	NY	12	Genesee Valley Transportation	1991
DeQueen & Eastern Railroad	AR,OK	99	Weyerhaeuser	1900
Dubois County Railroad	IN	16	Dubois County Railroad	1993
East Cooper & Berkeley Railroad	SC	17	South Carolina Public Railway	post-1996
East Tennessee Railroad	TN	11	Rail Management & Consultants	1983
East Texas Central Railroad	AR	53	East Texas Central Railroad	1996
Eastern Alabama Railway	AL	25	RailAmerica	2001
Eastern Idaho Railroad	ID	269	WATCO	1993
Eastern Maine Railway	ME	100	J.D. Irving Ltd.	1995
Eastern Shore Railroad	MD,VA	74	Accomack Northampton Distric Trans Auth.	1981
Effingham Railroad	IL	3	Illinois Western RR Affiliation	1999
El Dorado & Wesson Railway	AR	6	El Dorado & Wesson Railway	1905
Elk River Railroad	WV	62	Elk River Railroad	1996
Escanaba & Lake Superior RR	MI,WI	342	Escanaba & Lake Superior Railroad	1978
Everett Railroad	PA	25	Everett Railroad	1984

Table 7, continued

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
Falls Road Railroad	NY	45	Genesee Valley Transportation	1996
Finger Lakes Railway	NY	155	Rail Systems Inc.	1995
Florida Central Railroad	FL	64	Pinsly Railroad	1986
Florida Midland Railroad	FL	37	Pinsly Railroad	1987
Florida Northern Railroad	FL	27	Pinsly Railroad	1988
Florida West Coast Railroad	FL	14	New Hampshire & Vermont	1987
Fredonia Valley Railroad	KY	10	Martin Marietta Materials	1998
Fulton County Railroad	IN	13	Fulton County Railroad	1998
Genesee & Wyoming Railroad	NY	75	Genesee & Wyoming	1899
Georgetown Railroad	TX	30	Georgetown Railroad	1958/1991
Georgia & Florida RailNet	FL,GA	300	North American RailNET	1999
Georgia Central Railway	GA	178	Rail Management & Consultants	1990
Georgia Northeastern Railroad	GA	95	Georgia Northeastern Railroad	1990
Georgia Southwestern Railroad	GA	279	RailAmerica	2001
Gettysburg & Northern Railroad	PA	23	Pioneer Railcorp	2001
Gloster Southern Railroad	LA,MS	36	Georgia Pacific	1986
Golden Isles Terminal Railroad	GA	12	Genesee & Wyoming	1998
Golden Triangle Railroad	MS	17	Weyerhaeuser	1982
Grainbelt Corp.	OK,TX	240	Farmrail System	1987
Great Smoky Mountains Railway	NC	53	Great Smoky Mountains Railway	1988
Great Walton Railroad	GA	37	Great Walton Railroad	1987
Great Western Railway of Colorado	CO	80	OmniTRAX	1986
Green Mountain Railroad	NH,VT	52	Vermont Rail	1997
Gulf, Colorado, and San Saba Rwy	TX	68	American Railroad Corp.	1993
H & S Railroad	AL	8	Gulf & Ohio Railways	1992
Hampton & Branchville Railroad	SC	40	Hampton & Branchville Railroad	1986
Hampton Railway	OR	5	Hampton Lumber	1995
Hardin Southern Railroad	KY	9	Hardin Southern Railroad	1993
Hartwell Railroad	GA	58	Great Walton Railroad	1995
Heart of Georgia Railroad	GA	178	Heart of Georgia Railroad	2000
Holidaysburg & Roaring Spring RR	PA	10	Everett Railroad	1995
Hollis & Eastern Railroad	OK	14	American Gypsum	1971
Honey Creek Railroad	IN	6	Morristown Grain Co.	1995
Housatonic Railroad	CT,MA	121	Housatonic Railroad	1991
Huntsville & Madison County RR	AL	13	Madison County, AL	1984
Huron & Eastern Railway	MI	181	RailAmerica	1986
Idaho Northern & Pacific Railroad	ID,OR	157	Rio Grande Pacific	1993
Illinois & Midland Railroad	IL	126	Genesee & Wyoming	1996
Illinois RailNET	IL	80	North American RailNET	1997
Illinois Western Railroad	IL	3	Effingham Railroad Affiliation	1988

