



# Ohio Rail Development Commission

50 West Broad Street, Suite 1510 • Columbus, Ohio 43215 • (614) 644-0306 phone • (614) 728-4520 fax

## MEMORANDUM

**TO:** Jim Seney, Director

**FROM:** Lou Jannazo, Chief of Project Development

**SUBJECT:** Harrison County Input Concerning Possible Panhandle Sale

**DATE:** January 28, 2003

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Last week, I spoke to Commissioners Phil Madzia and Dennis Watson of Harrison County concerning the possible sale of the Panhandle line. I had made an appointment to meet with the Commissioners in Cadiz this week. However, between the time I set up the meeting and the meeting date, ORDC received written comments from the Harrison County commissioners dated December 17, 2002. A copy is attached.

The December 17 letter was signed by all three Harrison County commissioners at that time, Mr. Madzia, Robert Hugh, and Craig Corder. Mr. Corder, however, was a lame duck on December 17. Mr. Watson has since replaced him.

I spoke briefly to Mr. Madzia about the possible Panhandle sale in general and the latest developments at ORDC, i.e. that we were pursuing and appraisal. Mr. Madzia stated that he stood behind the positions stated in the December 17 letter but requested that I touch base with Mr. Watson to get his opinions because Mr. Watson did not sign the letter.

I spoke to Mr. Watson at some length explaining that ORDC has not yet decided what to do with the Panhandle but that the options were to keep it, to sell it to the Columbus & Ohio River Railroad, or to sell it to the highest bidder. I indicated that a sale to the current operator made sense to some at ORDC because of the C&OR's track record, because the C&OR had won a competitive selection process in 1997, and because a bid process could result in problems such as a bidder paying too much for the rail line.

Mr. Watson stated that he had "no problem" with the C&OR buying the line. He stated that he has found the C&OR to be very cooperative in working with the county, especially in regards to economic development projects. He stated the County had a good relationship with the C&OR.

lj28/PanhandleHarrison



## HARRISON COUNTY COMMISSIONERS

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December 17, 2002

Jim Seney  
Executive Director  
Ohio Rail Development Commission  
50 West Broad St., 15th Floor  
Columbus, Ohio 43215

RE: Possible Sale of Panhandle Line

Dear Mr. Seney:

This correspondence is intended to express the position of the Harrison County Commission regarding what we understand is the likely sale of the Panhandle Line to a private operator.

Approximately 10 years ago, when the Panhandle Line was threatened by abandonment and breakup, a concerted effort was made by the State of Ohio and local governments along the corridor to preserve this vital resource for the region's continued economic viability. Since that time, the line has continued to operate and service has been improved and expanded along the corridor. This has enabled many existing businesses to remain in the region and has served as a valuable incentive in attracting new businesses to the area. Continuation of this vital resource is key to the continued economic development as we move into the new century.

Philosophically, we have no strong feelings that the Commission should not return the line to private ownership; however, we do feel that it is important to preserve and maintain the benefits which have resulted from state's ownership. Specifically, we would request that the Commission ensure that a privately owned Panhandle Line will continue to be available to all carriers, and that fees charged to those carriers will remain reasonable. Likewise, it is extremely important that the state preserve the opportunity for passenger rail service along this corridor in the future. This is particularly important to Harrison County, since passenger rail service would make this county a residential location for commuters working in the Pittsburgh metropolitan area. Additionally, in some instances spurs on the Panhandle Line have been reopened for freight traffic, which

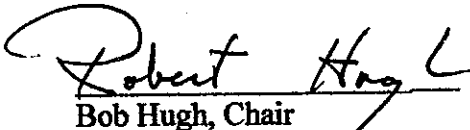
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has provided direct economic benefits to the communities which are served by those spurs. Cadiz, the Harrison County seat, is located on one of these spurs. And finally, we feel strongly that the Commission should ensure that the price paid by a private operator to acquire the Panhandle Line is reasonable and returns as much money to the state's coffers as is possible.

Thank you, in advance, for taking these concerns into consideration as you look toward privatization of the Panhandle Line. Please feel free to contact us directly if you have questions or desire additional information.

Very truly yours,

  
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Bob Hugh, Chair

  
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Phil Madzia

  
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Craig Corder