

Intercity Passenger Rail A Virginia Perspective

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Rail Development in Virginia

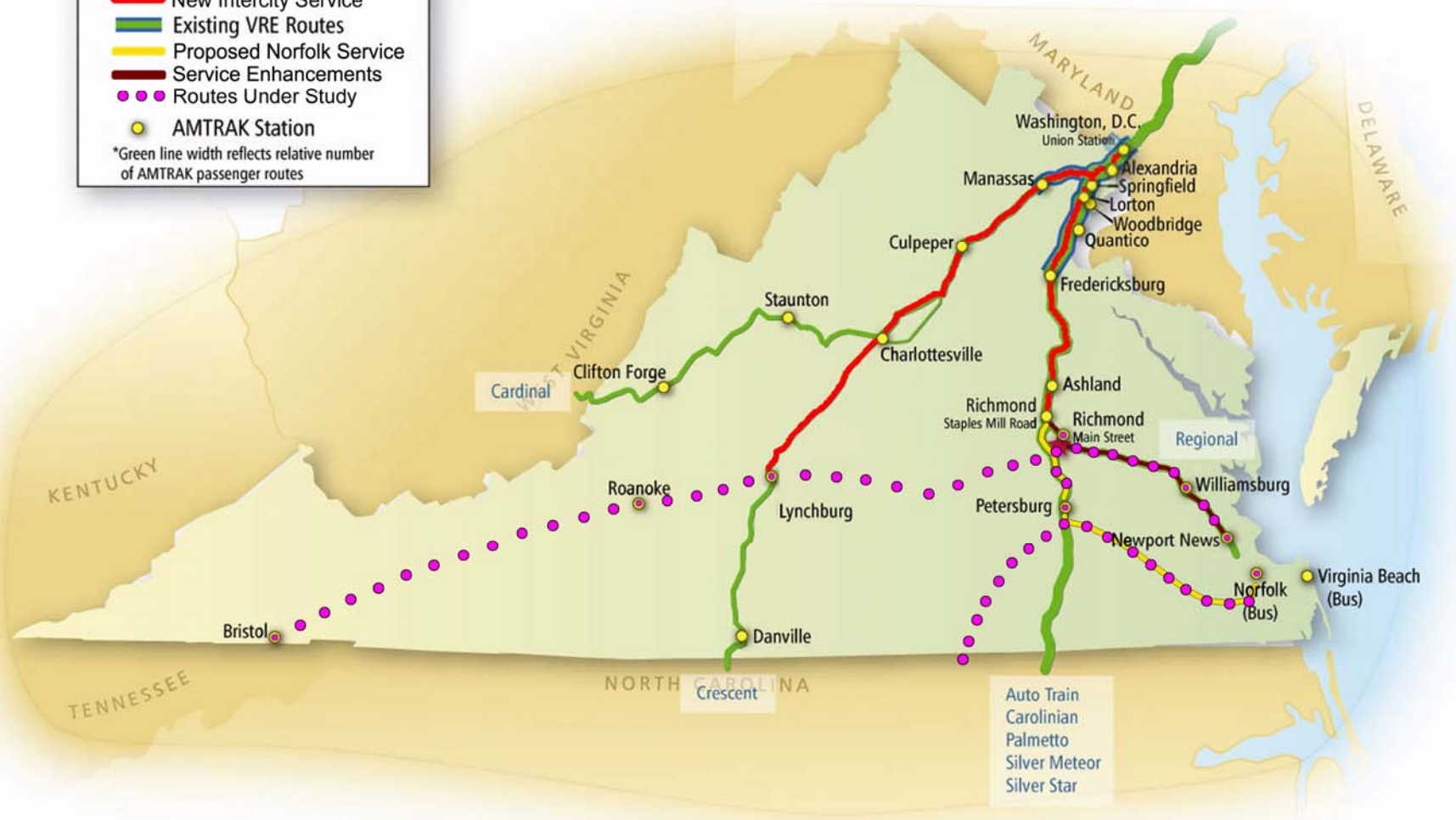
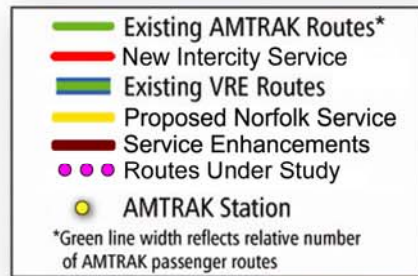
Setting the Stage for Partnership

