

VA Rail Policy: Investment Then & Now

by Richard L. Beadles

Volume IV, No. 3. February 17, 2012

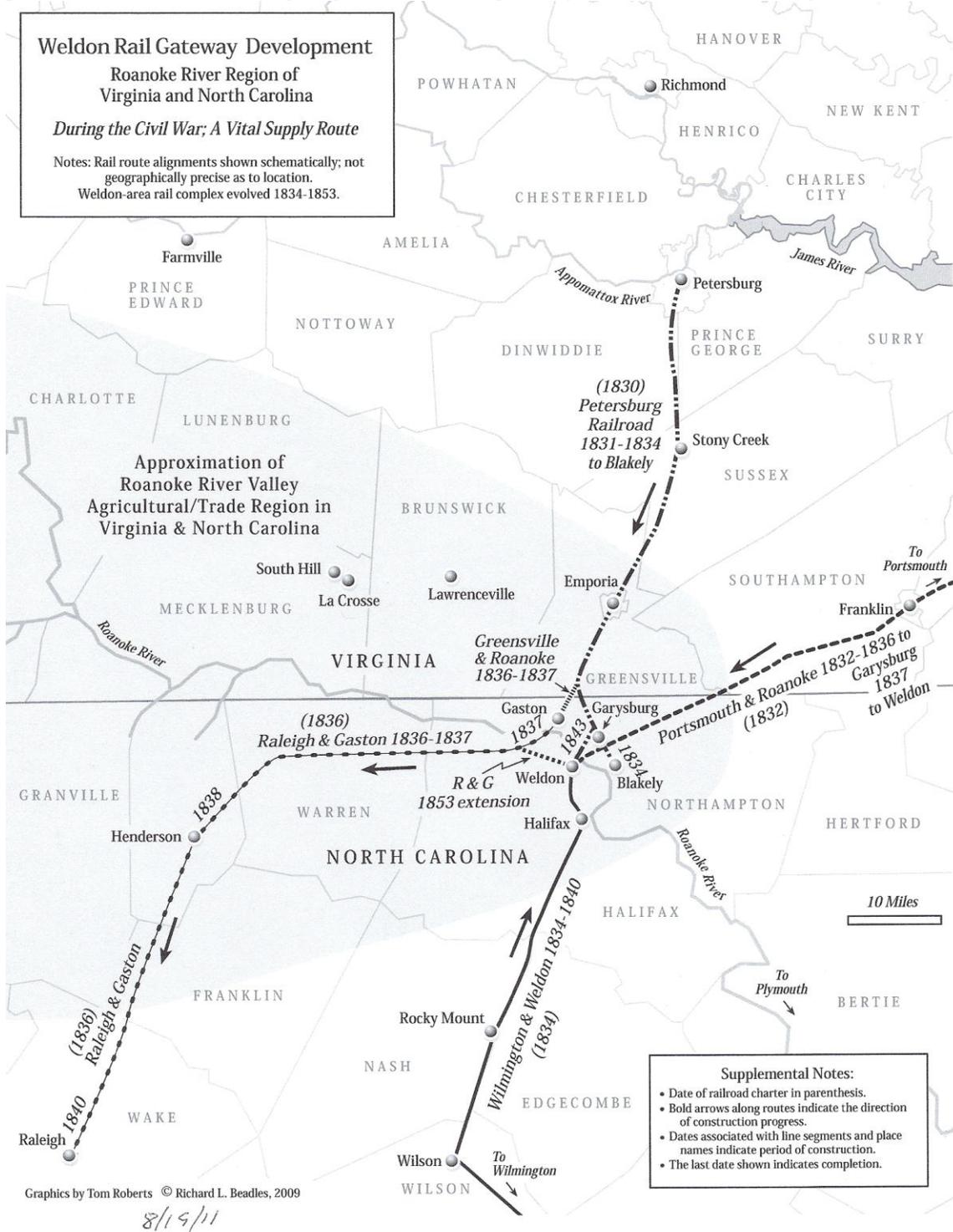
In 1830, Virginia's first steam railroad, the Petersburg Rail Road, was chartered, marking the beginning of extensive pre-Civil War steam rail development within the Commonwealth. This venture was promoted by aggressive Petersburg business men and civic leaders. Acting through the State's Board of Public Works ("BPW"), Virginia subscribed to 40% of the stock of the Petersburg (& Weldon) Rail Road, thereby becoming an equity participant in a bold strategic thrust by town fathers to interdict and capture trade flowing between the upper Roanoke River region of VA and NC, on the one hand, and Norfolk-Portsmouth on the other. The map on the following page may be helpful. [Such trade theretofore reached Hampton Roads via Albemarle Sound and the Dismal Swamp Canal.]. VA's rail investment set a precedent for the next three decades.

Predictably, competing business and civic interests in Norfolk and Portsmouth responded by obtaining a charter in 1832 for their own rail road to Weldon, the Portsmouth & Roanoke. Initially, the Petersburg Rail Road had built to Blakely, downstream from Weldon. The Portsmouth Road, in which the VA BPW had likewise subscribed to 40% of its stock, elected to pre-empt Petersburg by bridging the Roanoke River at Weldon. In doing so, the marginally-profitable Portsmouth line managed to build a "bridge too far". The Portsmouth line defaulted on some of its construction contract obligations. Eventually, the Road's North Carolina bridge contractor, despairing of getting paid, sold his claim, knowingly or unknowingly, to an agent of the Petersburg Rail Road. In due course, "friends" of Petersburg proceeded to rip up the Portsmouth Rail Road track within N.C., effectively putting that road out of business. The line went into receivership, and the State of Virginia lost its investment, etc. [Later the VA BPW bought the line out of receivership, and resold it to the Town of Portsmouth, which later found another buyer, and the rail line was rebuilt. It operates today as part of CSX.].

So why does this story from the early 19th century remind us of today's rail goings-on? As noted in our last VA Rail O&C, the Commonwealth of Virginia is once again back in the business of public funding of private rail development (although the State is not buying stock in rail corporations). One of the first major projects funded by Virginia involved improvements to the *Heartland Corridor* of Norfolk Southern. The State's objective was to improve rail access to and from the Port of Hampton Roads and to reduce truck trips. For years NS and the VA Port Authority have been developing a growing flow of international container traffic to and from the American heartland. Virginia has likewise invested in improved CSX access to the Port. Branded as the *National Gateway*, CSX's competing service route to Ohio is arguably somewhat less desirable, operationally. It still has infrastructure challenges to overcome. Nevertheless:

CSX has recently managed to wrestle away a sizeable portion of Virginia Port business, leaving NS with an underutilized route. Are we to be critical of CSX? "NO", that's business! However, this does raise once again questions about public investment in private railroads. Are we going about it the right way? Are there better ways? #####

Weldon Rail Gateway Development
 Roanoke River Region of Virginia and North Carolina
During the Civil War; A Vital Supply Route
 Notes: Rail route alignments shown schematically; not geographically precise as to location.
 Weldon-area rail complex evolved 1834-1853.



Note: This graphic depiction of early rail development is from a Survey of Transportation Development in Virginia, a research and writing project still in progress.
© Richard L. Beadles, February 17, 2012.