Table 7, continued

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
Indiana & Ohio Central Railroad	OH	168	RailAmerica	2000
Indiana Northeastern Railroad	IN,MI,OH	101	Indiana Northeastern Railroad	1992
The Indiana Railroad	IL,IN	160	CSX part owner (40%)	1986
Indiana Southern Railroad	IN	176	RailAmerica	2000
Iowa Northern Railway	IA	162	Iron Road	1981
Iowa Traction Railroad	IA	13	Iowa Traction Railroad	1987
Juniata Valley Railroad	PA	12	North Shore Railroad	1996
Kankakee, Beaverville, & Southern	IL,IN	170	Beaverville Grain & Lumber Co.	1977
Kentucky & Tennessee Railroad	KY	11	Railum Inc.	1904
Keokuk Junction Railway	IA,IL	38	Pioneer Railcorp	1996
Kiamichi Railroad	AR,OK,TX	249	RailAmerica	2001
Knox & Kane Railroad	PA	74	Knox & Kane Railroad	1982
Kosciusko & Southwestern Railway	MS	21	Mississippi Rail Group	2001
KWT Railroad	KY,TN	55	Rail Management & Consultants	1987
Lake State Railway	MI	231	Lake State Railway	1992
Lake Superior & Ishpeming RR	MI	50	Cleveland Cliffs Iron Co.	1923
Lancaster & Chester Railway	SC	63	Lancaster & Chester Railway	1896
Laurinburg & Southern Railroad	NC	35	Gulf & Ohio Railways	1998
Lewis & Clark Railway	WA	14	Lewis & Clark Railway	1987
Lexington & Ohio Railroad	KY	15	Gulf & Ohio Railways	1996
Little Rock & Western Railway	AR	79	Rail Management & Consultants	1980
Livonia, Avon, & Lakeville RR	NY	68	Livonia, Avon, & Lakeville Railroad	1964/1996
Longview, Portland & Northern Rwy	OR	4	International Paper Co.	1952
Louisiana & North West Railroad	AR,LA	62	Louisiana & North West Railroad	1939
Louisville & Indiana Railroad	IN,KY	123	Anacostia & Pacific	1994
Lowville & Beaver River Railroad	NY	11	Genesse Valley Transportation	1991
Luxapalila Valley Railroad	AL,MS	34	Cagy Transportation	1996
Lycoming Valley Railroad	PA	37	North Shore Railroad	1996
M & B Railroad	AL,MS	51	Rail Management & Consultants	1997
Madison Railroad	IN	26	City of Madison Port Authority	1978/1981
Maryland & Delaware Railroad	DE,MD	120	Maryland & Delaware Railroad	1994
Maryland Midland Railway	MD,PA	67	Maryland Midland Railway	1978/1980
Massachusetts Central Railroad	MA	28	Massachusetts Central Railroad	1975
McCloud Railway	CA	128	4-Rails Inc.	1992
Meridan and Southern Railway	MS	55	Owego and Harford	2001
Middletown & Hummelstown RR	PA	7	Middletown & Hummelstown RR	1976
Middletown & New Jersey Railway	NY	6	Middletown & New Jersey Railway	1947
Milford-Bennington Railroad	NH	24	Milford-Bennington Railroad	1992
Minnesota Central Railroad	MN	139	Southern Rail Resources	1994
Minnesota, Dakota, & Western Rwy	MN	6	Boise Cascade	1965

Table 7, continued

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
Minnesota Northern Railroad	MN	271	KBN Inc.	1997
Minnesota Prairie Lines Inc.	MN	95	Oakes Development	2001
Minnesota Southern Railway	MN	42	Minnesota Southern Railroad	2000
Mississippi & Skuna Valley Rwy	MS	22	Weyerhaeuser	1925
Mississippi & Tennessee RailNET	MS,TN	87	North American RailNET	1998
Mississippi Delta Railroad	MS	58	Gulf & Ohio Railways	1985
Mississippi Export Railroad	MS	42	Luce Family	1922
Mississippian Railway Coop.	MS	22	Itawamba Co. Development Authority	1986
Missouri Central Railroad	MO	49	The Indiana Railroad	1997
Mohawk, Adirondack, & Northern	NY	117	Genesee Valley Transportation	1991
Montana Western Railway	MT	52	Montana Western Railway	1986
Morristown & Erie Railway	NJ	42	Morristown & Erie Railway	1982
Mount Hood Railroad	OR	22	Mount Hood Railroad	1987
Nash County Railroad	NC	20	Gulf & Ohio Railways	1994
Nashville & Eastern Railroad	TN	130	Nashville & Eastern Railroad	1986
Naugatuck Railroad	CT	20	Naugatuck Railroad	1997
Nebraska Central Railroad	NE	282	Rio Grande Pacific	1993
Nebraska Northeastern Railway	NE	120	TNW Corp.	1996
NEBKOTA Railway	NE	103	Shipper owned	1994
New England Central Railroad	CT,MA,NH,VT	343	RailAmerica	2000
New England Southern Railroad	NH	71	New England Southern	1982
New Hampshire & Vermont RR	NH	40	New Hampshire & Vermont	1992
New Hampshire Central Railroad	NH	11	New Hampshire Central Railroad	1993
New Hampshire Northcoast Corp.	ME,NH	42	Boston Sand & Gravel	1986
New Hope & Ivyland Railroad	PA	18	New Hope & Ivyland Railroad	1979
New York & Atlantic Railway	NY	269	Anacostia & Pacific	1997
New York & Greenwood Lake Railway	NJ	2	New York & Greenwood Lake RR	1996
New York & Lake Erie Railroad	NY	29	New York & Lake Erie Railroad	1978
New York & Ogdensburg Railroad	NY	30	Eyla Shapira	1998
Nittany & Bald Eagle Railroad	PA	63	North Shore Railroad	1984
North Shore Railroad	PA	43	North Shore Railroad	1984
Northern Central Railway	PA	19	Northern Central Railway	1996
Northern Vermont Railroad	VT	126	Iron Road	1996
Northwestern Pacific Railroad	CA	316	North Coast Railroad Authority	1984/1996
Ogeechee Railway	GA	100	Ogeechee Railway	1989/1991
Ohio & Pennsylvania Railroad	OH	3	Ohio Central Rail	1995
Ohio Central Railroad	OH	94	Ohio Central Rail	1988
Ohio Southern Railroad	OH	11	Ohio Central Rail	1986
Oil Creek & Titusville Lines Inc.	PA	59	New York & Lake Erie Railroad	1985
Old Augusta Railroad	MS	3	Georgia Pacific	1983

