

**VERMONT RAIL COUNCIL
MINUTES OF MEETING
NATIONAL LIFE BUILDING
DAVIS 5th FLOOR CONFERENCE ROOM 1
MONTPELIER, VERMONT
October 29, 2014**

MEMBERS PRESENT: Sue Minter for Brian Searles (Chair)
Carl Fowler Chris Andreasson
Joann Erenhouse Dave Allaire
Michele Boomhower Dave Wulfson
Charlie Moore Rick Moulton

OTHERS PRESENT: Chris Cole, VTrans
Dan Delabruere, VTrans
Bob Atchinson, VTrans
Costa Pappis, VTrans
Derek Lyman, VTrans
Scott Bascom, VTrans
Lawrence Donna, VTrans
Jason Boyd, VTrans
Josh Shultz, VTrans
Erin Charbonneau, VTrans
Matt Fitzgerald, VTrans
Erik Filkorn, VTrans
Joe Barr, Parsens Brinkerhoff
Alex King, Parsens Brinkerhoff
J. Jeffrey Munger, Senator Sanders Office
Chris Saunders, Sen. Leahy Office
Christopher Natale, Amtrak
Caroline Mael, Amtrak
Selden Houghton, VRS
Elizabeth Cooper, VCE
Brad Worthen, VRAN
Pete Snyder, VRAN
Raymond Gagnon, Claremont Rail Office
Charlene Lovett, Claremont Council
Ron O'Blenis, ADR Engineering
Allison DeMag, RRAV
Herb Russell, Legislature

[Note: Minutes reflect the order of the published agenda.]

1. Call to Order & Introductions

In the absence of Brian Searles, Sue Minter called the meeting to order at 1 PM. Introductions were done.

2. Public Comments

VRAN Annual Dinner

Brad Worthen announced the Vermont Rail Action Network annual dinner at the St. Albans Historical Museum on November 13, 2014. A train will run from Montpelier Jct. to Waterbury to Richmond to Essex Junction to St. Albans with a full bar, hors d'oeuvres, and dessert.

VRS 50th Anniversary

Dave Wulfson distributed an advanced copy of the Trains publication featuring the 50th anniversary of Vermont Rail Systems.

3. Approval of Minutes

July 16, 2014

MOTION by Dave Allaire, SECOND by Dave Wulfson, to approve the 7/16/14 minutes as written. VOTING: unanimous; motion carried.

4. TIGER 6 and Northern Border Regional Grant Updates

Dan Delabruere reported VTrans did not receive a TIGER 6 award this year and did not receive a good answer on why the grant was not issued from the debriefing. The plan is to apply for a TIGER 7 grant to complete work on the western corridor. Thanks and appreciation were extended to the congressional delegation for efforts extended.

Carl Fowler applauded staff on the long series of grants and the amount of money brought into the state. Mr. Fowler suggested consideration be given to asking the legislature for authority to issue bonds to complete the remaining 11 miles of track on the western corridor or to run the train at slightly less than the ideal schedule (20-30 minutes extra time may not make a difference to riders). Mr. Fowler asked for a possible schedule to review at a future meeting. Sue Minter assured staff considers all options to fund projects. There are many fiscal challenges facing the state. Chris Cole added there is other work to do with the federal funding. Costa Pappis noted smaller federal awards were received, such as \$250,000 for the siding to the trans load facility in Barton. Also, grant money was received for the Amtrak FRA crossing program to improve the remaining crossings on the CLP and to make passive crossings active with lights, gates or both.

5. Passenger Topics

Amtrak Ridership

Bob Atchinson reported:

- Ridership on the Vermonter showed an increase of 6.6%. Revenues were up 10%. Ethan Allen Express showed a slight decrease in ridership (-.9%) and a small increase in revenues (2.7%).
- On time performance for both trains is off 4.5%.

- The report also shows terminal performance (trains leaving the station on time).