- ❑ Railroad tracks are owned by freight railroads whose first priority is to deliver freight on time
- ❑ Virginia is constitutionally prohibited from owning a railroad
- ❑ Passenger rail up to higher speed 90 MPH service is proposed by VA to be co-mingled with freight operations
- ❑ Expanding the passenger rail system requires increasing capacity on current infrastructure

Partnership Solidified Framework Agreements

- ❑ Following identification of projects, VA and Class I railroads developed Framework Agreements
 - Built on the good working relationship with Class I partners
 - Through Rail Enhancement and VTA2000 funded projects
 - Established role and responsibility of the railroads and the state in development of projects
 - Agreed to establish joint benefit projects whenever possible
 - Set incremental steps for current identified projects and established a process for subsequent phases of project development
- ❑ VA acknowledged the preservation of freight capacity of the freight railroad in the development of enhanced or new intercity or commuter passenger services
- ❑ Passenger rail operators are identified as Amtrak and VRE unless agreed to otherwise
- ❑ Lynchburg and Richmond state funded passenger service was identified in first phase of Agreements as well as the development of key intercity passenger and freight rail corridors

Passenger Rail Service In Virginia Present and Future



Key Points Regarding Virginia Passenger Rail Service

- ❑ Virginia is competing nationally for these funds but has some advantages:
 - Framework agreements in place with railroads
 - Agreement with Amtrak for state sponsored passenger rail service
 - State funding program for rail capital projects
 - Very little additional right of way needed for most projects – less potential environmental impacts
 - VA High Speed Rail Corridor program links the Northeast Corridor to the south and demonstrates how the ARRA creates both short- and long-term outcomes and benefits
- ❑ Close working relationship with CSX, VRE, Amtrak and FRA to develop key projects in the I-95 corridor and with NS in other corridors
- ❑ Virginia will need a dedicated source of funding for passenger rail operations to remain competitive for federal funding

American Recovery and Reinvestment Act of 2009

ARRA

- ❑ ARRA's \$8 Billion was a down payment
 - Federal program requirements have challenged the working relationships that states have established with its rail partners and neighboring states over decades of time in the absence of a federal program for the development of passenger rail
 - Railroad agreements including performance metrics must be in place and approved by FRA to receive funds

VISION *for* HIGH-SPEED RAIL *in* AMERICA



[illegible]

Information is current as of October 28, 2010

Federal HSR Planning Process- Richmond Area to Washington, D.C.

- ❑ Tier I Environmental Impact Statement (EIS) completed in 2002
- ❑ \$1.8B federal ARRA stimulus application to advance 19 projects necessary to introduce high speed rail in the corridor - not approved
- ❑ \$75M in federal ARRA stimulus funds awarded under a separate application to alleviate choke point
- ❑ \$45.5M in federal FY2010 high speed rail funds awarded to advance environmental study and infrastructure improvements for entire corridor
 - \$44.3M Richmond Area to Washington, D.C. Preliminary Engineering and Tier II EIS
 - \$1.2M Appomattox River Bridge design

Richmond Area to Washington Project

Timeline*

- ❑ Step 1: Finalize Scope of Work and complete PE of Richmond Area improvements funded by \$2M FRA grant and \$75M FRA ARRA Grant for Arkendale to Powell's Creek project.
- ❑ Step 2: Develop \$44.3M FRA grant funding Agreement– Richmond Area to DC (2010-2011)
 - Statement of Work, Tier II Environmental Impact Statement & Preliminary Engineering – Richmond Area to DC
- ❑ Step 3: Conduct PE and Tier II EIS (2012-2020)
 - Draft EIS
 - Public Hearings
 - Final EIS
 - Record of Decision
- ❑ Step 4: Negotiate with railroad and apply for federal funds for construction (2020-2021)
- ❑ Step 5: Receive federal funding and obligate funds (2021-2022)
- ❑ Step 6: Construction: (2022-2029)
- ❑ Step 7: Service begins: (2030+)

