

THE WALL STREET JOURNAL.

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In Savannah: 24 Hours, 192 Horn Blasts

As rail shipments rise, public backlash forces costly steps to deal with noise, traffic jams



Traffic backs up while a train crosses President Street in Savannah, Ga. A growing number of cities and towns are fed up with the boom in rail traffic. PHOTO: STEPHEN B. MORTON FOR THE WALL STREET JOURNAL

By LAURA STEVENS

April 30, 2015 3:00 p.m. ET

Every day, as up to eight freight trains pass back and forth on the outskirts of historical downtown Savannah, Ga., they blow their horns at every single one of the 24 rail crossings along the three-mile stretch.

That is making the Genesee & Wyoming Inc. railroad anything but popular along tracks that, until four years ago, were essentially dormant.

Noble L. Boykin Jr., whose law firm is on East 38th Street, said he and other attorneys have to take “train breaks” during depositions. He has to step into a closet for phone calls. He also lives near the tracks, so he can’t escape them—even at 5 a.m. “Everybody hates it,” he said.

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Railroads are facing a growing backlash—not just against dangerous oil trains, but against the noise, delays and traffic jams caused by rail’s rapid expansion and recent success. Rail shipments have increased by more than 6% in the past three years, but a bigger problem is that trains are getting longer, slower and—in many places—more frequent. At least one railroad now averages trains more than a mile long. And trains are federally mandated to honk at most street-level crossings for safety reasons.

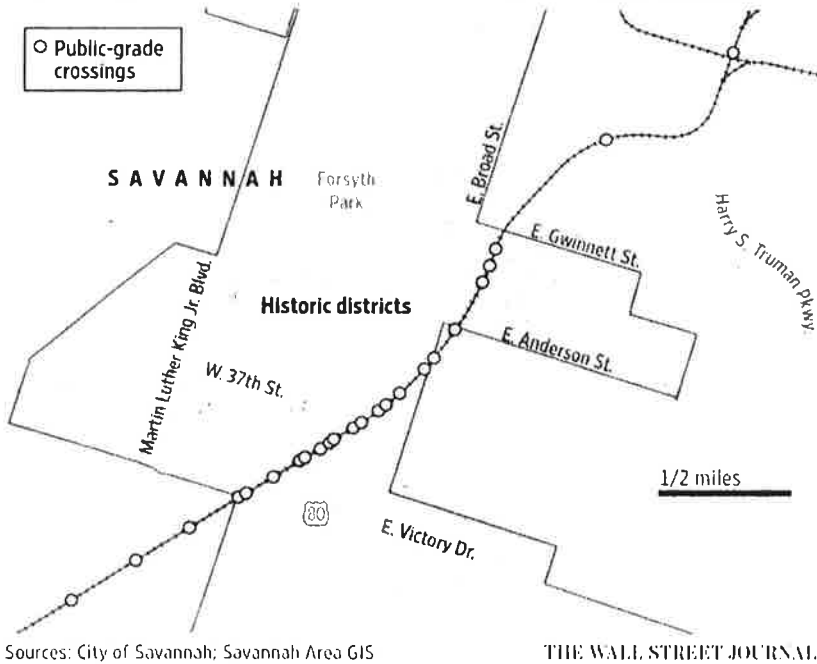
Community resistance has historically been just a nuisance to railroads. The rails own their own right of way and operate under federal authority that typically supersedes local ordinances.

Lately, though, public pushback has gotten both serious and costly. It is forcing expensive improvements, interfering with expansion plans and curbing growth. In March, BNSF Railway Co. voluntarily slowed oil trains to 35 mph from 40 mph or higher near populated areas due to community safety concerns, effectively cutting capacity. Canadian National Railway Co. might be on the hook to pay \$47 million for an underpass in Barrington, Ill.

CSX Corp. won a major legal victory in April allowing it, after six years, to finally start construction to expand its 110-year-old Virginia Avenue tunnel in Washington, D.C. That is critical to completing its \$850 million “National Gateway” project so that it could double-stack containers from the Eastern Seaboard to the Midwest.

Passing By

In Savannah, Ga., trains that pass along a three-mile stretch through the city are required to sound their horns at all 24 public-grade crossings.



CSX adjusted its plans (and paid a little more—it won't say how much) to mitigate noise and vibrations, speed construction, and keep the tunnel enclosed, said Louis Renjel, CSX vice president of strategic infrastructure initiatives. "You have a lot of people and businesses in the area, so you have a lot of concerns to work through," Mr. Renjel said.

In the past, if communities didn't like what railroads did, railroads did it anyway. Between October and December, Norfolk Southern

Corp. received more than 180 traffic citations from the Elkhart County Sheriff's Department for interfering with traffic in Dunlap, Ind. Trains blocked major intersections often daily, sometimes up to five hours, according to Capt. James Bradberry of the department. The tickets carried fines of up to \$500 each.