Carl Fowler noted the Amtrak work in NY is impacting the train schedule. The work delay should be built into the schedule in Vermont. Caroline Mael said Amtrak is aware of the situation and expects the situation to improve once the construction season ends.

Rep. Russell observed the business class ridership on both trains is increasing more than other types of ridership.

CT Work Window Request

Chris Cole reported Connecticut has rail work and is negotiating with Amtrak on shutdown of the Vermonter line to decrease the time of construction (money will be saved by completing the work sooner). Vermont has concerns about impact on ridership, cost, impact on investment and being made whole. Caroline Mael confirmed Amtrak will work with Connecticut, but needs concurrence from Vermont and Massachusetts due to the MOU. The request which has not yet been received is for complete shutdown of the Vermonter service from Windsor Locks and New Haven for six months. Passengers will use bus service to complete their trip. Michele Boomhower suggested if Connecticut makes the request then staff should analyze the losses Vermont sustained in the three month shutdown and what it took to recover, then project the same for the six month shutdown period.

Policy Discussion on \$12 Fare

Dan Delabruere reported:

- The \$12 in-state fare is impacting revenue on the Vermonter and not gaining ridership.
- The state pays information/reservation costs based on the amount of talk time with the call center. More time is spent trying to find the \$12 fare and make a reservation than other reservations because it is not clear where the \$12 fare can be found in the schedule.
- Amtrak is moving away from promotional fares.
- The state must make a decision on continuing to offer the \$12 in-state fare.

Michele Boomhower asked if there is any promotion of the fare with Travel & Tourism. Erik Filkorn said the \$12 fare has been withdrawn from the current round of promotions, but the website can be updated to include the fare.

Carl Fowler suggested the \$12 fare be discontinued and Amtrak asked to promote a \$15 one-way fare based on availability within a seven day departure and 15% of train space being available. Chris Natale said Amtrak can offer a 14 day advance purchase with limited availability and required reservation, but once the availability is up the fare would bump to the next fare price.

MOTION by Chris Andreasson, SECOND by Carl Fowler, that the Rail Council recommends abolishing the \$12 in-state fare. VOTING: unanimous; motion carried.

Chris Cole will work with Amtrak on a different in-state fare proposal. Mr. Fowler suggested the fare be posted on the internet application used by most riders.

PRIIA 209 – 2015 Contract Negotiation Update

Dan Delabruere reported Vermont has not signed the FY15 contract with Amtrak and is waiting for additional language on performance standards. Also, VTrans wants to analyze the service. The contract ended on October 1st and the continuation clause was executed. Ten states have not signed the PRIIA agreement as yet and Vermont is one of those states.

Ethan Allen Express Extension to Burlington

Caroline Mael and Chris Natale with Amtrak reviewed high level financials on the cost to extended Amtrak service from Rutland to Burlington and gave examples of the train schedule with two locomotives in the train set and one locomotive.

The following was noted:

- No slow orders or speed restrictions are assumed on the track.
- With two locomotives in the train set, a turnaround in Rutland is avoided. With one locomotive the “Y” at Rutland would have to be upgraded to allow a turnaround.
- Shorter the time of the trip will attract more riders.
- Station construction is not included in the proposal, only operation of the train.
- There are one-time costs of \$3 million to refurbish a retired engine and \$478,848 for crew training.
- The cost for the service to Burlington is in addition to the cost for the existing Ethan Allen Express service and the Vermonter service.
- Estimated additional ridership is 900 passengers.
- Other service changes include sharing equipment cost for the equipment pool based on mileage and time. The cost shift is to the Ethan Allen Express because it will be in use more with more miles plus the Vermonter may have a loss of riders.
- The two-locomotive scenario is a \$1.3 million increase in operating cost. The single locomotive with turnaround scenario is a \$305,000 increase in operating cost.