Table 7, continued

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
Ontario Central Railroad	NY	13	Livonia, Avon, & Lakeville Railroad	1998
Ontario Midland Railroad	NY	47	Shipper owned	1979
Otter Trail Valley Railroad	MN	72	RailAmerica	1986/1996
Ouachita Railroad	AR,LA	26	Arkansas Shortline Railroads	1982/1990
Palouse River & Coulee City RR	ID, WA	328	WATCO	1993/1996
Panhandle Northern Railroad	TX	31	OmniTRAX	1993
Pearl River Valley Railroad	MS	5	Pearl River Valley Railroad	1917
Pecos Valley Southern Railroad	TX	18	Trans-Pecos Materials Inc.	1952
Pee Dee River Railway	SC	20	Aberdeen and Rockfish	1987
Pend Oreille Valley Railroad	ID,WA	85	Port of Pend Oreille	1979
Penn Eastern Rail Lines	PA	40	Genesee & Wyoming	2002
Pickens Railway Co.	SC	9	Pickens Railway Co.	1996
Pickens Railway Co.-Honea Path Div.	SC	26	Pickens Railway Co.	1996
Pine Belt Southern	AL	43	Sequatchie Valley Railroad	1995
Pioneer Valley Railroad	MA	17	Pinsly Railroad	1982
Pittsburgh & Shawmut Railroad	PA	237	Genesee & Wyoming	1996
Point Comfort & Northern Railway	TX	16	Alcoa	1948
Port Royal Railroad	SC	25	South Carolina Public Railway	1985
Prescott & Northwestern Railroad	AR	5	Potlatch Corp.	1966
Puget Sound & Pacific Railroad	WA	149	RailAmerica	2001
Quincy Bay Terminal Co.	MA	4	Fore River Transportation	2001
R.J. Corman RR-Bardstown Line	KY	20	R.J. Corman Railroad Co.	1987
R.J. Corman RR-Cleveland Line	OH	49	R.J. Corman Railroad Co.	1988
R.J. Corman RR-Memphis Line	KY,TN	98	R.J. Corman Railroad Co.	1987
R.J. Corman RR-Penn Line	PA	245	R.J. Corman Railroad Co.	1995
R.J. Corman RR-Western Ohio Line	IN,OH	94	R.J. Corman Railroad Co.	1993
Rarus Railway	MT	25	Rarus Railway	1990
Reading Blue Mountain & Northern	PA	327	Reading Blue Mountain & Northern	1983
Redmont Railway	AL,MS	42	Cagy Transportation	1995
Rochester & Southern Railroad	NY	121	Genesee & Wyoming	1986
Rock & Rail Inc.	CO	53	Colorado Materials	1998
Rockdale, Sandow, & Southern RR	TX	10	Alcoa	1952
Rutland Line Inc.	ND	17	Oakes Development	1997
Sabine River & Northern Railroad	TX	40	Temple Inland Container Corp.	1968
Safe Handling Rail Inc.	ME	93	Safe Handling Rail Inc.	2000
Saginaw Valley Railway	MI	66	RailAmerica	1996
St. Croix Valley Railroad	MN	60	KBN Inc.	1997
St. Lawrence & Atlantic Railroad	ME,NH,VT	169	Genesee & Wyoming	2001
St. Mary's Railroad	GA	14	Gilman Paper Co.	1939
Salt Lake, Garland, & Western Rwy	UT	12	Hogle Group	1998

Table 7, continued

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
San Diego & Imperial Valley	CA	114	RailAmerica	2000
San Luis Central Railroad	IA	12	Pee Vine Corp.	1969
San Manuel Arizona Railroad	AZ	29	BHP Copper	1955
Sand Springs Railway	OK	32	Sheffield Steel Co.	1987
Sandersville Railroad	GA	9	Sandersville Railroad	1916
Santa Maria Valley Railroad	CA	18	Hancock Trust	1965
Sante Fe Southern Railway	NM	18	Sante Fe Southern Railway	1992
Seminole Gulf Railway	FL	118	Bay Colony Railroad Affiliation	1987
Sequatchie Valley Railroad	AL,TN	11	Sequatchie Valley Railroad	1986
Shamokin Valley Railroad	PA	27	North Shore Railroad	1989
Sierra Railroad	CA	54	Sierra Pacific Coast Railways	1995
Sisseton Milbank Railroad	SD	38	SLA Property Management	1989
SMS Rail Service Inc.	NJ	5	SMS Rail Service	1994
South Branch Valley Railroad	WV	52	West Virginia DOT	1978
South Carolina Central Railroad	SC	55	RailAmerica	2000
South Central Florida Express Inc.	FL	158	US Sugar Corp.	1994
South Central Tennessee Railroad	TN	50	South Central Rail Group	1994
Southeast Kansas Railroad	KS,OK	49	WATCO	1994
Southern Alabama Railroad	AL	15	Sequatchie Valley Railroad	1988
Southern Freight Railroad	TN	16	Southern Freight Railroad	NA
Southern Indiana Railway	IN	5	Southern Indiana Railway	1939
Southern Railroad Company of NJ	NJ	71	Southern Railroad Company of NJ	1991
Stillwater Central Railroad	KS,OK	275	WATCO	1998
Stockton Terminal & Eastern RR	CA	17	Modesto & Eastern Traction	1958
Stourbridge Railroad	PA	25	North Shore Railroad	1996
Sunflour Railroad Inc.	SD	26	Denver Rock Island Railroad	2000
Tacoma Rail-Mountain Division	WA	132	City of Tacoma, WA	1998
Tennessee Southern Railroad	AL,TN	118	Shortlines Inc.	1989
Tennken Railroad	KY,TN	51	South Central Rail Group	1996
Texas & New Mexico Railroad	NM,TX	110	RailAmerica	2000
Texas & Northern Railway	TX	8	Lone Star Steel	1948
Texas North Western Railway	TX	43	TNW Corp.	1982
Texas Northeastern Railroad	TX	117	RailAmerica	2000
Texas Rock Crusher Railway	TX	6	TNW Corp.	1998
Thermal Belt Railway	NC	7	Southeast Short Lines	1990
Timber Rock Railroad	LA,TX	38	WATCO	1998
Toledo, Peoria, & Western Rwy	IA,IL,IN	328	RailAmerica	1999
Tomahawk Railway	WI	4	Rail Management & Consultants	1992
Toppenish, Simcoe, & Western RR	WA	21	Yakima Valley Rail & Steam Museum	1993
Trona Railway	CA	31	IMC Chemicals	1990/1998

