



RAIL AUTHORITY

O F E A S T M I S S I S S I P P I

EXPANDING RAIL SERVICE IN SOUTHEAST MISSISSIPPI

East Mississippi Intermodal Rail Corridor

Legislative Briefing & Progress Report

March 1, 2018

Contact the Rail Authority of East Mississippi:

610 Azalea Drive

Waynesboro, MS 39367

601.735.5501

RAEastMS.com

Background

The Rail Authority of East Mississippi (Rail Authority) is a local government unit created by the Mississippi Legislature in 2009. The members of the Rail Authority include Lauderdale, Clarke, Wayne, Greene, and George Counties. The Rail Authority is working to restore continuous rail service in Southeast Mississippi by developing the **East Mississippi Intermodal Rail Corridor**.

Mission, Purpose & Goals of the Rail Authority of East Mississippi

Mission – the mission of the Rail Authority is implementation of the East Mississippi Intermodal Rail Corridor.

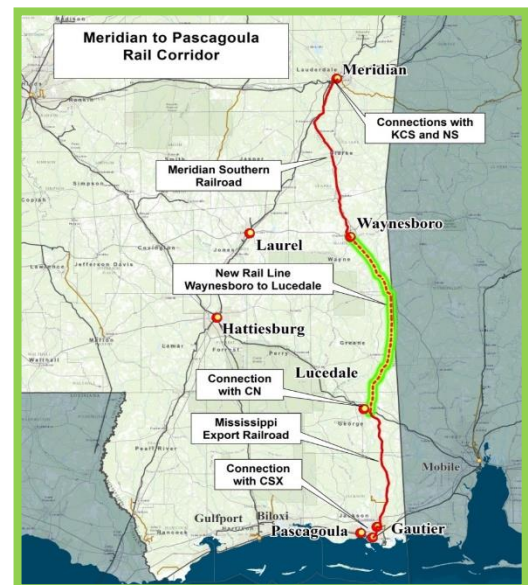
Purpose – to promote economic and industrial development, generate job opportunities, and enhance quality of life in southeast Mississippi and region.

Goal – the immediate goal is establishment of continuous rail service Meridian to Pascagoula by connecting Waynesboro to Evanston.

Description of the Program

The East Mississippi Intermodal Railroad will be a Class III (short line) railroad, approximately 56 miles in length, connecting at its northern terminus to the Meridian Southern Railroad at Waynesboro and at its southern terminus to the Mississippi Export Railroad at Evanston. When complete, the Corridor will enable continuous rail service from the Meridian Speedway to the Gulf of Mexico, accessing four major Class I rail systems and three major port terminals.

- 19 miles along former GM&O to Stateline
- 37 miles on new location to Evanston
- Links four Class I railroads
 - KCS / NS (Meridian)
 - CN (Lucedale)
 - CSX (Pascagoula)



What We've Accomplished

The Rail Authority has implemented a strategic approach toward conducting the necessary planning and evaluation to prove the viability of the project and move to the point of construction readiness, as funding has been made available. Since 2009, contributions from member counties and economic development organizations have **totaled over \$875,000**. In addition, the Rail Authority has applied for and received grants from USDA-Rural Development, USDC-Economic Development Administration, and the Pat Harrison Waterway District, **totaling \$125,000**. Together, these local contributions and grant funds have enabled the Rail Authority to carry on its annual operations, conduct initial evaluations to test the market and financial feasibility of the EMIR, and perform initial, concept-level planning.

Since 2013, the State of Mississippi has included funding for the EMIR in three fiscal-year bond appropriations, **totaling \$2.5 million**. This significant investment is enabling the Rail Authority to accomplish necessary steps in the preconstruction due-diligence process, including establishing the technical and economic feasibility of the EMIR and conducting the environmental approval processes.

