

Sooner Sub Rail Line

May 5, 2014

History

- Starting in the late 1970's, the state legislature and ODOT had the foresight to purchase rail corridors facing abandonment, with the intention of preserving rights-of-way and tracks so that lines could be returned to the private sector in the future.
- Sooner Subdivision line purchased for salvage value in 1998.
- ODOT has long history of returning track to private ownership. Prior to May 2014, more than 651 miles out of 882 total miles of state-owned rail line has returned to the private sector or is currently under a lease-purchase agreement.
- Starting in 2012, ODOT was approached by seven companies with interest in the Sooner Sub rail line.
- In order to determine the potential benefits of a sale to the state, requests for proposals were accepted from Nov. 1, 2013 until Jan. 30, 2014.
- Following the legislative guidance for selling rail assets set forth in Senate Bill 584, five cabinet secretaries including the Secretary of Commerce, Secretary of Finance, Secretary of Agriculture, Secretary of Energy and Environment and the Secretary of Transportation reviewed the proposals over a 90-day period before making a recommendation to the Oklahoma Transportation Commission.

Facts

- 97.5 mile line runs between Sapulpa and Midwest City.
- Currently rated as a Class 2 line, meaning freight has a speed limit of up to 25 mph, and passenger rail no more than 30 mph.
- Currently used as primary route for freight by leaseholder on the line; provision in lease to accommodate passenger rail.
- A current, comprehensive study is underway to determine the feasibility, public support, cost analysis and possible routes for future long-term passenger rail service between Oklahoma City and Tulsa.
- The state continues to have no funding to establish long-term passenger rail service between Oklahoma City and Tulsa.
- Important note: Oklahoma and Texas each contribute \$2.9 million yearly for the operation of the *Heartland Flyer* passenger rail service, which operates daily on a private line between OKC and Ft. Worth.

Provisions for freight and passenger rail in sale

- Buyer to make track improvements to Class 3 status within seven years, which will allow for increased speeds and safety upgrades. (Freight speeds up to 40 mph and passenger rail up to 60 mph)
- Buyer must establish a six-month trial run of daily passenger rail service on the line within the next five years. Buyer will determine all aspects of trial run: schedule, ticket costs and if the service will continue after the trial run.
- Proceeds from a sale would go to the Railroad Maintenance Revolving Fund.
- Failure to follow provisions outlined in the terms of sale could result in the state assessing liquidated damages or the line reverting to state ownership.