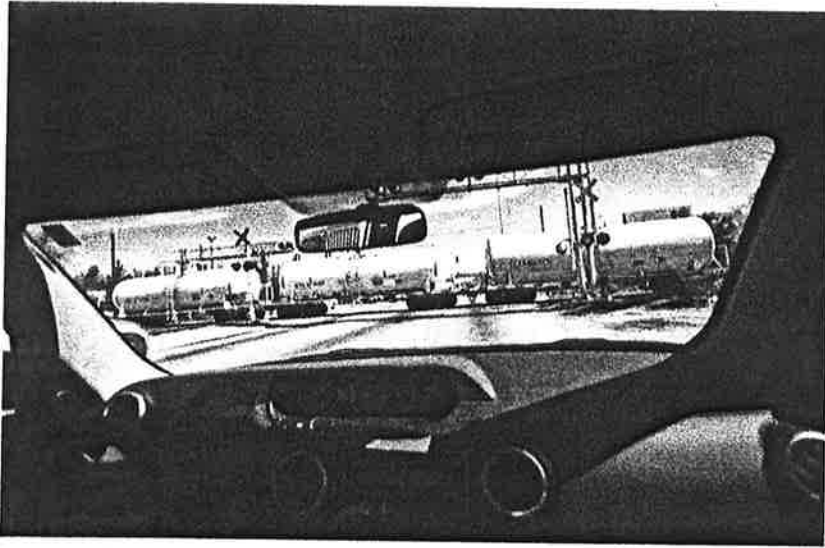
So far this year, though, it's gotten only a dozen tickets, said Mr. Bradberry. He added the railroad "is responding to our presence and working to mend it." A Norfolk Southern spokesman said the railroad has invested in the area, including hiring 100 more crew members, to reduce the delays. It doesn't like blocking roads either, he said, because it means freight isn't moving.

The friction has grown as freight patterns have shifted. Oil trains that barely existed six years ago, are now a critical part of the energy boom. Container shipments grew 5% in 2014 to record levels as consumer goods shifted to rail.

Savannah became a thoroughfare for wood pellets from Southeastern forests as European power plants came under an EU mandate to use renewable resources. The city has struck a gentleman's agreement preventing trains from blocking traffic at rush hour. "We're like the Saudi Arabia of pine," said Joseph C. Shearouse Jr., a city employee who fields dozens of complaints about the rail traffic.

Cities and towns are getting more demanding. When Canadian National was ordered by regulators in 2011 to fund overpasses in two Illinois towns as part of its purchase of a Chicago-area short-line railroad, that was unusual. Nearby Barrington, Ill. wanted an underpass but didn't get it.

Now, Barrington is renewing the effort, telling regulators that CN's acquisition has resulted in more rail traffic than expected, which CN denies. CN said it has complied with all 184 of the regulators' conditions.



A motorist waits as a train crosses President Street in Savannah, Ga. Some communities complain that rail traffic is blocking thoroughfares, delaying commuters and holding up ambulances and fire engines. *PHOTO: STEPHEN B. MORTON FOR THE WALL STREET JOURNAL*

Communities along the planned 42-mile Tongue River Railroad in Montana plan to copy Barrington's effort. Critics of an expansion of the Louisville & Indiana Railroad, connecting Louisville and Indianapolis, won concessions in December that include limiting disturbances to local endangered mussels and other species.

Petitioning the Surface Transportation Board is the conventional way to make the rails change. The regulatory agency resolves service and rate disputes and adjudicates rail mergers. A spokesman said it has seen a definite uptick in community activism, though can't quantify it.

Increasingly, though, little places are taking big rail matters into their own hands. Sandpoint, a city of about 7,500 in northern Idaho where three major rail lines come together to squeeze through town, is in talks with the railroads about a planning grant for an underpass and has been approached by an attorney to take legal action, said Mayor Carrie Logan. She's working on a way to assess rail fees to fund track inspections

because she said about 60 trains come through the town daily. “Every load that gets over to Washington and Oregon comes through here. We have everything to lose and nothing to gain,” she said.

Some communities are taking even more drastic measures. In Crystal, Minn., county officials closed on the purchase of a 2,000-foot stretch of land for about \$1.7 million this week to keep BNSF from connecting track that would allow trains to bypass Twin Cities congestion. Now, they’re seeking a state law to block the railroad from using eminent domain to seize the land, said Commissioner Mike Opat.

BNSF said it is expanding to solve capacity problems, fulfilling a request last year from Minnesota state officials. But Mr. Opat said the changes would divide and block intersections along the proposed route, seriously affecting emergency response efforts.

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