Arkendale to Powell's Creek Project Timeline*

- ❑ **July 10, 2009 – Pre-Application filed with FRA for \$74.8M Track 1a of total \$1.56B.**
- ❑ **August 24, 2009 - Track 1a application filed for \$74.8M FRA ARRA Grant for Arkendale to Powell's Creek project.**
- ❑ **August 2009 – Documented CE delivered to FRA – (Rejected February 2010. EA work initiated at DRPT expense with VRE.)**
- ❑ **January 28, 2010 – FRA awards \$75M to project**
- ❑ **February 2010 – FRA staff notes that awarded project was a 70-79 MPH project and DRPT must redesign to 90 MPH and agree to pay for an additional crossover at Arkendale not included in the original awarded track design.**
- ❑ **May 20, 2010 – DRPT pushes back to FRA and notes that the Arkendale crossover should be funded by FRA – but FRA had no additional money.**
- ❑ **Summer 2010 – Modified Plans, Scope of work, QA/QC, PMP, SSPP, and Cooperative Grant Agreement sent to FRA**
- ❑ **July 2010 – DRPT/CSX send modified Framework Agreement to FRA.**
 - Sets up the corridor program for all 19 projects and 90MPH service
 - Achieves goal of maintenance and claw back
 - Did not have performance metrics FRA required
 - DRPT has met with FRA counsel several times with no progress with CSX/FRA
- ❑ **October 2010 – Design Build proposals requested – 8 Proposals Received**
- ❑ **November 2010 – FRA sent Draft FONSI – Under FRA review**
- ❑ **December 2010 – FRA announces second round funding \$1.195B redistribution**
 - Project receives no additional funding.

Federal HSR Planning Process: Richmond to Hampton Roads

- ❑ Tier I EIS released for public comment in December 2009
- ❑ Earlier this year the CTB recommended Alternative 1 for the Richmond/Hampton Roads Passenger Rail Project, to be implemented through an incremental approach where practical and feasible:
 - Begin with conventional speed service
 - Continue to plan for high speed rail and access to Main St. Station from the south
- ❑ December 8, 2010 - Final Draft EIS (FEIS) document submitted to FRA for formal Record of Decision
- ❑ Federal funds are necessary to advance high speed rail in the corridor
- ❑ Advancing new conventional speed service and improving service reliability in the short term

SEHSR Next Steps

- ❑ Complete Design
- ❑ Track improvements on existing segments
 - Richmond, VA to Washington, DC
 - Petersburg, VA to Richmond, VA
 - Petersburg, VA to Norfolk, VA*
 - Raleigh, NC to Norlina, NC
- ❑ Re-establish Route from Petersburg, VA to Norlina, NC
 - Acquire right of way
 - Construct track & signals
- ❑ Subject to funding
- ❑ Coordinate with
 - FRA
 - Amtrak
 - Railroads
 - Local Governments
 - Property Owners



*Advancing under Hampton Roads EIS

Federal HSR Process

Passenger Rail Project Recap

- ❑ There are three federal rail planning projects in play:
 - Southeast High Speed Rail (SEHSR) Tier II Richmond Area to Washington, D.C. Project
 - Richmond/Hampton Roads Passenger Rail Project Tier I EIS (FEIS)
 - SEHSR Tier II Raleigh to Richmond Project
- ❑ SEHSR Tier II environmental document is being finalized for submission to FRA and Record of Decision.
- ❑ Richmond/Hampton Roads Tier I environmental document is being finalized for submission to FRA and Record of Decision.
- ❑ SEHSR Tier II EIS Richmond Area to Washington, D.C. was funded in October 2010.
- ❑ DRPT will continue to advance both corridor EIS projects through the federal planning process