Table 7, continued

Railroad	States	Mileage	Owner	Year Started or of Last Transaction
Tulsa-Sapulpa Union Railway	OK	23	George Collins Trust	1933
Twin Cities & Western Railroad	MIN,SD	245	Oakes Development Corp.	1991
Tyburn Railroad	PA	2	Tyburn Railroad	1989
Union County Industrial Railroad	PA	12	North Shore Railroad	1996
V & S Railway	KS	43	Tulare Valley Railroad	2000
Valdosta Railway	GA	10	Rail Management & Consultants	1992
Vandalia Railroad	IL	3	Pioneer Railcorp	1994
Ventura County Railroad	CA	13	RailAmerica	2000
Vermont Railway	NY,VT	132	Vermont Rail	1997
Walking Horse & Eastern Railroad	TN	8	Sequatchie Valley Railroad	1985
Warren & Saline River Railroad	AR	5	Potlatch Corp.	1959
Washington County Railroad	VT	14	Vermont Rail	1999
Wellsboro & Corning Railroad	NY,PA	35	North Shore Railroad	1993
West Isle Line Inc.	CA	5	Western Farm Service	1997
West Tennessee Railroad	TN	43	South Central Rail Group	1984
West Texas & Lubbock Railroad	TX	104	RailAmerica	2000
West Virginia Central	WV	131	West Virginia DOT	1997
Western Kentucky Railway	KY	42	Rail Management & Consultants	1995
Western New York & Pennsylvania	NY,PA	145	Livonia, Avon, & Lakeville Railroad	2001
Western Rail Road Co.	TX	1	Cemex Inc.	1975
Winchester & Western-NJ Division	NJ	54	Unimin Sand	1986
Winchester & Western-VA Division	MD,VA,WV	58	Unimin Sand	1986
Wiregrass Central Railroad	AL	20	Gulf & Ohio Railways	1987
Wyoming & Colorado Railroad	OR,WY	49	Western Group	1987
Yadkin Valley Railroad	NC	93	Gulf & Ohio Railways	1989/1995
York Railway	PA	40	Genesee & Wyoming	2002
Yreka Western Railroad	CA	9	Yreka Western Railroad	2000
Total		21,940		

The Association of American Railroads defines local railroads as those with operating annual revenues below \$40 million and operating less than 350 miles

Source: Association of American Railroads at <http://www.aar.org/rrstates2000.nsf/> and Strategic Rail Finance database

Table 8: AAR Switching/Terminal Railroads, 2002

Railroad	States	Mileage	Owner	Year Started or Last Transaction
Adrian & Blissfield Rail Road	MI	27	Adrian & Blissfield Rail Road	1991
Akron Barberton Cluster Railway	OH	68	Wheeling & Lake Erie RR	1994
Alabama & Florida Railway	AL	43	Pioneer Railcorp	1992
Alabama Railroad	AL	60	Pioneer Railcorp	1991
Alamo Gulf Coast Railroad	TX	10	Martin Marietta Materials Inc.	1996
Albany & Eastern Railroad	OR	67	Albany & Eastern Railroad	2000
Albany Port Railroad	NY	10	Canadian Pacific-CSX	1932
Aliquippa & Southen Railroad	PA	5	LTV Rail	pre- 1980
Allegheny Valley Railroad	PA	29	Trimax Holdings	1995
Amador Foothills Railroad	CA	12	Sierra Pacific Industries	1999
Appanoose County Community RR	IA	36	Appanoose County, IA	1984/1993
Arizona Eastern Railway	AZ	135	RailAmerica	2001
Ashtabula, Carson & Jefferson RR	OH	6	Ashtabula, Carson & Jefferson RR	1984
Austin Regional Terminal Railroad	TX	162	Trans Global Solutions Inc.	2000
B & H Rail Corp.	NY	17	Livona, Avon & Lakeville Railroad	2001
BSDA Railroad	MO	1	City of St. Louis, MO/Iron Horse	1989
Bad Water Line Railway	WY	3	BTI	1989
Ballard Terminal Railroad	WA	3	Ballard Terminal	1997
Belt Railway Company of Chicago	IL	27	BNSF,CN,CP,CSX,NS,UP	1882
Birmingham Southern Railroad	AL	38	US Steel	1988
Black River & Western Railroad	NJ	16	Black River & Western RR	1961
Boot Hill & Western	KS	27	Right Co-op Association	2000
Bradford Industrial	PA	2	Genesee & Wyoming	1993
Brandon Corp.	NE	2	Brandon Corp.	1978
Brandywine Valley Railroad	PA	6	Beth Intermodal	1988
Brownsville & Rio Grande			Brownsville & Rio Grande	
International Railroad	TX	41	International Railroad/State of TX	1984
Buffalo Southern Railroad	NY	30	Buffalo Southern Railroad	1982
Burlington Junction Railway	IA	5	Burlington Junction Railway	1985
C & NC Railroad	IN	28	RMW Ventures	1997
C & S Railroad	PA	18	C & S Railroad	1898
C G Railway	AL	NA	International Shipholding Corp.	2001
CMC Railroad	TX	5	CMC Railroad	1997
California Western Railroad	CA	40	Mendochino Coast Railway	1996
Cambria & Indiana Railroad	PA	2	Beth Intermodal	1988
Camp Chase Industrial Railroad	OH	14	Trimax Holdings	1994
Caney Fork & Western Railroad	TN	75	Owned by shippers	1984
Canton Railroad	MD	6	Maryland Transportation Authority	1906
Cape Fear Railways	NC	21	Seaboard Corp.	1930
Carolina Rail Services	NC	3	Morehead City Terminals	1994