The Rail Council expressed concern about the estimated increase in ridership (low) and the impact on the net investment by the state. If the figures are accurate (and there is question of this based on 2012 ridership figures) then the increase of only 900 riders is small for the investment. There was also discussion of sharing the cost of refurbishing the locomotive or using a cab car on the Ethan Allen Express if one is available (the Vermonter has a cab car now).

Concern was also expressed about jeopardizing the ridership on the Ethan Allen Express that has been built over the years. Sue Minter summarized the Rail Council is dissatisfied with the ridership estimate, the schedule, and the situation with the locomotive, and requests Amtrak to refine the information with further consideration of the schedule.

Dave Wulfson offered to have Vermont Rail Systems supply an additional locomotive for the service between Rutland and Burlington. Amtrak will take the offer under consideration.

Chris Andreasson asked if travel from Burlington to NYC compares to the Vermonter with the upgrades. Costa Pappis said in theory with all the improvements there should be a savings of about an hour and a half total trip time. Some states are envisioning more commuter systems, too.

Bob Atchinson urged Amtrak to keep the Silver Meteor train from New York Penn Station to Florida in the schedule as is, so passengers will not have to spend the night in NY, because of a poor connection.

6. Freight Topics

Bridge Management Program

Erin Charbonneau reported:

- Bridge inspections will be complete by the end of the year.
- Load ratings on 98 bridges are done (32 need to be verified). There are 26 bridges remaining to do and 33 no load rating bridges to be inspected.
- All work must be complete by 2017.

Snooper Truck

The snooper truck was put into service in October, 2014.

Rail Construction Program Update

Josh Schultz review the 2014 construction project list noting there are 11 construction projects slated to be done in 2014, 7 projects ready to be advertised, 10 public crossing projects completed and 6 crossing projects to be done. Four of the projects were emergency repairs to keep the line in service. Final inspection of the finished work is underway.

Rep. Russell advised informing the legislature of the emergency work that was needed.

Announcement was made that Mladen Gagulic is now manager of the material testing lab in the Highway Section.

7. Report on State Rail Plan

State Owned Rail Lines

Joe Barr and Alex King with Parsens Brinkenhoff reported on state owned rail line options (status quo, state own and upgrade lines, sell some lines, sell all lines) and associated advantages/disadvantages. The following was noted:

- All state owned rail lines are leased with long extensive terms and extensions.
- Per the lease the state cannot terminate without cause. There is a provision for late payment.
- The railroad operator on the line has the right of first refusal. The value has to be calculated. The value of the property has not been adjusted for inflation. The railroad feels the value is zero due to the cost to maintain the line. There is a value for the lines (estimate of \$0 to \$25 million), but this is constrained because there is only one customer, no growth prospect, and heavy maintenance.
- The state receives \$1 million per year in lease payments and budgets \$4 million for capital improvements some of which is offset by grants and federal funding that is received.
- Risks to the state if the line is sold include:
 - Impact on services on the line, both passenger and freight.
 - Money may not be reinvested into the rail line by the new owner.
 - Access may be cut off to facilities and assets owned by the state that are only accessible by rail.
 - One company could end up owning most or all of the rail lines in the state.
 - Impact on employment and loss of deep institutional knowledge.
 - If selected lines are sold the state may still have to subsidize and efficiencies with maintenance and such may be lost.
 - The new owner may have a different philosophy for operation of the line.
- VRS has 130 employees generating total earnings of about \$7 million. There are 60 customers who employ 3700 people. Employees of the rail company or customers spend money in the community which supports jobs.
- If VRS shut down the freight would have to move by truck at significant cost in fuel, impact on the environment, highway maintenance, safety issues and accidents.

Dave Wulfson clarified the sale encompasses the land and the line, not the operator. Mr. Wulfson explained his offer to purchase the land and rail line for \$1 as leverage for an RRIF loan. The state cannot leverage state owned property. Mr. Wulfson said he would sell the land and line back to the state for \$1 if the loan was approved.

