

**VERMONT RAIL COUNCIL
MINUTES OF MEETING
5TH FLOOR BOARD ROOM
NATIONAL LIFE BUILDING
MONTPELIER, VERMONT
July 14, 2010**

MEMBERS PRESENT: Scott Rogers (Chairman)
John Cook Rick Moulton
Dave Allaire George Barrett
Chris Andreasson Joann Erenhouse
Carl Fowler Rep. Bill Aswad
Mary Ann Michaels for Dave Wulfson

OTHERS PRESENT: Joe Flynn, VTrans Operations Rail Section
Bob Atchinson, VTrans Operations Rail Section
J.B. McCarthy, VTrans Operations Rail Section
Karen Songhurst, VTrans
Costa Pappis, VTrans
Nicole Bettis, VTrans Operations Rail Section
Susan Clark, VTrans
Trini Brassard, VTrans
Anthony Otis, RRAV
Chris Parker, VRAN
Matt Levin, VCE
J. Jeffrey Munger, Sen. Sanders' Office
Paul Craven, consultant
Charlie Moore, VRAN
Frank Rogers, PWR
Jeff Young, legislature
Fraser Walsh, URS
Roger Thompson, FHWA
John Wilson, Jacobs Engineering
John Weston, Jacobs Engineering
Richard A. Currier, NHCR
Michele Boomhower, CCMPO
Ted Brady, Sen. Leahy's Office
Bill Hollister, Amtrak

1. Call to Order & Introductions

Scott Rogers called the meeting to order at 1:05 PM. Introductions were made.

2. Approval of Minutes

April 7, 2010

MOTION by George Barrett, SECOND by John Cook, to approve the 4/7/10 minutes with the following clarification:

Page 7, Passenger Rail Subcommittee, 2nd paragraph - rewrite to read: “Carl Fowler urged VTrans rail staff to attend the National Tour Association convention in November in Montreal to discuss passenger rail service in Vermont, and to do so jointly with Vermont Rail Systems (VRS) so the two entities can save expenses.”

VOTING: unanimous; motion carried.

3. Opening Public Input

Scott Rogers announced there will be a public comment period at the start of each meeting and those who wish to speak must be recognized by the Chairman of the Rail Council. The Council concurred with the procedure.

Frank Rogers, PWR, thanked VTrans and the Rail Council for the support in helping to leverage the Vermont rail structure to connect to southern New England (CN and CP).

4. Rail Council & Subcommittee Personnel Topics

VRAC Membership

Scott Rogers reported the Governor’s Office does not want to make appointments as the administration is winding down. The new administration will have the opportunity to make (re)appointments.

Infrastructure & Passenger Rail Subcommittees

It is suggested membership on the Infrastructure Subcommittee and Passenger Rail Subcommittee be limited to nine people with five members from the Rail Council. Mary Anne Michaels urged keeping the subcommittee small to work effectively and productively. Carl Fowler observed the subcommittees appear to have evolved into a shadow version of the Rail Council. If there are no work assignments then the subcommittees do not need to meet, suggested Mr. Fowler. Also, the Passenger Rail Subcommittee appears to be handling marketing so it may not be necessary to have a separate committee. One element that is missing is a freight subcommittee. Without freight infrastructure there would not be passenger service. To save mileage costs the subcommittee meetings should be on the same day as the full Rail Council meeting, opined Mr. Fowler, adding smaller committees are fine and it is good to have non-Rail Council members on the subcommittees to take advantage of input and expertise. There was further discussion of the subcommittees and their focus. The intent is to have the subcommittee meetings open to the public.

Carl Fowler proposed a motion to establish a third (sub)committee to focus on freight issues or to restructure the infrastructure subcommittee to include freight issues. Mr. Fowler modified his motion to state that the infrastructure subcommittee charge be expanded to include freight rail issues. The motion lacked a second. Jeff Munger pointed out there are railroad representatives on both subcommittees and freight issues are brought up more often than not so a new committee is not needed. Dave Allaire agreed a third subcommittee is not necessary, adding the Rail Council membership with only 10 members will have to be active. Joe Flynn suggested the name of the infrastructure subcommittee be changed to “Freight Subcommittee”. There was again mention of

holding the subcommittee meetings on the same day as the full council meetings. Mary Anne Michaels pointed out David Wulfson (Vermont Rail Systems) and Charles Hunter (New England Central Railroad) need to be involved and cannot attend both meetings. Trini Brassard noted if the Rail Council assigns tasks then the name does not have a lot of bearing. There is concern about staffing the meetings all on the same day for the same issues. George Barrett suggested extending the length of the Rail Council meeting as an option.

The following subcommittees with Rail Council members were confirmed:

<u>Passenger</u>	<u>Infrastructure/Freight</u>
Carl Fowler	George Barrett
David Wulfson	Mike Coates
Charles Hunter	Charles Hunter
Rick Moulton	David Wulfson
David Allaire	Chris Andreasson

Carl Fowler commented the membership can be revisited if the new Governor appoints more members to the Rail Council. There was discussion of non-Rail Council members serving on the subcommittees. The consensus is to maintain the membership at five Rail Council members and invite other individuals to attend meetings as necessary. VTrans staff will chair the subcommittees. Scott Rogers will update the Rail Council and subcommittee membership lists as well as the meeting schedule.

