

**VERMONT RAIL COUNCIL
MINUTES OF MEETING
NATIONAL LIFE BUILDING
DAVIS 5th FLOOR CONFERENCE ROOM 1
MONTPELIER, VERMONT
July 16, 2014**

MEMBERS PRESENT: Brian Searles (Chairman)
Alan Cook Charles Hunter
Carl Fowler Chris Andreasson
Joann Erenhouse Dave Allaire
Michele Boomhower Dave Wulfson
Charlie Moore Rick Moulton

OTHERS PRESENT: Dan Delabruere, VTrans
Bob Atchinson, VTrans
Costa Pappis, VTrans
Derek Lyman, VTrans
Scott Bascom, VTrans
Lawrence Donna, VTrans
Karen Songhurst, VTrans
Josh Shultz, VTrans
Erin Charbonneau, VTrans
MaryAnne Michaels, VRS
Scott Burbank, VHB
John Read, TranSystems Corp.
Joe Barr, Parsens Brinkerhoff
Alex King, Parsens Brinkerhoff
J. Jeffrey Munger, Senator Sanders Office
Christopher Parker, VRAN
Al Villa, Amtrak
John Gawobecki, Amtrak
Elizabeth Cooper, VCE
Herb Russell, Legislature

1. Call to Order & Introductions

Chairman Brian Searles called the meeting to order at 1 PM. Introductions were made.

2. Public Comments

Essex Junction Amtrak Train Station

Al Villa, station attendant at the Amtrak train station in Essex Junction, informed the Rail Council of the dilapidated condition of the station including an unsafe platform (a passenger fell due to the condition of the platform), yellow security lines no longer prominently visible, rotting rail ties, leaking ceiling, sign falling down. Also, the Amtrak timetable does not reflect that Vermont train stations have attendants/caretakers to assist passengers. VTrans will investigate both matters.

Federal Highway Trust Fund

Chairman Searles reported the House passed an \$11 billion provision to carry highway funding through May 2015 via “pension smoothing” through transportation. Other bills in the House and Senate to be voted will carry funding through December 31st. The bills are mainly targeted toward a long term solution. If the federal gas tax (\$0.184 on the gallon) disappears Vermont could see a gas tax of \$.065 per gallon to make up the short fall. If Congress does not act soon Vermont will have to take emergency measures. The Amtrak appropriation is separate from the highway trust fund, but the rail crossing program is funding by Federal Highway. Every project can be impacted depending on how long before Congress acts.

3. Approval of Minutes

April 2, 2014

MOTION by Carl Fowler, SECOND by Chris Andreasson, to approve the 4/2/14 minutes as written. VOTING: unanimous; motion carried.

4. TIGER 5 Grant Update

Dan Delabruere reported as of July 7 Vermont was obligated the TIGER 5 grant money so construction must be complete in two years. CHA is working on this and will get the work done, but the schedule is tight. Other grants include contracts of national and regional significance, TIGER 6, and crossing grants.

Charles Hunter gave a brief update on the TIGER 4 grant to complete track work from St. Albans to Canada on the NECR line. The work will be done by the end of the year. Eleven of 18 miles of continuous welded rail is installed. Six of nine switches are in. Tie work is next and then surfacing.

Karen Songhurst gave a brief update on negotiations for service to Quebec. There was a pause and now with the new elections in Canada the project is moving again.

5. Passenger Topics

Amtrak Ridership & Station Highlights

Bob Atchinson reported:

- Ridership on the Vermonter is 10.9% greater than last year during the same month. Ridership on the Ethan Allen Express dropped slightly.
- Business class ridership is up 11.5% from a year ago during the same month and 23% above last year.
- On time performance for both the Vermonter and Ethan Allen Express is good.
- The number one performing Amtrak station is Essex Junction followed by White River Junction, Rutland, and Brattleboro.

Staff will gather information on business class ridership for the next Rail Council meeting.

CT Work Window Request

Dan Delabruere reported the Vermonter will be impacted by the 62 miles of track improvements on the Connecticut line from New Haven to Springfield, Massachusetts.

There are 14 dates with service outages. Bus service will be used as needed for train riders. Amtrak will post information on the Amtrak website.

John Gawobecki urged keeping the train running north of the work because train riders do not like to use the bus. There is also concern train passengers will not be given enough notice of the outages to make alternate plans. Carl Fowler echoed having the train run north of Springfield and south of New Haven so passengers only have an hour ride on the bus. Herb Russell suggested informing passengers when tickets are purchased that the track improvements are being done. John Read urged VTrans to ask Amtrak about other accommodations besides shutdown.

Policy Discussion on \$12 Fare

Dan Delabruere reported:

- Only 17% of in-state ridership used the \$12 fare (1,419 passengers). Conversely 83% did not use the fare. The number of people using the fare has gone up, but inside the state, station-to-station, usage has been flat. The state is not gaining riders and is losing revenue.
- The state incurs a huge cost for the fare. The call center fee increased \$103,000 this year. The cost is based on the number of minutes per call into the station for the \$12 fare.
- Vermont pays \$610,000 for the call center service each year.
- Amtrak costs are going up for the state. PRIIA increase for Vermont is 19%.
- Staff is recommending the \$12 fare be eliminated.