Table 8, continued

Railroad	States	Mileage	Owner	Year Started or Last Transaction
Central California Traction Co.	CA	68	BNSF, UP	1928
Central Illinois Railroad	IL	6	Central Illinois Railroad	2000
Central Indiana & Western Railroad	IN	9	Central Indiana & Western Railroad	1986
Chestnut Ridge Railway	PA	6	New Jersey Zinc	1901
Chicago Rail Link	IL	57	OmniTRAX	1992
Chicago Short Line Railway	IL,IN	14	W. L. Ross	2002
Chillicothe-Brunswick Rail Maintenance Authority	MO	37	Greenhill Rural Development Authority	1994
Cimarron Valley Railroad	CO,KS,OK	266	Western Group (Durlano)	1996
City of Rochelle	IL	2	City of Rochelle, IL	1998
Clinton Terminal Railroad	NC	4	Clinton Terminal Railroad	1995
Coe Rail	MI	8	Coe Rail	1984
Colorado & Wyoming Railway	CO	85	Rocky Mountain Steel Mills	1993
Conemaugh & Black Lick Railroad	PA	9	Beth Intermodal	1988
Conrail Inc.-East	DE,NJ,PA	424	CSX/NS	1999
Conrail Inc.-West	MI	101	CSX/NS	1999
Corpus Christi Terminal Railroad	TX	23	Genesee & Wyoming	1997
Crab Orchard & Egyptian Railroad	IL	14	American Rail Heritage Inc.	1971
Cuyahoga Valley Railway	OH	19	W. L. Ross	2002
Dakota Southern Railway	SD	1	Dakota Southern Railway	1987
Dallas, Garland, & Northeastern RR	TX	187	RailAmerica	2000
Decatur Junction Railway	IL	38	Pioneer Railcorp	1993
Delray Connecting Railroad	MI	1	National Steel	1904
Delta Valley & Southern Railway	AR	2	Delta Valley & Southern Railway	1947
Denver Rock Island Railroad	CO	11	Denver Rock Island Railroad	1993
Duluth & Northeastern Railway	MN	4	Potlatch Corp.	1964
East Camden & Highland Railroad	AR	22	Highland Resources	1971
East Erie Commercial Railroad	PA	9	General Electric	1915
East Jersey Railroad & Terminal Co.	NJ	2	International Matrix Tank Terminals	1903
East Penn Railways	PA	15	East Penn Railways	1995
Eastern Illinois Railroad	IL	53	NRG Inc.	1991
Elkhart & Western Railroad	IN	9	Pioneer Railcorp	1996
Ellis & Eastern Co.	SD	17	Ellis & Eastern Co.	1989/1996
Farmrail Corp.	OK	184	Farmrail System	1981
Flats Industrial Railroad	OH	3	Flats Industrial Railroad	NA
Fordyce & Princeton Railroad	AR	57	Georgia Pacific	1963
Fort Smith Railroad	AR	18	Pioneer Railcorp	1991
Fort Worth & Western Railroad	TX	276	Tarantula Corp.	1988
Galveston Railway	TX	43	Rail Management & Consultants	1987
Garden City Western Railway	KS	45	Pioneer Railcorp	1999

Table 8, continued

Railroad	States	Mileage	Owner	Year Started or Last Transaction
Gateway Eastern Railway	IL	32	Kansas City Southern	1999
Georgia Woodlands Railroad	GA	18	OmniTRAX	1988/1992
Grafton & Upton Railroad	MA	2	Central New England Companies	1873
Grand Rapids Eastern Railroad	MI	50	RailAmerica	2000
Great Miami & Scioto Railway	OH	70	Great Miami & Scioto Railway	1994
Great River Railroad	MS	32	Rosedale-Bolivar Co. Port Comm.	1979
Great Western Railway of Iowa	IA	7	OmniTRAX	1991
High Point, Thomasville, & Denton Railroad	NC	34	CSX/NS	1923
Hoosier Southern Railroad	IN	24	Perry County Port Authority, IN	1995
Hutchinson & Northern Railway	KS	6	IMC Chemicals Inc.	1998
Indian Creek Railroad	IN	5	Shipper owned	1980
Indiana Harbor Belt Railroad	IL,IN	111	Indiana Harbor Belt Railroad	1907
Indiana Southwestern Railway	IN	23	Pioneer Railcorp	2000
ISS Rail Inc.	PA	12	ISS Rail Inc.	1992
Jefferson Warrior Railroad	AL	3	KKR Associates	1985
Kendallville Terminal Railway	IN	1	Pioneer Railcorp	1996
Kiski Junction Railroad	PA	5	ISS Rail Inc.	1995
Knoxville & Holston River Railroad	TN	18	Gulf & Ohio Railways	1998
Lake County Railroad	CA,OR	56	Lake County Oregon	1991
Lake Michigan & Indiana Railroad	IN	5	Beth Intermodal	2000
Lake Terminal Railway	OH	1	US Steel	1988
Landisville Terminal & Transfer Co.	PA	1	Main Line Management	1985
Little Kanawha River Rail	WV	3	M.I.E. Corp.	1989
Little Rock Port Railroad	AR	10	Little Rock Port Authority	1972
Longview Switching Co.	WA	17	BNSF/UP	1971
Los Angeles Junction Railway	CA	63	BNSF	1923
Louisiana & Delta Railroad	LA	206	Genesee & Wyoming	1987
Louisville, New Albany, & Corydon RR	IN	8	Louisville, New Albany&Corydon RR	NA
Luzerne & Susquehanna Railway	PA	55	Owego & Harford Railway Affiliation	1994
Mahoning Valley Railway	OH	4	Ohio Central Rail	2001
Manufacturers Junction Railway	IL	2	OmniTRAX	1992
Manufacturers Railway Co.	IL,MO	11	Anheuser Busch	1887
Massena Terminal Railroad	NY	4	Alcoa	1900
Maumee & Western Railroad	IN,OH	51	RMW Ventures	1997
McKeesport Connecting Railroad	PA	2	US Steel	1988
Meeke Southern Railroad	WA	5	Ballard Terminal	2000
Meridian Southern Railway	MS	55	Owego & Harford Railway Affiliation	2001
M. G. Rail	IN	8	Consolidated Grain & Barge	1990
Michigan Shore Railroad	MI	6	RailAmerica	2000
Michigan Southern Railroad	IN,MI	57	Pioneer Railcorp	1986