Points for Consideration

Project Development

- ❑ Clearer Federal Program definition and guidance
- ❑ Affordability
 - 20% Capital Match to FRA grants
 - 20 Year Maintenance of Project Commitment
 - 20 Year commitment to fund additional service operations
 - PRIIA Section 209 potential impact
 - Service Development Programs VS Individual Projects
 - Commitment to build entire corridor VS segments
- ❑ Risk/Payback
 - Performance payback (On time performance)
 - Loss of passenger service payback (All Amtrak service ceases)
 - Failure to provide additional service payback (Additional trains committed)
- ❑ Definition of the SEHSR Corridor
 - Washington, D.C. to Charlotte with extension to Norfolk – Do we stop here?
 - 1994 MOU goes to Florida
- ❑ Sequencing of Individual Projects
(assuming Raleigh-Charlotte is fully funded)
 - Washington, D.C. to Richmond Area
 - Richmond Area to Petersburg and Raleigh
 - Petersburg to Norfolk

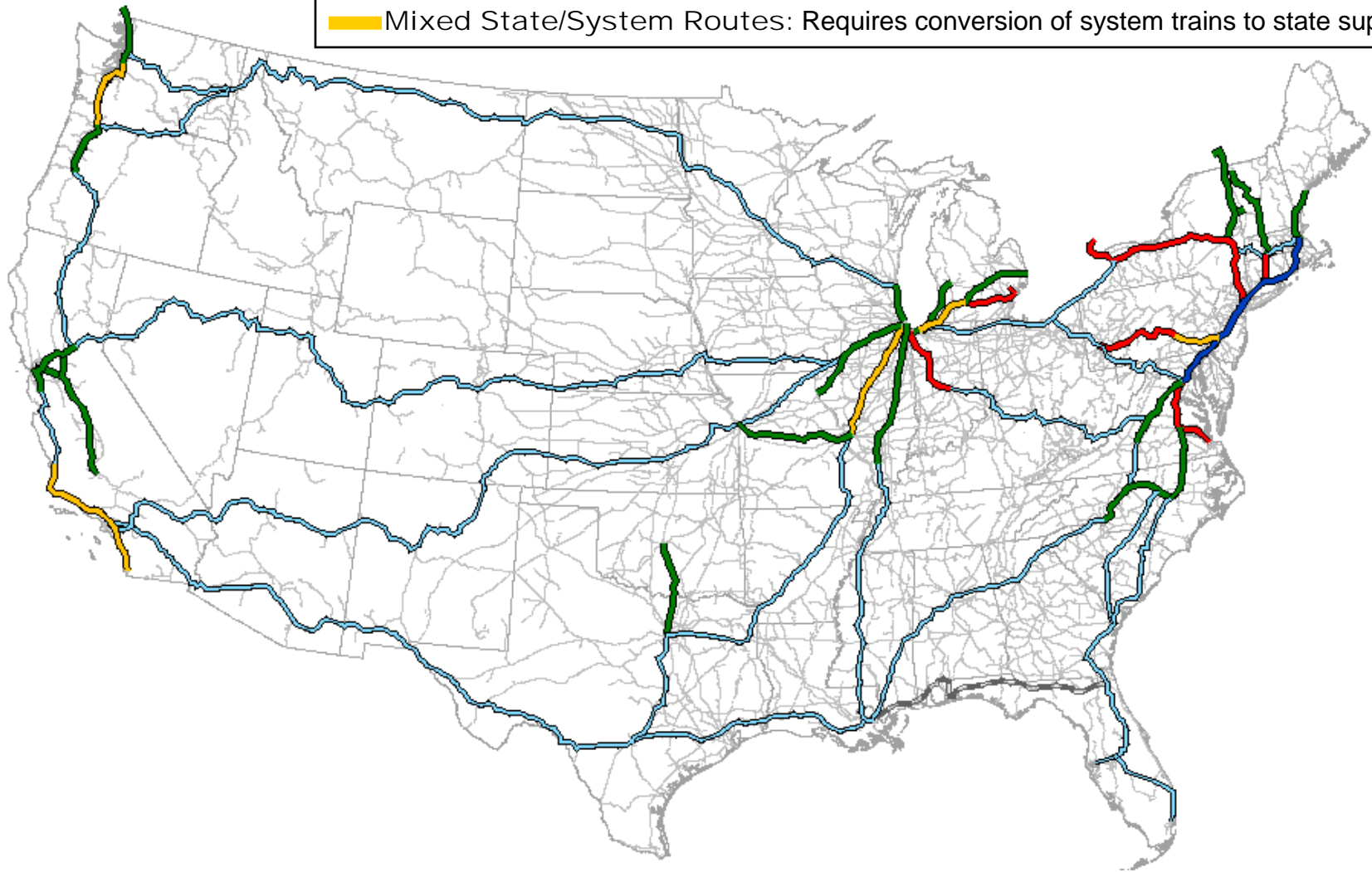
Passenger Rail Investment and Improvement Act of 2008

