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## Last Stop In Rail Plan: Tampa

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Gov. Jeb Bush and the chief of CSX Transportation, Michael Ward, emerged from the sleek new commuter train in Orlando to trumpet their landmark deal.

That morning, Aug. 2, 2006, they announced a plan to bring long-awaited commuter rail to Central Florida. CSX would get nearly a half-billion dollars in tax money for the sale of its Orlando area track and upgrades on its freight lines into a massive hub planned for Polk County.

The event highlighted the 61-mile passenger system that would take hundreds of cars off of crowded Orlando roads. But no one mentioned the larger plan behind the deal - a plan that could prevent the creation of passenger rail for the rest of Florida. It puts freight rail companies in control of where passenger lines will go and how much they will cost the taxpayers.

CSX is the winner in its deal with the state, critics say.

"Jeb set this thing up," said Gus Demott, of the Brotherhood of Railroad Signalmen, who has been looking at the deal to assess how it will affect the union's members. One thing he believes: "Once this deal is done, it's going to be a windfall for CSX."

The likely loser is the Tampa Bay area, particularly Lakeland.

Under the state's new plan, commuter rail isn't likely to come to Tampa for decades - if ever - because of CSX's plans for unlimited freight increases in the area. That freight traffic will be routed through downtown Lakeland, where local officials fear years of expensive redevelopment efforts will be ruined.

Bush has defended the CSX deal as a strong public-private partnership. It would help both the people of Florida and the freight companies, which he said were vital to the state's economy.

But an analysis of the costs and benefits of the deal has not been finished, so state officials don't know whether taxpayers will come out ahead. Significant pieces of the agreement haven't been settled.

### Who's Helping Whom?

From the start it was an effort to help the freight railroads, said C.C. "Doc" Dockery, who led an earlier effort to create a statewide passenger rail system. That system would have started with the 84-mile corridor from Tampa to Orlando, which is the state's busiest.

Passenger rail that would take the most cars off the roads is being "abandoned in favor of speedier movement of rail freight," Dockery said in an interview last month. "A good decision for the people? No. A good multimillion-dollar decision for the special interests represented by CSX? Yes."

Ward, CSX's CEO, turned down interview requests.

Dockery is a Lakeland businessman whose efforts to build a high-speed rail system in Florida date to the late 1970s. He envisioned trains traveling more than 120 mph on new tracks connecting metropolitan areas. The existing freight tracks don't allow for speeds that high.

He helped write the constitutional amendment that voters passed in 2000, which mandated such a plan.

The Florida High Speed Rail Authority had written specifications, solicited bids and selected a company to build the Tampa-to-Orlando link when voters repealed the project with another constitutional amendment in 2004.

Bush helped lead the campaign against high-speed rail, arguing that the system would bankrupt the state. Among the many corporations that contributed to the cause, CSX gave \$50,000 and Florida East Coast Industries gave \$25,000. Florida East Coast owns a rail line that runs from Jacksonville to Miami.

Even before he began his public fight against the bullet train, Bush was looking for a way to help the freight rail companies, Dockery said.

"Jeb's intentions to reward his friends at CSX and FEC surfaced early when he appointed FEC Vice President Heidi Eddins to the Florida High Speed Rail Authority," Dockery said.

During meetings, "she aggressively argued that the state should take an incremental approach to building high-speed rail, meaning we should use existing rail freight lines owned by CSX and FEC."

A spokesman for FEC didn't respond to requests for interviews with Eddins and other executives.

In early December 2004, a month after Florida voters repealed the bullet train amendment, CSX officials visited the state Department of Transportation. The company, based in Jacksonville, unveiled a new business strategy for Florida. It planned to reroute its freight traffic from a line that ran into Orlando onto a parallel line that ran into Polk County, where CSX also wanted to build a major hub.

The plan had a side benefit for the state. It would open up track in the Orlando area for commuter rail.

Then-DOT Secretary Jose Abreu said he jumped at the chance to talk. "Here was an opportunity where they [CSX] are saying maybe it is time to get together with DOT," he said. "Before that, if you tried to talk to the railroads, it was like beating your head against the wall."

In the summer of 2005, Bush appointed a new DOT secretary, his chief of staff, Denver Stutler. Abreu said he left because he was offered a job in his native Miami, running the international airport.

The plan that Stutler's DOT developed over the next few months was almost identical to the one CSX had presented in 2004.