Table 8, continued

Railroad	States	Mileage	Owner	Year Started or Last Transaction
Mid-Michigan Railroad	MI	67	RailAmerica	2000
Midland Terminal Co.	PA	4	JRS Specialty Steel	post-1980
Minnesota Commercial Railway	MN	140	Minnesota Commercial Railway	1987
Mississippi Central Railroad	MS,TN	57	Pioneer Railcorp	1992
Modesto & Empire Traction Co.	CA	33	Beard Land Investment Co	1911
Monongahela Connecting Railroad	PA	2	LTV Rail	pre-1980
Moscow, Camden, & San Augustine Railroad	TX	7	Champion International Corp.	2000
Mount Vernon Terminal Railway	WA	2	Mount Vernon Terminal Railway	1939
Municipality of East Troy Railroad	WI	8	Friends of East Troy RR Museum	1985
N.D.C. Railroad	PA	1	N.D.C. Railroad	1992
Napa Valley Railroad	CA	21	Napa Valley Railroad	1989
Nashville & Western Railroad	TN	6	Nashville & Eastern Railroad	2000
New Orleans & Gulf Coast Railroad	LA	24	Rio Grande Pacific Corp.	1991/1999
New Orleans Public Belt Railroad	LA	28	City of New Orleans	1908
New York Cross Harbor Terminal RR	NJ,NY	10	New York Regional Rail Corp.	1983
Newburgh & South Shore Railroad	OH	3	OmniTRAX	1992
Nimishillen & Tuscarawas Railway	OH	24	Republic Technologies	1999
North Carolina & Virginia Railroad	NC,VA	52	RailAmerica	2000
Northern Ohio & Western Railway	OH	25	OmniTRAX	1995
Northwestern Oklahoma Railroad	OK	2	Interail Inc.	1973
Oakland Terminal Railway	CA	12	BNSF, UP	1943
Ohi-Rail Corp.	OH	48	Ohi-Rail Corp.	1982
Omaha, Lincoln, & Beatrice Railway	NE	2	Nebco Inc.	pre-1980
Orange Port Terminal Railway	TX	1	Gulf Coast Rail Service	1995
Oregon Pacific Railroad	OR	16	Samuels Pacific Industries	1997
Owego & Harford Railway	NY	26	Luzerne & Susquehanna Affiliation	1982
Pacific Harbor Line	CA	21	Anacostia & Pacific	1997
Parr Terminal Railroad	CA	2	Levin-Richmond Terminal Corp.	1950
Patapsco & Back Rivers Railroad	MD	10	Beth Intermodal	1988
Peninsula Terminal Co.	OR	1	Kess Railway Group	1994
Penn-Jersey Rail Lines	PA	2	SMS Rail Services Inc.	1997
Peoria & Pekin Union Railway	IL	22	CN, NS, UP	1880
Philadelphia, Bethlehem, & New England Railroad	PA	8	Beth Intermodal	1988
Pioneer Industrial Railway	IL	8	Pioneer Railcorp	1998
Pittsburgh, Allegheny, & McKees Rock Railroad	PA	5	McKeesrock Industrial Enterprises	1889
Pittsburgh & Ohio Valley Railroad	PA	42	Ohio Central Rail	2000
Port Bienville Railroad	MS	9	Hancock County, MS	1969
Port Jersey Railroad	NJ	5	Port Jersey Railroad	1970

Table 8, continued

Railroad	States	Mileage	Owner	Year Started or Last Transaction
Port of Palm Beach District Railway	FL	6	Port of Palm Beach District Railway	1989
Port of Tillamook Bay Railroad	OR	101	Port of Tillamook Bay	1953
Port Terminal Railroad Association	TX	37	BNSF, UP	1924
Port Terminal RR of South Carolina	SC	27	South Carolina Public Railway	1956
Port Utilities Commission of Charleston, SC	SC	10	South Carolina Public Railway	1922
Portland & Western Railroad	OR	220	Genesee & Wyoming	1997
Portland Terminal Railroad	OR	3	BNSF, UP	1882
Quincy Railroad	CA	30	Sierra Pacific Industries	1917
R.J. Corman-Allentown Lines	NY,PA	15	R.J. Corman	1996
Railway Switching Services of MO	MO	2	Iron Horse Resources	1989
Raritan Central Railway LLC	NJ	11	Eyal Shapira	2001
Rio Valley Switching Co.	TX	78	Iron Horse Resources	1993
River Terminal Railway	OH	35	W. L. Ross	2002
St. Marie's River Railroad	ID	71	Potlatch Corp.	1980
Salt Lake City Southern Railroad	UT	25	Mueller Industries	1993
San Joaquin Valley Railroad	CA	310	RailAmerica	2001
San Pedro & Southwestern Railway	AZ	68	RailAmerica	2001
Santa Cruz, Big Trees, & Pacific Rwy	CA	10	Roaring Camp Inc.	1985
Savannah Port Terminal Railroad Inc.	GA	25	Genesee & Wyoming	1998
SEMO Port Railroad	MO	8	SE Missouri Port Authority	1994
Shawnee Terminal Railway	IL	3	Pioneer Railcorp	1982
Sidney & Lowe Railroad	NE	11	Progress Rail Service Corp.	1995
South Brooklyn Railway	NY	2	City of New York	1907
South Buffalo Railway	NY	12	Genesee & Wyoming	2001
South Plains Lamesa Railroad	TX	5	South Plains Switching Co.	1993
South Plains Switching Co.	TX	15	South Plains Switching Co.	post-1980
Southern California Railroad	CA	NA	American Railroads	2001
Southern Switching Co.	TX	13	Iron Horse Resources	1994
Southwest Pennsylvania Railroad	PA	65	Trimax Holdings	1995
Southwestern Railroad-NM Division	NM	60	Western Group (Durlano)	1990
Southwestern Railroad-TX Division	OK,TX	85	Western Group (Durlano)	1990
Steelton & Highspire Railroad	PA	5	Beth Intermodal	1988
Strasburg Rail Road	PA	5	Strasburg Rail Road	1959
Tacoma Rail-Tidelands Division	WA	29	City of Tacoma, WA	1918/1955
Talleyrand Terminal Railroad	FL	4	Genesee & Wyoming	1996
Terminal RR Association of St. Louis	IL,MO	43	Terminal RR Association of St. Louis	1899
Terminal Railway AL State Docks	AL	8	International Shipholding Corp.	2001
Texas City Terminal Railway	TX	5	BNSF, UP	1921
Texas, Gonzales, & Northern Railway	TX	12	TNW Corp.	1992
Texas South-Eastern Railroad	TX	12	Temple Inland Corp.	1992