PRIIA

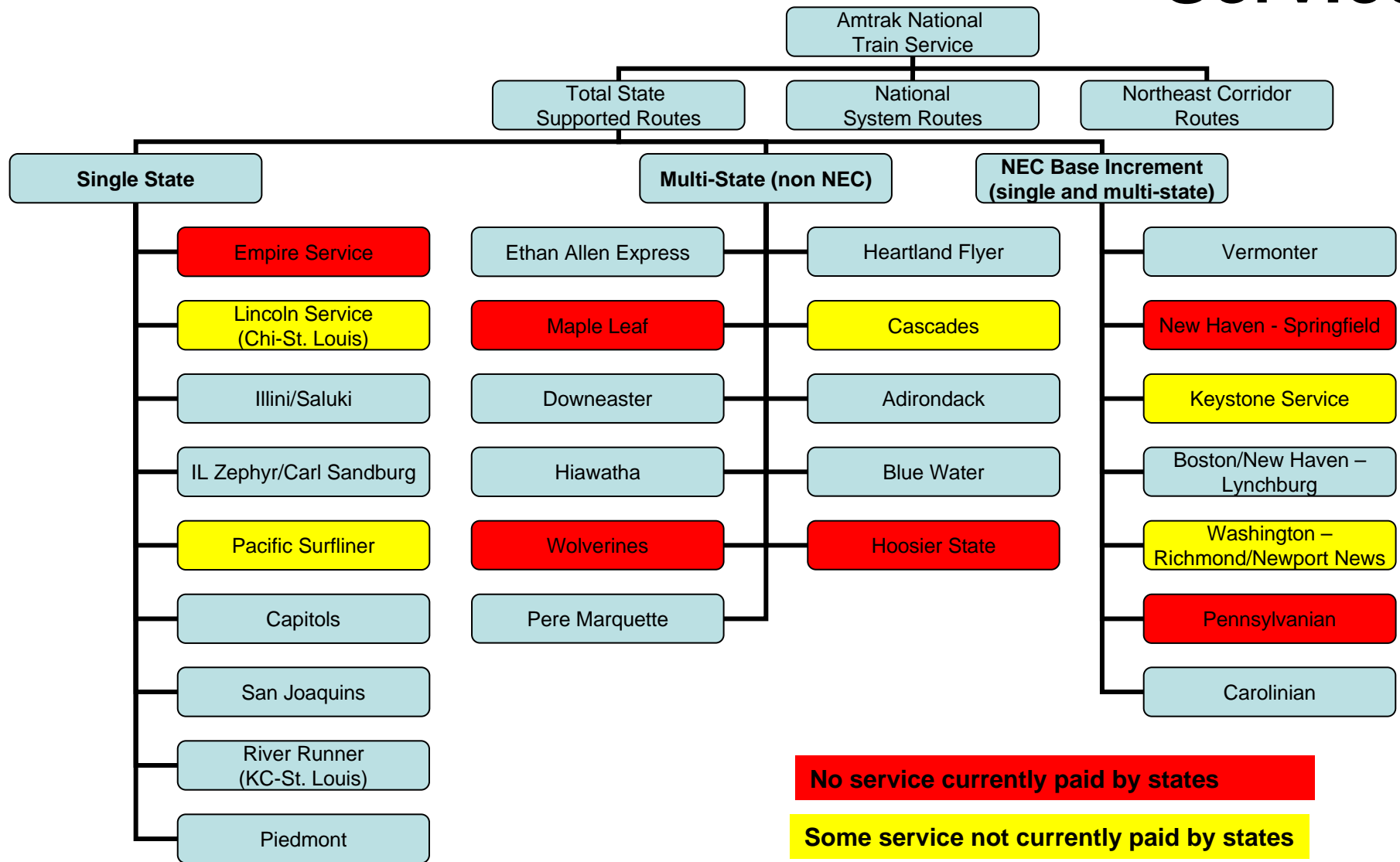
- ❑ PRIIA changed America's approach to intercity passenger rail development
 - High Speed Corridor Program is identified
 - Section 201 Defined Amtrak's national system
 - Section 209 Defined the Role of the States and Amtrak to establish a consistent cost structure
 - Capital program funding identified with no operating funding to states to cover costs
 - States and Amtrak must agree on new pricing by October 16, 2013

