

Time for a decision on the rail trail

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By Tony Goodwin , Adirondack Recreational Trail Advocates

Gov. Cuomo, Adirondack Recreational Trail Advocates requests that you direct your personal attention to an issue that is very important to your Adirondack constituents as well as other state residents. As you know, New York state is now considering which use of the state-owned, 119-mile Remsen-Lake Placid Travel Corridor would best serve the people of the region and our struggling economy, as well as the entire state of New York.

The Adirondack Railway Preservation Society has had a lease for seasonal use of the corridor since 1992. ARPS has proposed that, with additional government funding, the Adirondack Scenic Railroad could operate along its entire 119-mile length from Remsen to Lake Placid while continuing to utilize a private railroad for an additional 20 miles to Utica.

Alternatively, the Adirondack Recreational Trail Advocates has proposed that the ASR be allowed to operate the 50 miles from Utica to Thendara and that a 90-mile Adirondack Rail Trail be developed from Old Forge to Lake Placid. Based on the success of other rail-to-trail conversions, we believe this will be a major tourist destination for hiking, bicycle riding and snowmobiling.

The New York state departments of Transportation and Environmental Conservation have been actively considering this issue since June 2013. Since then, DOT and DEC have conducted two rounds of public written comment and public meetings. This issue has been the subject of countless newspaper commentaries and analyses. Most importantly, most local governments have consistently gone on record as favoring the Adirondack Rail Trail while no local government has called for the rail restoration proposed by ARPS.

The state has tentatively proposed that a 34-mile Adirondack Rail Trail be developed from Lake Placid to Tupper Lake, and that the Adirondack Scenic Railroad be allowed to operate from Utica to Tupper Lake, a distance of 107 miles. The state has promised a final proposal for discussion and comment during spring 2015, and a final decision this year.

1. On March 30, the Glens Falls Post-Star reported that an executive of Iowa Pacific Holdings, which owns the Saratoga & North Creek Railway, informed Warren County that the railroad is losing more than \$1 million per year. After years of consistently optimistic statements about railroad operations, the Iowa Pacific executive admitted that tourist passenger numbers are flat and that "efforts to move freight on the line have fallen short." The suggested solution is government purchase of 30 miles of track for \$1.5 million and then an additional \$5 million in government grants to rehabilitate those 30 miles of track.

2. At the same time, the Adirondack Scenic Railroad continually offers assurances publicly that it is approaching financial health, even though the ASR's own accounting firm has for two

consecutive years warned that ASR faces financial failure. The ASR's questionable business plan claims that expansion of its operations to Tupper Lake (107 miles), or to Lake Placid (140 miles), would increase its revenues much more than its costs. The state, however, must first commit tens of millions of dollars to allow this expansion.

3. In addition, the ASR and New York state have not publicly disclosed how much money the state already funnels to the ASR or precisely what ASR expenses are currently being paid by the state. The public thus has no basis to conclude whether the ASR's finances are in order or whether an expanded ASR would generate anywhere near enough revenue to survive without substantially increased government subsidies. Before potentially committing millions of taxpayer dollars to restoration of rail infrastructure along the Remsen-Lake Placid Travel Corridor, New York state must consider the magnitude of future subsidies needed by the ASR to fund its operations along its current or expanded route.

4. A perfect example of how the subsidies might increase is the Big Moose situation. In 2012, \$1.4 million in government funds were used to rehabilitate 5 miles of track between Carter Station and Big Moose. In 2013, the ASR ran a few trains to Big Moose, but none could run there in 2014 because of track problems between Thendara and Carter Station. Asked about this problem, an ASR board member said that another \$900,000 was needed to repair the track to Carter Station. The above example and the Saratoga and North Creek Railway situation should be cautionary tales telling us that any further investment in track improvements on the Adirondack rail corridor would likely be "in for a dime, in for a dollar."

5. So, do New York state elected and appointed officials really want to be held accountable for having endorsed costly restoration of a rail corridor with no demand and little utility? And what happens if a bankrupt Adirondack Scenic Railroad is the only operator interested in using this corridor?

In conclusion, we ask two things:

1. Expedite the proposed conversion from rail to trail between Lake Placid and Tupper Lake.
2. Do not fund any work on the rail infrastructure along this corridor north of Big Moose.

Tony Goodwin lives in Keene and is a co-founder and board member of Adirondack Recreational Trail Advocates.