The state would help CSX upgrade its freight line running south through west Central Florida into Polk County so the line could handle more trains. It would pay for road access to a new hub planned for Winter Haven, which the state later dubbed "the mother of all rail yards." And the state would buy 61 miles of track on the line into Orlando for a commuter rail system.

The plan came together in negotiations that stretched into 2006. It involved only CSX officials and a handful of DOT staff members and consultants, all of whom were required to sign confidentiality agreements.

Months later, at a Florida Transportation Commission meeting, Stutler said the governor had asked often about the progress of the CSX deal. He said his relationship with Bush helped him fend off "ankle-biters." Asked by the Tribune to whom he was referring, Stutler said he couldn't remember.

Bush declined an interview, referring comment to his spokeswoman, Alia Faraj. She defended the governor's opposition to the high-speed rail plan and his advocacy for the CSX plan that followed.

"The bottom line is the governor made decisions based on good public policy implications," Faraj said.

### **New Plan Puts Tampa At Bottom**

In August 2006, the same month the state and CSX announced the outline of their deal in Orlando, the state released its Florida Intercity Passenger Rail Vision Plan.

Like the agreement announced in Orlando, it closely follows the plan CSX presented in December 2004.

Contrary to the Florida High Speed Rail Authority's plan, it describes a passenger system built on existing corridors, nearly all of which are owned by CSX or FEC. It's the incremental approach, the type FEC's Eddins advocated, Dockery said, when she was on the authority.

It shows that the busiest stretch of highway is between Tampa and Orlando, with people expected to take nearly 30 million trips between the two areas in 2020 - double the number in 2000.

And it presents a connection between the two cities by CSX's rail line south of Interstate 4. But there's a catch: CSX doesn't want a passenger system on that line.

Because of increased train traffic around the Polk County hub, CSX feels "reluctance" to allow any passenger service between Auburndale and Tampa, according to the report.

DOT rail manager Fred Wise put it more bluntly: CSX "won't even discuss it."

CSX spokesman Gary Sease said the company hasn't been approached with any commuter rail idea for its Auburndale to Tampa line, which runs through Lakeland. But he said CSX's first priority is expanding its freight business.

"The addition of commuter rail to our freight tracks diminishes our ability to do that," Sease said.

The only other way to have a Tampa-to-Orlando rail link is to build tracks on the I-4 right of way, as the High Speed Rail Authority had planned. But that would come only after the state had used nearly every available CSX and FEC line, according to the new passenger rail plan. In other words, the top priority of the High Speed Rail Authority is now one of the state's lowest priorities, even though the state already owns the right of way.

Bush and CSX say the high-speed rail plan was too expensive, a boondoggle that would have cut into the state's ability to provide vital services, such as education. Yet documents show the state has pursued buying 85 miles of FEC's rail line in South Florida to use for a new commuter rail service. DOT officials estimated last year that the entire project could cost \$3 billion, possibly more.

The 84-mile Tampa-Orlando rail link was projected to cost \$2.4 billion. Stutler said last month that the two projects aren't comparable because federal money would pay for half the project in South Florida. But the federal government had also contributed half of the money for high-speed rail planning, and backers were optimistic that the federal government would fund at least a third of construction costs, Dockery said.

Asked whether Orlando-style commuter rail deals are likely for other cities, Stutler responded: "That's a great question." He didn't mention any possibilities beyond FEC's South Florida line. Talks between the state and FEC were put on hold this year when FEC was sold to a group of private equity investors.

### **'It's All Politics'**

When Marion County officials heard about CSX's realignment plan just before it was announced in August 2006, they were furious. They demanded to know what the state would do to protect residents from the rising number of trains that would be moving through Ocala.

Lakeland and Polk County officials were slower to react. Winter Haven officials strongly support the hub and distribution center that would be built with it because they would bring new tax money and up to 2,000 jobs. But roads outside the city, such as State Road 60 and U.S. 27, would absorb most of the trucks driving in and out of the facility - an estimated 1,000 trips per day.

CSX's plan will add trains to the stretch of track between Plant City and Lakeland on which six people have died in three months in vehicle collisions with Amtrak passenger trains.

In the thousands of DOT e-mails and documents reviewed for this story, there were few references to safety improvements in the CSX deal. At the same time, however, internal e-mails show that state rail inspectors expressed serious concerns about CSX's commitment to safety, particularly in the Lakeland area.