Corridor Services – Impacted Routes

- NEC Spine: Excluded from Section 209
- State Supported Routes: Require consistent agreements under Section 209
- System Corridor Routes: Require new agreements, no state support in place
- Mixed State/System Routes: Requires conversion of system trains to state support



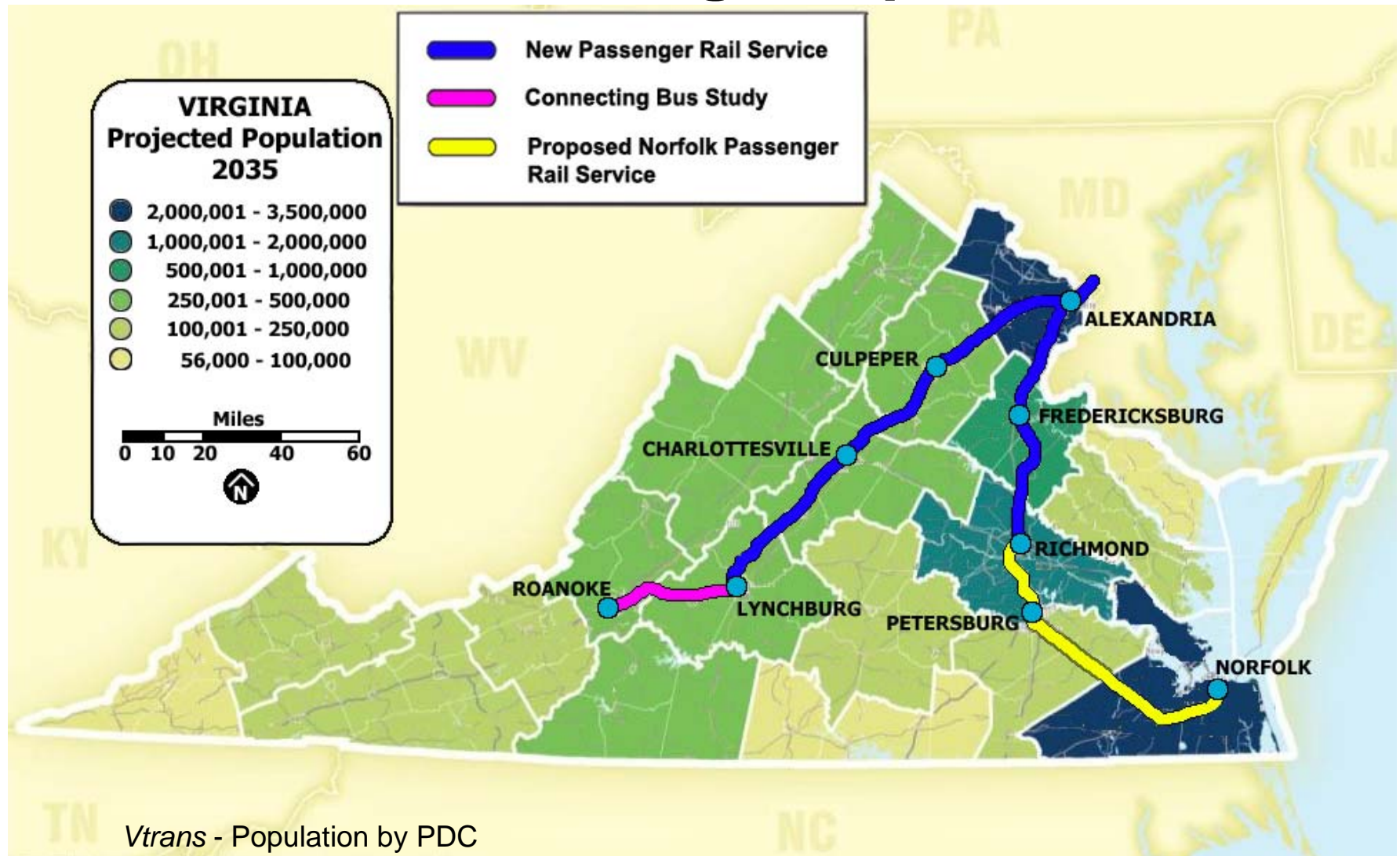
Segmentation of Amtrak's National Train Service