Table 8, continued

Railroad	States	Mileage	Owner	Year Started or Last Transaction
Three Notch Railroad Co.	AL	34	Gulf & Ohio Railways	2000
Tishomingo Railroad	MS	11	Tishomingo Railroad	1981/1992
Towanda-Monroeton Shipper Lifeline	PA	6	Towanda-Monroeton Shipper Lifeline	1976
Tri-Cities Railroad Co.	WA	17	Tri-Cities Railroad Co	2000
Tulare Valley Railroad	CA	6	Tulare Valley Railroad	1992
Turner's Island LLC	ME	2	Turner's Island LLC	2000
Turtle Creek Industrial Railroad	PA	11	Durabond Steel	1982
Twin State Railroad	NH,VT	28	New Hampshire & Vermont	1984
Union Railroad	PA	22	US Steel	1988
Upper Merion and Plymouth Railroad	PA	6	Beth Intermodal	1988
Utah Central Railway	UT	15	Does Westinghouse's Switching	1995
Vaughan Railroad	VA	20	Amvest Corp.	post-1980
Virginia Southern Railroad	NC,VA	79	RailAmerica	2000
WCTU Railway	OR	14	Union Tank Car Co.	1974
Wabash Central Railroad	IN	26	RMW Ventures	1997
Warren & Trumbull Railroad	OH	6	Ohio Central Rail	1994
Washington Terminal Co.	DC	5	Amtrak	1981
West Michigan Railroad	MI	18	Pioneer Railcorp	1995
Wichita, Tillman, & Jackson Railway	OK,TX	102	Rio Grande Pacific Corp.	1991
Willamette & Pacific Railroad	OR	230	Genesee & Wyoming	1993
Willamette Valley Railroad	OR	32	Willamette Valley Railroad	1993
Wilmington & Western Railway	DE	10	Wilmington & Western Railway	1982
Wilmington Terminal Railroad	NC	7	Rail Management & Consultants	1986
Winamac Southern Railway	IN	52	Winamac Southern Railway	1993
Winston-Salem Southbound Railway	NC	90	CSX/NS	1910
Yolo Shortline Railroad	CA	28	Yolo Shortline Railroad	1991
Youngstown & Austintown Railroad	OH	4	Ohio Central Rail	1985
Youngstown Belt Railroad	OH	12	Ohio Central Rail	1986
Total		7,467		

The Association of American Railroads defines switching/terminal railroads as those with annual revenues below \$40 million and less than 350 miles of track operated

Source: Association of American Railroads at <http://www.aar.org/rrstates2000.nsf/> and Strategic Rail Finance database

Endnotes

1. The Surface Transportation Board defines class I railroads as those with average annual revenues of \$256.4 million or more.
2. See the American Short Line and Regional Railroad Association website at http://www.aslrra.org/who_we_are/.
3. See <http://www.aar.org/rrstates2000.nsf/>. 2000 is the latest data posted on the Association of American Railroad's (AAR) website.
4. Ibid, endnote 3. The numbers in the following tables may differ somewhat from the AAR's numbers as some information has been updated, whereas the AAR's latest posted information is for 2000. In addition to—as up to date additions/deletions as possible—the numbers will differ from the AARs in that regional, local, and switching/terminal railroads associated with the Wisconsin Central are incorporated into the Canadian National System in our figures.
5. See http://www.aslrra.org/who_we_are/aslrra, p. 1.
6. For instance, in 1970 there were about 70 class I railroads. In 1980, there were 40, then 32 in 1982. In the late 1980s, there were 30 class I railroads. Nine have since dropped to class II or class III status due to definitional changes in the revenue requirement to attain class I status, two went bankrupt, and the remaining 19 were merged or corporate absorbed into the seven class I freight railroads of today.
7. This reason was enhanced by a Supreme Court decision (Pittsburgh and Lake Erie Railroad versus Railway Labor Executives Association) in 1989 that ruled labor protection was not required in short line sales. This enabled nonunion short lines to operate where previous unionized class I operations had taken place. See William Thoms, Frank Dooley, and Denver Tolliver, "Rail Spinoffs, Labor Standoffs, and the P & LE." *Transportation Law Journal* 28(1), (1989): 57-83.
8. Prior to Stagers, the Interstate Common Carrier (ICC) tended to view abandonments as a 0-1 phenomena, i.e., either the railroad was forced to continue operation on the line (subsequently not enthusiastically run by a railroad that wished to abandon the line) or was allowed to abandon it. The ICC did not attempt to broker alternative solutions. Stagers allowed more creative solutions to a reluctant railroad forced to provide service (which merely generated another abandonment application in several years) or abandonment of the line. Indeed, Mielke reports that by 1986 railroads began to abandon branch lines in a manner that tied the disposing line to the acquirer. See Jon Mielke, "Short Line Railroad Creations: Terms of Sale, Impacts on Viability, and Public Policy Implications." *Journal of the Transportation Research Forum* 29(1), (1988): 138-148.
9. John Due. "New Railroad Companies Formed To Takeover Abandoned Or Spun-Off Lines," *Transportation Journal*, Fall (1984): 30.
10. Ibid., p. 35.
11. Harvey Levine et al. *Small Railroads*, Association of American Railroads, Chelsae, MI, 1982.
12. Ibid., p. 32.
13. Ian Savage. *The Economics of Railroads Safety*, Kluwer Academic Publishers, Boston/Dordrecht/London (1998): 117.
14. The definition of a multiple railroad entity is a loose one. It included formal holding companies, industrial owners of multiple railroads, class I ownership of multiple nonclass I carriers, governments (state, county, local, port authorities), and affiliations of carriers. It should be noted that some industrial owners only own one railroad, as is true for government entities. However, some government entities

have multiple railroads, e.g., the state of West Virginia, SEDA-COG in Pennsylvania. However, all the larger entities are formal rail holding companies.

