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² Brinckerhoffand Fitzgerald & Halliday, Inc., pp. 37-39.

upgrades. These upgrades are costly, but it has been estimated that to bring all bridges and tracks in Vermont up to the 286,000 pound standard would cost \$118 million, \$29 million to upgrade the tracks and \$89 million to upgrade the bridges.³

There are many repercussions of not maintaining a nationally adequate infrastructure for the state. Vermont loses out on potential business because trains from other states that carry more weight than the rail lines in Vermont are able to handle actively avoid travelling through Vermont. This has effectively made the state an 'island' in the rail shipment industry where many freight carriers will circumvent the state altogether. If these outdated rails and bridges were to be updated, the Vermont railroad industry would be even more economically beneficial for the state of Vermont than it is today.⁴ The fact that these regional and short rail lines are losing out on potential business by not being able to carry these heavier rail cars further compounds the problem—without this interstate business they are not able to upgrade their infrastructures.⁵

The current state of Vermont's railroad infrastructure has direct implications on the impact the industry is able to have on the Vermont economy. Next we will look at the impact of the transport rail industry on the Vermont economy, including the implications that an inadequate infrastructure has on the economy.

Economic Impact of the Rail Industry

Currently, the railroad industry plays a significant role in Vermont's economy. In addition to the impacts created by shipping through rail, discussed later, it is estimated that this industry creates 616 Vermont jobs with a payroll of \$19.2 million. Tax payments to the state by railroad employees also allow for more funding in social programs, educational services, and other programs which provide a net fiscal gain to the state of Vermont.⁸

There are nine railroad companies in the state of Vermont and 185 direct employees of these

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total, there were 515 jobs dependent on the railroads in Vermont in the year 2005.

numbers were obtained from a study published by the University of Iowa's Public Policy Center comparing the external costs of freight shipment versus truck shipment.¹⁶

External Shipment Costs per Ton- Mile by Shipment Type

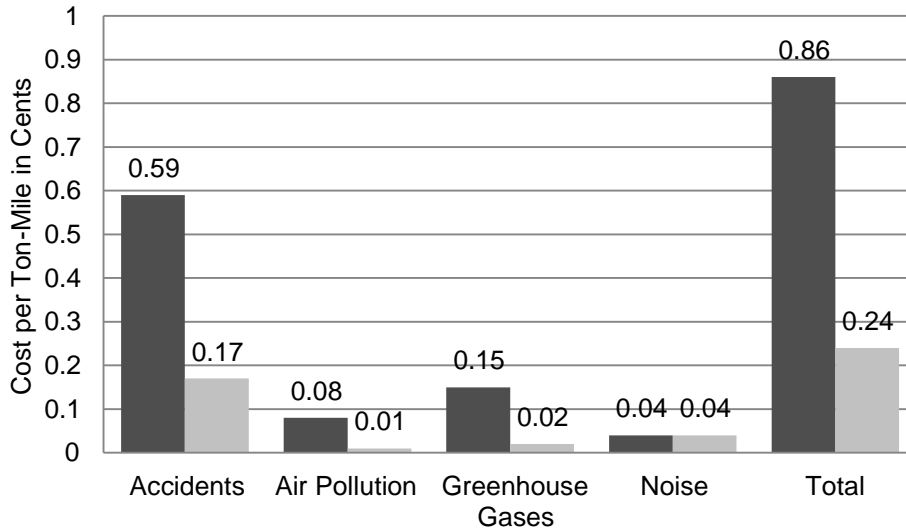


Figure 1: Bar Graph Indicating External Costs Associated with Truck Shipping versus Rail

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Environmental Impacts of Railroads

According to the Inventory of U.S. Greenhouse Gas Emissions Sinks compiled by the U.S. Environmental Protection Agency (EPA), transportation can be held accountable for 28% of the total amount of greenhouse gases emitted in the United States. The following figure¹⁸, taken from a U.S. Department of Transportation policy overview, presents the distribution of greenhouse gas emissions by the different forms of transportation. The graph shows that 20% of transportation emissions are from trucks and only 1% are emitted by freight rails.

¹⁶ David J. Forkenbrock, "Comparison of the External Costs of Rail and Truck Freight Transportation," Public Policy Center, The University of Iowa, October 4, 1999, accessed April 9, 2012, <http://faculty.arec.umd.edu/cmcausland/RAKhor/rakhor%20task10/forkenbrock01.pdf> 1314.

¹⁷ David J. Forkenbrock, "Comparison of the External Costs of Rail and Truck Freight Transportation," 1314.

¹⁸ Cristiano Facanha and Jeff A. Olson, "Policies to Reduce Greenhouse Gas Emissions Associated with Freight Movements," U.S. Department of Federal Highway Administration, accessed February 24, 2012, <http://www.fhwa.dot.gov/policy/otps/innovation/issue1/policies.htm>

Figure 2: Greenhouse Gas Emissions by Source and Transportation Mode (2005)

The EPA stated that trains typically give off three times less particulates and nitrogen oxide

railroad infrastructure, it is not performing to its potential. B