Amtrak and VA Propose New Service

- ❑ January 2008 – Amtrak submits to VA a short term action plan for two trains for \$17.2M for a three year demonstration project
 - Washington, D.C. to Lynchburg (Initiated October 2009)
 - Washington, D.C. to Richmond (Initiated June 2010)
- ❑ January 2010 – VA receives 3 train slot proposal from NS to extend Amtrak service to Norfolk (Initiation within 3 years)
 - General Assembly Appropriated \$93.04M in Rail Enhancement funds for improvements in 2010 budget
 - Capacity will be purchased by VA through state investment
 - Service will begin by October 2013
 - First train will start on CSX with no additional improvements other than the connecting track to NS
 - Trains 2 and 3 will require additional capacity improvements on CSX
- ❑ Capacity was purchased by VA through state investment
 - VTA2000 funds
 - General Fund Appropriation
 - Rail Enhancement Funds

Virginia's Intercity Passenger Rail Initiatives Will Serve 2035 High Population Centers



Senate Joint Resolution 63

Senate Document 14

- ❑ Requested by Senator Yvonne Miller in 2010 General Assembly Session
- ❑ Required DRPT to:
 - Assess the most efficient and beneficial method by which high speed and intercity passenger rail operations should be funded.
 - Submit a report to the governor and the General Assembly communicating its findings and recommendations.
- ❑ Report submitted to General Assembly on November 23, 2010 for its consideration and printed as Senate Document Number 14.

Intercity Passenger Rail Operating and Capital Needs FY2011-FY2021 (\$ in millions – SD14)

Operating Needs	Fiscal Year											Total
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
PRRA Trains (2 Richmond and 2 Newport News)				\$8.6	\$13.3	\$13.7	\$14.1	\$14.5	\$14.9	\$15.4	\$15.8	\$110.2
Lynchburg Train Subsidy	\$2.9	\$3.5	\$3.0	3.9	4.0	4.2	4.3	4.4	4.6	4.7	4.8	44.2
Richmond Train Subsidy	2.1	2.7	2.6	2.9	3.1	3.4	3.5	3.6	3.7	3.8	3.9	35.3
Richmond to Norfolk Train Subsidy (3 trains transition over time).				4.0	4.1	8.5	13.1	13.5	13.9	14.3	14.8	86.2
Total Operating Needs	\$5.0	\$6.2	\$5.6	\$19.4	\$24.5	\$29.7	\$35.0	\$36.0	\$37.1	\$38.2	\$39.3	\$276.0
Capital Needs												
Amtrak Capital Charge for Equipment*				TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-95 Corridor Petersburg to Washington, D.C. – Match to Federal funding	.9	25.8	102.4	57.7	38.2	28.3	18.9	29.9	51.1			353.2
Total Capital Needs*	\$.9	\$25.8	\$102.4	\$57.7	\$38.2	\$28.3	\$18.9	\$29.9	\$51.1			\$353.2
Total Operating and Capital Needs*	\$6.0	\$31.9	\$108.0	\$77.0	\$62.8	\$58.0	\$53.8	\$66.0	\$88.2	\$38.2	\$39.3	\$629.2