15. Due's categories for ownership are: short line holding companies; holding companies with rail and industrial interests; primarily shippers; shippers and local entrepreneurs; shippers and outside entrepreneurs; outside entrepreneurs and investors; entrepreneurs alone; outside construction companies; local investors; municipal governments; and other short lines.

16. Surface Transportation Board, Major Rail Consolidation Procedures, STB, Ex Parte 582 (Sub-No. 1), Washington DC, June 11, 2001.

17. Due, John and Suzanne Leever. "The Post-1984 Experience With New and Small Railroads." *Transportation Journal*, Fall (1993): 40.

18. *Ibid.*, p. 43.

19. Due, John and Suzanne Leever. "The Experience With New and Small Regional Railroads—1993-1997." *Transportation Journal*, Winter (1997): 12.

20. See http://www.railamerica.com/html/body_company.html, p. 2.

21. See <http://rgpc.com/>, p. 3.

22. See http://www.aslrra.org/whats_in_the_news/position_papers/index.cfm?newsid=17 and http://www.aslrra.org/whats_in_the_news/position_papers/index.cfm?newsid=18.

23. Landry, Michael and John Ozment. "Short Line and Regional Railroad Executives Look at Their Industry." *Transportation Quarterly* 55(2), (2000): 19-27.

24. Due, John, op.cit., pp. 39-40.

25. Wolfe, Eric. "The Downside Risk: An Analysis of Local and Regional Railroad Service Failures." *Journal of the Transportation Research Forum* 29(1), (1988): 124-137.

26. Prater, Marvin and Michael Babcock. "Determinants of Profitability of Grain Dependent Short Line Railroads." *Transportation Research E* 34(3), (1998): 187-200.

27. Due and Leever, op. cit. (1997): 18; 20.

28. In addition to the RailAmerica activity in the last quarter of 2001 mentioned above, Genesee and Wyoming announced the acquisition of Emons and the Dakota, Minnesota and Eastern announced the acquisition of the I & M from the Washington group in the first quarter of 2002. Other, smaller transactions have also taken place in this time frame.

References

Association of American Railroads, website at <http://www.aar.org>.

American Short Line and Regional Railroad Association, website at <http://www.aslrra.org>.

Due, John. "New Railroad Companies Formed to Takeover Abandoned Or Spun-Off Lines." *Transportation Journal*, Fall (1984): 30-50.

Due, John, and Suzanne Leever. "The Post-1984 Experience With New and Small Railroads." *Transportation Journal*, Fall (1993): 40-52.

Due, John, and Suzanne Leever. "The Experience With New and Small Regional Railroads—1993-1997." *Transportation Journal*, Winter (1997): 5-23.

Landry, Michael, and John Ozment. "Short Line and Regional Railroad Executives Look at Their Industry." *Transportation Quarterly* 55(2), (2000): 19-27.

- Levine, Harvey et al. *Small Railroads*. Association of American Railroads, Chelsae, MI, 1982.
- Mielke, Jon. "Short Line Railroad Creations: Terms of Sale, Impacts on Viability, and Public Policy Implications." *Journal of the Transportation Research Forum* 29(1), (1988): 138-148.
- Prater, Marvin, and Michael Babcock. "Determinants of Profitability of Grain Dependent Short Line Railroads." *Transportation Research E*, 34(3), (1998): 187-200.
- RailAmerica website at <http://www.railamerica.com>.
- Rio Grande Pacific website at <http://rgpc.com/>.
- Savage, Ian. *The Economics of Railroads Safety*. Kluwer Academic Publishers, Boston/Dordrecht/London, 1998.
- Surface Transportation Board, Major Rail Consolidation Procedures. STB, Ex Parte 582 (Sub-No. 1), Washington DC, June 11, 2001.
- Thoms, William, Frank Dooley, and Denver Tolliver. "Rail Spinoffs, Labor Standoffs, and the P & LE." *Transportation Law Journal* 28(1), (1989): 57-83.
- Wolfe, Eric. "The Downside Risk: An Analysis of Local and Regional Railroad Service Failures." *Journal of the Transportation Research Forum* 29(1), (1988): 124-137.

W. Bruce Allen is professor of Business and Public Policy, Transportation, and Regional Science at the Wharton School, University of Pennsylvania. Most recently, he was vice dean of the Wharton Graduate Division. His research includes the areas of rail and motor carrier economics, freight demand models, supply chain management, and transportation regulation/deregulation. Allen has consulted for numerous governmental entities and corporations.

Michael Sussman is president of Strategic Rail Finance, Inc. of Philadelphia, PA. In 2001, he formed the Rail Services Excellence Council in collaboration with other transportation industry and academic professionals. Strategic Rail Finance, which has conducted more than 3,500 interviews with railroad executives, has also conducted more than 350 educational meetings with US Senate and House offices including a recent rail transportation briefing for 55 congressional staff. Sussman has created a comprehensive program for expanding private and public sector capitalization of rail related transportation projects. This program is based on an innovative approach to leveraging the underlying asset value and potential of the existing network of freight railroad properties.

Drew Miller was a founder and principal of Strategic Rail Finance. For the past eight years, Miller was dedicated to the cause of freight rail development in the US, during which he made invaluable contributions to the understanding of the network of Class II and Class III railroads; he passed away in August 2001. Miller led Strategic Rail Finance's education program of 150 congressional offices on the value and opportunity of supporting Class II and III railroads.