Karen Songhurst noted the fare was established about 10 years ago to promote use of the train for tourism in the state and to have the Department of Tourism do more to promote use of the train in Vermont. The fare is exclusive to Vermont.

Carl Fowler suggested the fare be a “yield management fare” where seats that otherwise would be empty get filled by the reduced fare. The reduced fare should be offered within two weeks of departure and the prohibition of purchase on the day of departure should be eliminated. Also, the fare should be increased. If Amtrak will not assist with the fare, then the fare should be dropped. Charlie Moore concurred with Mr. Fowler. There was mention of the potential of losing riders if the fare is eliminated. Costa Pappis noted the fare counts toward the operating cost per passenger in the matrix.

Staff will draft a proposal for the \$12 fare for discussion at the next meeting.

PRIIA 209 – 2015 Contract Negotiation Update

Dan Delabruere reported Vermont’s cost increase of 19% includes capital costs (equipment). A meeting was held with Massachusetts and Connecticut and the agreement will be in place by the October 1st deadline. Regarding the Knowledge Corridor, the first train will run by the end of 2014.

6. Freight Topics

Bridge Management Program

Dan Delabruere reported:

- The FRA recognizes the VTrans bridge management/inspection program as a model program. Kudos to Mladen Gagulic, Erin Charbonneau and the rest of the team.
- Every bridge is scheduled for inspection. To date 91 bridges have load ratings, 41 are to be load rated this fiscal year, and 33 still need to be load rated. All the bridges will be done by the deadline of 2017.
- Five bridges need immediate attention and VTrans will likely tap the \$3 million emergency fund to cover the work.
- The snoopier truck is delayed by the manufacturer and will arrive in August. Staff will investigate if a rebate is available because the delivery date was pushed. Before being put into service the truck will need fit-up and the crew will be trained.

Rail Construction Program Update

Josh Schultz reported nine projects are in construction. The goal of 12 projects will likely be met thanks to the great Rail Section team. Twelve more projects will follow. Work is also being done on the immediate attention bridges and FEMA projects. The crossing program has eight projects ongoing with 11 on the list. Seven and a half miles of continuous welded rail is expected to arrive in August for installation. Ten miles of surface work will also be done.

7. Report on State Rail Plan

Costa Pappis and Joe Barr (consultant from Parsens Brinkenhoff) reported existing conditions and technical data is compiled and comments from the public hearings on the plan have been incorporated. Input from the Rail Council is needed on the draft plan.

The following was noted:

- Goal 1 includes maintain the rail system in good repair, 263,000 pound capacity as the standard for bridges, track at FRA class as appropriate, continuous welded rail, passenger rail station improvements.
- Goal 2 includes expand the rail system, update bridge load and rail capacity, platforms at stations.
- Goal 3 includes expand use of the rail system, attract new shippers and make necessary improvements for increased freight traffic, intercity passenger service, extend passenger rail service to Montreal, increase speed of passenger trains to 79 mph or greater, have rail travel be competitive with automobile travel.
 - Comment was made about being cognizant of the cost, maintenance, and capital needed to increase passenger rail travel speed to be competitive to vehicle travel time.
- Goal 4 includes have a financially sustainable rail system, pursue federal grants, seek alternative passenger providers in order to reduce subsidies.
 - Comment was made about the need for coordination of service from bus to train.
- Goal 5 includes improve intermodal connectivity (rail with other intercity transit).
- Goal 6 includes improve rail to improve economic development.
 - Suggestion was made to offer tax incentives.

- Goal 7 includes enhance safety of the rail system, decrease rail crossing collisions with gates at all crossings, have a disaster plan in place.
 - Suggestion was made to include a placeholder for in-state commuter service in light of the state’s energy plan objectives.
 - Recognize that northwest Vermont to the Montpelier area has a successful bus service and another option (rail) could be provided.
 - Another goal could be to have functional commuter service from St. Albans to Montpelier.
 - DMUs have been discussed as a means to increase train frequency.
 - People are using Amtrak to commute in-state.
 - The state rail plan is updated every five years so additional goals can be considered at that point.
- Rail system initiatives include:
 - Having 286,000 pound rail capacity on Green Mountain Railroad and NECR line to Canada.
 - It was noted outside of Vermont there is not 286,000 capacity which is a roadblock.
 - Where to focus the investment in the state needs to be determined.
 - Freight shippers and receivers should be consulted.
 - CP is the only 286,000 capacity gateway today. The entire western corridor needs to be at 286,000 capacity. Green Mountain Railroad is the main feeder to New England and is being detoured around because of the lack of 286,000 capacity rail.
 - The tunnel in Burlington also needs to be addressed as a clearance issue. ABRB-E has to be in the plan.
 - Priorities for 286,000 rail capacity are western corridor, Green Mountain Railroad, Connecticut River line.
 - Vertical clearances of 20’8” will accommodate full double stack cars. The 19’6” clearance on NECR is eliminated and the clearance issue on Green Mountain Railroad will be eliminated.
 - Passenger rail priorities are to extend service to Burlington and south to Bennington as well as connect the Vermonter to Montreal.
 - Funding for the entire corridor should be sought and then prioritize where to focus the money.
 - Passenger rail service has been the vehicle to improve the railroad over the years. Green Mountain Railroad should be shown on the passenger rail map.
 - Ethan Allen Express should connect to Essex Junction and then continue to Montreal as a high speed rail service (New York to Montreal).
 - Rail capacity should be brought up to 286,000 pounds so freight benefits as well as passenger service.
 - Passenger rail service should tie into the ski resorts.
 - ABRB-E and the Vermonter trains should both go to Montreal. The cost of operating two trains to Montreal is a factor for consideration though.

