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Testimony Submitted by:

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To the Joint Session of
the House of Representatives Transportation
and Business and Economic Development Committees

Testimony of Paul Canevari

My name is Paul Canevari. I am a member of the Board of Directors of the Monroe County Railroad Authority, Vice Chairman of the Monroe County Industrial Development Corporation and Chairman of the Board of the Pocono Mountains Chamber of Commerce. And in my capacity as community development director for PP&L, I work directly with local and regional agencies responsible for economic development .

I wish to thank this Committee for the opportunity to address the issue of railroads and their direct link to the success of economic development in Pennsylvania.

As a board member with the Monroe County Railroad Authority, we have been directly involved in preserving and rehabilitating rail lines in northeastern Pennsylvania. These important rail lines faced abandonment and liquidation. Our efforts in preserving the former Conrail line through the Poconos, enabled a major economic development project to be completed. The project has resulted in the location of two new industries in Pennsylvania. At Mt. Pocono, in close partnership with the Lackawanna County Railroad Authority and PP&L, we assisted in locating a \$39 million state of the art flour mill built by Harvest States Cooperatives of Minneapolis, MN. The flour mill currently receives unit trains of wheat over the former Conrail mainline, which we have rehabilitated. The mill has created approximately 40 new permanent jobs in our region and will almost certainly create hundreds more with the addition of a bakery and pasta plant.

In Cresco, the Monroe County Railroad Authority was crucial in locating Bestway Lumber Products, which will provide many more new jobs to our region. Again, the rehabilitation of the former Conrail rail line has been the major motivating incentive for this company to locate in Pennsylvania.

Rebuilt rail lines have become major catalysts to spur the location of new industries and jobs in our great state. I come before you today to ask your support and assistance in the pursuit of further economic growth in our region of Pennsylvania.

Specifically, on behalf of Monroe County and the Monroe County Railroad Authority, I ask this Committee's support and assistance in obtaining the release of a Pennsylvania Capital Budget Line Item of \$1.4 million. This money will allow the Monroe County Railroad Authority to acquire and rehabilitate a 15- mile rail line that runs directly through the center of Monroe County.

This rail line, currently owned by Norfolk Southern Corporation, has been the subject of acquisition negotiations between the Monroe County Railroad Authority and Norfolk Southern. The release of these funds is now vital in order to complete the purchase and rehabilitation of the rail line.

With the acumen and skills that the Monroe County Railroad Authority possesses, and working in close partnership with the Monroe County Industrial Development Authority, this rail line acquisition will, assuredly lead to further new industrial locations in Pennsylvania. Our success speaks for itself. We are able to take underutilized, even abandoned rail lines, and turn them into industrial corridors that become magnets for new industries. We are experts in approaching and identifying rail-dependent industries like flour milling and lumber and providing them with local incentives to locate in Pennsylvania, even with the sharp competition that exists from

neighboring states. These companies provide high-quality, good-paying jobs for the people of Pennsylvania, and add to the state and local tax base.

The acquisition of the 15 mile rail line that is the subject of my remarks today, also will allow the operation of tourist train excursions. Tourist trains will be an obvious benefit to one of our other major industries in the Poconos : the tourism industry. The acquisition of this line will allow the Monroe County Railroad Authority to work with the National Park Service through the Steamtown National Historic Site and the Delaware Water Gap National Recreation Area, to connect the two sites with steam-powered excursions trains which currently run between Scranton and Mt. Pocono. This connection could open a new avenue of travel for Pocono visitors, greatly enhancing the tourism potential of our region.

In addition, this rail line will form an integral link in the Scranton to New York City rail link, which is being reconstructed as a means of commuter passenger service to help alleviate the severe highway congestion problems occurring on Interstate 80 between Pennsylvania and New Jersey. We greatly anticipate that the resumption of this passenger service will also enhance white collar industry such as the attraction of back office administrative office parks to Pennsylvania.

I again would like to thank this Committee for this opportunity to request your direct support in the release of this State Capital Budget line item for this vital rail/economic development project for our region of Pennsylvania. I also personally thank Representative Joe Battisto for his unceasing efforts in directly helping us to acquire and rehabilitate this rail line. Without his efforts as our champion in these rail projects, we certainly would not have come as far as we have or have been as successful in our results.

Thank you.