Chris Cole noted the report on sale of state owned rail lines is being included in the Rail Plan at the request of the Senate Transportation Committee which asked about the state continuing to own rail lines. The report shows there are more disadvantages than advantages to selling the lines.

Chris Andreasson commented the rail line from White River Jct. to the Canadian border has three trains per week so there is lots of infrastructure to maintain for little freight traffic.

Carl Fowler spoke against fragmenting the rail system in Vermont due to the impact on communities and the economy of the state. Mr. Fowler urged the Rail Council to endorse maintaining the present rail structure which has served the state well. An example was cited of a rail line being scrapped after private purchase even though there were operating mills along the line (Towner line).

Dave Allaire acknowledged the great strides made in rail in the past 10 years due to the Rail Division and the Rail Council, but said consideration should be given to divesting any or all of the rail lines.

Michele Boomhower said the impact on non-state owned property on the rail lines (i.e. salt sheds, trans load facilities, and others) needs to be investigated. As an example of a non-state owned property impact, Chris Cole mentioned extreme weather events that damage rail lines is typically what pushes the state over the threshold so FEMA funds can be received.

Dave Wulfson recalled in the early 1980s VRS stopped doing interchanges on the PanAm-Guilford at Hoosick Jct. because the state administration at that time did not feel the south end of the line was worth investment. In the early 1990s VRS offered to purchase the railroad from the state by scrapping the south end to pay for the north end, but instead the lease was renegotiated and operation continued. In hindsight it would have been a huge mistake to scrap the line in light of the operation of rail in Vermont today.

Rick Moulton mentioned the decision in the late 1960s to hold onto the Rutland railroad. Mr. Moulton said the customer base for rail can be built up and freight taken off the highways so there are positive environmental considerations.

Rep. Russell stressed consideration must be given to economic development, commerce, and jobs. Rail is the backbone of the state and the future and must stay whole. Without rail costs will increase for roads because freight will have to be transported by truck. The roads in the state are not in good shape now when truck traffic is relatively low.

Project Prioritization

Costa Pappis reported the FRA is requiring project prioritization be incorporated into the Rail Plan. Also, a 20 year capital plan is needed. Joe Barr explained a 4 year and 20 year capital plan will be done for rail as is done for highway. The prioritization can be based on projects likely to be funded or results of a cost/benefit analysis of each project or passenger/freight traffic volume or performance indicators (rail capacity, height clearances, environmental factors,

economic development, social objectives, others) or as a wish list of projects. Dave Wulfson suggested prioritization as identified by carriers should be included. Joe Barr said the need must be understood before prioritization can be done. Rick Moulton mentioned information exists on some projects, such as ABRB. Michele Boomhower noted the quantitative and qualitative system used for highways could be applied to rail.

Commuter Rail

Costa Pappis reported commuter rail should be a component of the Public Transit Plan because commuter rail is not under the purview of the rail program. The FTA will fund commuter rail operations. The Public Transit Plan will be updated within the next few years and commuter rail will be included.

Dave Wulfson asked when potential connection between Bellows Falls, Ludlow, and Rutland can be discussed. Chris Cole said when the Connecticut project is done then Connecticut wants to expand commuter rail service in Springfield. Massachusetts is thinking of connection from Springfield to Greenfield and possibly Brattleboro. At that point Vermont must have serious discussion of leveraging the investment.

8. Other Business

High Speed Inter-City Rail

Scott Bascom will send notice to Rail Council members and others on the mailing list regarding meetings in November on the high speed inter-city rail service from Boston to Montreal.

Next Meeting

Feb, 4, 2015 in Montpelier

Agenda Items

- Passenger Rail Connections
- Project Prioritization - State Rail Plan
- High Speed Inter-City Passenger Service
- Success of Added Bus Service (Burlington-Rutland-Albany)
- Rail Plan Update
- Inter-City Passenger Service

9. Adjournment

With no further business before the Rail Council the meeting was adjourned at 3:44 PM.

RScty: M.E.Riordan