State Supported Intercity Passenger Service and Sources of Revenue for Operations (SD14)

State	Number of Routes Supported with State Funds	Intercity Passenger Rail Operation Funding Source	Dedicated or Non-dedicated Funding Source
Virginia	2	Available Commonwealth Transportation Funds and General Assembly Special Budget Language.	Non-Dedicated
California	3	Public Transportation Account <ul style="list-style-type: none"> •diesel fuel tax •portion of gas tax •sales tax on a portion of the excise tax on gas 	Dedicated
Illinois	3	General Fund Allocation	Non-Dedicated
Michigan	2	Transportation Fund Allocation	Non-Dedicated
Missouri	1	General Fund Allocation	Non-Dedicated
New York	1	Transportation Fund Allocation <ul style="list-style-type: none"> •Passenger & Freight Rail Infrastructure capital Program (expires 2010) 	Non-Dedicated
North Carolina	2	Transportation Fund Allocation	Non-Dedicated
Oregon	1	Personalized license plate fees Transportation Operating Fund (gas tax)	Dedicated and Non-Dedicated
Pennsylvania	1	Transportation Trust Fund Allocation	Dedicated
Texas	1	Transportation Fund Allocation Non-Dedicated Revenue Sources (Leases)	Non-Dedicated

Current State Funding Mechanisms (SD14)

- ☐ Rail Enhancement Fund
- ☐ Shortline Railway Preservation and Development Fund
- ☐ Capital Project Bonds
- ☐ Fund for Construction of Industrial Access Railroad Tracks
- ☐ Transportation Trust Fund
- ☐ Transportation Efficiency Improvement Fund
- ☐ CTB Authority
- ☐ Commuter Rail and Multi-Modal Connectivity Funding

Funding Proposals (SD14)

- ❑ Establish an Intercity Passenger Rail Operating and Capital Fund
 - Appropriation of funds could be achieved by:
 - Annual allocations from the General Fund
 - Annual allocations from the Transportation Trust Fund (TTF)
- ❑ Create a dedicated revenue source, review and consider the following mechanisms:
 - Increasing the current Rental Car Tax by three percent
 - Re-direction of three of the four percent of Rental Car Tax revenues currently given to localities
 - Potential allocation of 4.3% of the TTF
 - Potential revenue from the privatization of the Alcoholic Beverage Control (ABC) stores
 - Potential revenue from the addition of a sales tax to be charged in addition to the rental car tax on rental fees
 - Other mechanisms adopted by other states such as:
 - Assessing additional fees to personalized license plate fees
 - Redirecting tax revenues from the sale of new and used motor vehicles
 - Redirecting vehicle weight fee revenues

Key Points Regarding Funding

- ❑ Virginia is competing nationally for federal funds but has some advantages:
 - Framework agreements in place with railroads
 - Agreement with Amtrak for state sponsored passenger rail service
 - State funding program for rail capital projects
 - Multi-state agreements in place
 - VA High Speed Rail Corridor program links the Northeast Corridor to the south and demonstrates how the ARRA creates both short- and long-term outcomes and benefits
- ❑ Close working relationship with CSX, NS, VRE, Amtrak and FRA to develop key projects
- ❑ Local and Regional Governments will need to work to develop new station facilities through use of local, regional, and federal funding sources

Key Points Regarding Funding

- ❑ Federal funding for large scale improvements – **must follow the federal planning process to receive funding**
- ❑ A dedicated source of funding for passenger rail operations to remain competitive for federal funding, and a funding source to meet federal requirements in 2013 for Amtrak subsidy (PRIIA Section 209)
- ❑ Funding source match requirements for 30% REF or 20% federal
- ❑ Need to bring more projects up to higher level of engineering as advised by FRA to advance corridor projects to greater level of readiness

Thank You!

Questions?