Planning and Due Diligence Evaluations Completed to Date

- ✓ Wood Products Market Analysis Update
- ✓ Technical & Construction Feasibility Analysis – schematic layout and alternative alignments; opinions of construction and development costs; identification of comparable ecological, physical, and economic impacts
- ✓ NEPA Compliance – completion of detailed assessments of impacts to the human and natural environments in compliance with the National Environmental Policy Act
 - All Reasonable Alternatives
 - Archaeological and Cultural Resource Surveys
 - Wetlands Delineations
 - Threatened and Endangered Species inventories
 - Projection of Local and Regional Economic Impacts

Findings thus Far

Analyses conducted on behalf of the Rail Authority have concluded that implementation of the EMIR would have a transformative impact to the economy and quality of life along the Corridor

itself, but also throughout the southeast region of the State and beyond. A few of the important conclusions reached from the most recent Economic Impact Analysis are:

- ✓ Since the 1983 GM&O closure, **unemployment** in Wayne, Greene, and George Counties has risen from 4.8% (1970) to an average of **9.1%** (1990-2016). It is projected that implementation of the EMIR would bring back **3,351 total jobs** by **2053**, bringing unemployment back down within the state balance.
- ✓ Reestablishment of rail service in the Corridor is projected to enable the region to recapture its fair share of rail dependent industries. Fiscal impacts within Wayne, Greene, and George Counties are projected over 30 years to **exceed \$1.5 billion**.
- ✓ The rail industry in general is substantial in size, growing, and supported by long-term trends. Increasing transportation costs and demand for fuel efficiency are driving rail-dependent companies to shift more of their business to rail.
- ✓ Improved rail service contributes to environmental sustainability and long-term fiscal health.
- ✓ Based on discussions with the economic development organizations, it is clear that rail-dependent industries are choosing to locate in other places besides southeast MS, due to the lack of through rail service.

Based on assessments of employment history in the region, case studies of similar regions that have lost and then re-established rail service, and interviews and evaluations of rail-dependent industries, it is reasonable to conclude that implementation of the EMIR likely would result in substantial increases in rail traffic from the forestry, wood products, agriculture and food products industries, generating revenues, jobs, wages, and fiscal impacts as summarized below:

Type of Impact	Lost Impacts w/out Rail	Projected Impacts w/Rail
	1985-2015	2023-2053
Ave. Annual Carloads	N/A	18,723
Total Carloads	N/A	561,697
Additional Direct Jobs	(1,941)	664
Additional Indirect & Induced Jobs	(3,575)	1,888
Total Jobs	(5,516)	2,552
Wages	(\$2,406,555,000)	\$5,068,284,000
Federal Taxes	(\$601,639,000)	\$1,267,070,000
State Taxes	(\$120,329,000)	\$253,415,000
Total Fiscal Impacts	(\$721,968,000)	\$1,520,485,000

*If the EMIR were open in 2023

What Lies Ahead

The Rail Authority is currently engaged in completion of the steps necessary to obtain regulatory approvals from state and federal agencies, such as USDOT-FRA, USEPA, USACE, USFWS, MDEQ, et al. Funding currently on hand will enable completion of the following steps in this process, scheduled for the end of 2018, depending on response and requirements of the regulatory agencies:

- ✓ Completion of NEPA Evaluations
 - Noise and Vibration Impacts Evaluation
 - Additional Impacts to Human and Natural Environments
 - Public Review Process
 - Completion of Environmental Impact Statement

On completion of these funded activities, next steps required to move the project closer to construction readiness will include:

- ✓ Coordination with Federal Railroad Administration to obtain Record of Decision (Environmental Approval)
- ✓ Preliminary design
- ✓ Preparation of a long-term strategy to secure funding for implementation and construction
- ✓ Development of an institutional strategy for implementation and operation of the East Mississippi Intermodal Railroad

What's Required

In order to carry out the immediate next steps outlined above, the Rail Authority of East Mississippi will require approximately **\$2 million over the next 18 months.**