"CSX Transportation needs to somehow get the message that we need them to step up to the task at hand," inspector George Nobles wrote on Oct. 27. "They are not trying to properly maintain the current traffic demands and will degrade even more as traffic is increased."

Contacted for this story, Nobles said safety conditions had improved since that e-mail.

CSX said it had only one reportable accident related to its equipment or tracks in 2005 and 2006.

DOT's Wise said safety was discussed during negotiations.

Officials in Lakeland have their own worries about more train traffic. CSX's freight line bisects the core of the city. Several north-south roads are already shut down several times a day for trains.

CSX officials have talked to Lakeland officials but offered no remedy.

The company is a "500-pound gorilla on steroids," said Lakeland Commissioner Dean Boring.

"It's all politics, and it stinks to high heaven," said Marion County Commissioner Jim Payton.

The company has spent hundreds of thousands on lobbyists and campaign contributions in Florida.

One CSX lobbyist, Marty Fiorentino, is a former CSX executive who was named a Bush Pioneer for raising at least \$100,000 for George W. Bush's 2000 presidential campaign.

Fiorentino and his wife have contributed to Jeb Bush's campaigns, too, giving \$3,000 in Bush's two races since 1997. Ward, the CEO, has given \$1,000. And companies owned by CSX have given \$2,000.

Overall, CSX has doled out nearly \$1 million to candidates and committees in the past 10 years in Florida, including \$494,000 to the Republican Party.

"CSX has the influence," said state Rep. Susan Bucher, a West Palm Beach Democrat on the Transportation Committee.

### **Working Out The Details**

Ward wanted something from Bush in the days after the Aug. 2, 2006, gathering in Orlando. They had announced only an agreement in principle. Ward reminded Bush in an e-mail that many details had to be worked out.

Before suggesting that he and Bush get together for another round of golf, Ward said, "I'll push my team to finalize the agreements ASAP. Hopefully you will do the same."

Bush responded by e-mail that day, "I will do so. I got 146 days left in my job and want it to be finalized before I go."

But the deal wasn't finished before Bush left office at the end of 2006, and it still isn't.

Among the questions that remain is how much CSX would pay the state to run freight on the Orlando commuter track. Though the state would own the track, the agreement allowed CSX to use it during off-hours.

In December, DOT consulting lawyer John Bottcher questioned the fees the DOT team had proposed.

Bottcher's memo concluded: We "know that carriage of freight in and of itself provides a substantial public benefit. But there is a point where CSX's profits would exceed the public benefit. I think FDOT's proposed fee structure is close to that point."

Contacted for this story, Bottcher said, "Much has changed since December." But he would not elaborate.

Nazih Haddad, one of the state rail officials working on the fee structure, said it is evolving.

The \$491 million funding package for the CSX deal is part of the existing DOT budget and will not be taken before the Legislature for approval.

"This was all worked out behind closed doors, said state Rep. Bucher. "Most of us were kept in the dark."

### **Silent Governor**

Florida's new governor, Charlie Crist, has said little about what he thinks of the CSX deal. Crist met with CEO Ward on April 17 to

discuss it, among other topics, CSX confirmed.

Ward was to talk to Crist about the state's energy policies and how "both freight rail and passenger rail are good for the environment," CSX Vice President Lisa Mancini said in an e-mail to new DOT Secretary Stephanie Kopelousos.

Crist did not respond to several requests for comment.

Only recently did Polk County residents begin to sharply question the Winter Haven hub and its effects on the county. That prompted a significant development.

Last year, Bush's Department of Community Affairs allowed the hub to avoid a time-consuming, large-scale planning review of its effect on the area. A development of regional impact review can take several years.

But in May, the Polk County Commission asked the DCA to require the review.

It soon did, and alarms went off at the DOT. Ed Coven, one of the state officials involved in the negotiations, e-mailed Kopelousos to suggest the DCA didn't realize there was a connection between the hub and the Orlando commuter rail project.

That same day, DCA chief Tom Pelham announced his agency would work with CSX on a preliminary development agreement. That would allow CSX to do some construction on the hub while it undergoes the regional review.

Opposition continues to grow to CSX's plans in Polk County, particularly in Lakeland, where residents are circulating petitions asking for a meeting with Crist.


No meeting has been scheduled.

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