- Performance measures are:
 - Freight volume target of 10 million with a 2% annual increase.
 - Freight volume in 2006 was 9.7 million. Today the volume is 6.7 million which is a decrease due to a substantial decline in rail freight traffic.
 - Vermont has been able to stabilize or even increase in-state freight shipped by rail.
 - Passenger trips target of 3% annual increase.
 - In 2006 there were 64,000 boardings at Vermont stations.
 - Vermont's passenger trip growth rate has been 8% despite some major challenges, such as damages and delays caused by Tropical Storm Irene.
 - Bridge rating target of 3% increase in the number of bridges worked on annually.
 - The state has already exceeded the target.
 - Track classification target of track condition consistent with track classification to eliminate slow orders.
 - Grade crossings target of working on three crossings each year.
 - The state averaged 6.4 crossings annually.
 - Railroad car capacity target of 286,000 pounds.
 - NECR is at 286,000 capacity.
 - Green Mountain Railroad is the next focus.
 - Vertical clearance.
 - Clearances have been addressed.
 - Relocate rail yards.
 - There are still some rail yard relocations to be done.
 - Rail originating in Vermont.
 - There has been a small increase in originating lines and a significant decline in endings.
- Grants received totaled \$98,225,000 over the past five years and include federal grants, state matches, and railroad contributions.

Rail Ownership

Joe Barr stated the state owns rail lines operated by VRS on the western corridor and Green Mountain Railroad and the original Washington County and Connecticut River line. The remaining lines are privately owned. All are privately operated. Vermont's policy is to take over a rail line absent another option, but consideration is needed relative to the commercial viability of the line, financial impact (debt repayment, potential revenue generation), operation and service impacts on the operator of the line and on passengers of rail service, competition with interested buyers, and any legal issues. Pros of state rail ownership include being able to manage the system for the public good and preservation of rail corridors. Cons include encumbering public money, capital funding and maintenance costs, reduction in tax revenue, and competition with other modes of public transit. Also, the state must continue operating the rail line or federal funding must be repaid which is a substantial cost. States that own rail lines and have lease agreements were mentioned.

Comments by Rail Council members on rail ownership:

- Dave Wulfson recalled in 1994 Vermont Railways attempted to purchase the railroad from the state, but the state did not want to sell. Mr. Wulfson added other considerations with rail ownership must include railroad employment, rent paid to the state, and money spent to improve the lines. Taking out any piece of the rail lines owned by the state and operated by Vermont Rail Systems will cause the rest of the system to crumble. The system works as a model that others have built on.
- Michele Boomhower advised vetting rail information through VRS and NECR. Dave Wulfson volunteered to be available to the Rail Council to answer questions and provide facts from the past 40 years of operating the railroad.
- Rick Mouton suggested comparing rail ownership in Vermont with New England states that own rail lines. Also, quantifying the value of the western corridor in Vermont is difficult because there has been investment for the past 40 years.
- Identify what terms in the lease would be an improvement (i.e. having a longer lease time period).
- Carl Fowler urged calling on the Rail Council to back up testimony to the legislature regarding rail line ownership.
- Charles Hunter confirmed with Dave Wulfson that Vermont Railway has the right of first refusal if the line is to be sold.
- Dave Allaire clarified VTrans and the legislature are not taking a position on selling rail lines, but rather are fact finding and looking for a recommendation from the Rail Council.
- Herb Russell stated the legislature wanted to start the discussion. There is overwhelming support by the legislature for rail.
- Positive comment was made on the efficiency and volume of rail work getting done presently.

Staff will document the facts, discuss the matter with VRS, and provide the Rail Council with information for comment before testifying to the legislature. Brian Searles pointed out the reason the Rail Council exists is to consider aspects of what the Rail Division does periodically and to solidify the foundation going forward. Rail is an expensive public asset held by the state. VTrans must demonstrate to the legislature that all possible options have been considered. There is no proposal under consideration at present to change anything, but if one appears it will be considered. Discussion of rail ownership will continue at the next meeting.

8. Next Meeting and Agenda Items

Next Meeting

October 29, 2014 at 1 PM in Montpelier

Agenda Items

- Business Class Ridership
- Proposal for \$12 fare
- Rail Line Ownership

9. Adjournment

MOTION by Dave Allaire, SECOND by Dave Wulfson, to adjourn the meeting.

VOTING: unanimous; motion carried.

The meeting was adjourned at 4:02 PM.

RScty: M.E.Riordan