5. Property Management Topics

FY10 Financial Review and Personnel Update

Nicole Bettis, Rail Property Management, reviewed revenue received from rail leases. In 2004 approximately \$105,000 in revenue was received from leases, licenses, master licenses, and private crossing agreements with utility companies, abutters, and municipalities. In 2010 approximately \$354,000 in revenue was received. The goal was \$375,000, but the amount received did exceed the amount in 2009 by \$42,000. The goal for 2011 remains at \$375,000 (6% increase over last year's amount). There is additional personnel to write agreements and do research. All parties will be entered into an updated agreement eventually including those in default. Monthly reports on who is in default are generated and letters are sent after 60 days and 90 days in default after which termination of the lease can begin. As of June 30 there was \$62,000 in default leases. Trini Brassard noted monthly, quarterly, and annual billings are done. Some lease holders are billed monthly, but are in bankruptcy yet still show up as in default on the books. Through 2007-2008 the property management side of rail was pushed and more revenue has been collected as a result. Scott Rogers mentioned the Public Service Recognition Award from the Governor that was presented to Nicole Bettis and her colleagues for their hard work in bringing in revenues. Carl Fowler calculated the 300% improvement in six years is exceptional.

Chris Andreasson asked about revenue from use of the rail by Vermont Rail Systems. Joe Flynn stated the information is proprietary to VRS because it is related to business revenue.

Jeff Munger asked where the revenues are directed. Trini Brassard stated revenues go into the Transportation Fund by statute. The rail budget comes out of the T-Fund. Jeff Young asked if VTrans can devote revenue to the rail budget. Joe Flynn stated the rail section operating budget is \$950,000 and the revenues brought in represent half of the budget for the entire rail section. Salaries and benefits for Property Management cost \$300,000, but more than rail leases are handled by the section, such as clearing properties in the railroad right-of-way and working with the railroads on property issues.

Charles Moore commented railroad crossings across the country are being recognized as major income revenue sources.

Dave Allaire recalled there was discussion in the legislature of finding state dollars to match federal dollars and the effort and results by Property Management shows VTrans heard the legislators.

6. Infrastructure Topics

Track 1 Update

Trini Brassard reported the Track 1 grant has not been received. A variety of conference calls were held as well as a meeting in Washington, D.C. to try to free up grant money (for work on the New England Central line). Approval was finally received for the statement of work. The grant (construction) agreement is under legal review. Also, the Amtrak Service Outcome Agreement has been received and is under legal review. Much has been learned through the process to apply to Track 2 applications, stated Ms. Brassard. The Federal Rail Administration has grant personnel in place now so it is hoped reviews are in the last stages.

Carl Fowler asked about the status of the project in Massachusetts. Trini Brassard stated Rail America says the project is slow moving with lots of unknowns to be resolved. Joe Flynn added the Massachusetts Dept. of Transportation has not made as much progress as VTrans in Vermont. Mr. Fowler requested being kept updated on the project. Frank Rogers, PWR, said Tiger 2 grants are being sought for the freight corridor. The passenger corridor has fragmented freight on it. It is a challenge, but freight and passenger service can operate on the same lines. Trini Brassard noted the high speed passenger line is hung up because some of the lines have freight on them and some freight railroads are not willing to sign over to passenger rail. Bill Hollister with Amtrak said Massachusetts is the lead agency. The corridor plays a major role in the surrounding states as well. Increase in freight traffic is having an impact. Amtrak is in support as is Massachusetts, Connecticut, and Vermont. Carl Fowler urged being cognizant of allocated funds targeted for other states becoming available. Projects in Ohio and Wisconsin may be turned back (\$1.2 billion combined). Jeff Munger stated the Massachusetts corridor is under Congressman Alder who will keep the project moving.

Jeff Young asked about the timeframe. Trini Brassard said Track 1 grants provide two years from the date of the award to complete the project. An adjustment to accommodate

for non-construction season time may be made. Bids are out and pending award of the grant. It is possible to see some construction occur this fall.

Project Updates

JB McCarthy reviewed the list of rail projects under construction and the bid advertising schedule. Nearly all the projects will be bid before the end of the calendar year. Some work can be done during the winter months. The project bids are on the website.

Mary Anne Michaels suggested bridge numbers and the kind of work being done be added to the report.

Track 2 & 3 Applications

Costa Pappis reported the Track 2 application is part of the \$2.1 billion in funding the FRA has for high speed and inner-city passenger rail projects. The project that was submitted last year and not funded will be resubmitted. There is one month to complete and submit the very lengthy application (approximately 500 pages). Most of the information is already compiled. The Track 3 planning grant that was received is ready for signing by Secretary Dill. The schedule for the projects is ambitious.

Carl Fowler asked if the western corridor is Track 3 or both Track 2 and 3 work. Mr. Pappis stated the FRA advised looking at the corridor in two segments. New York will participate. Mr. Fowler mentioned the concern by freight rail about the FRA regulations with respect to freight and passenger service on the same line. The railroad needs to be supported and the FRA encouraged to see the sense of the matter. Jeff Munger stated dealing with this volume of public tax money, oversight and transparency is expected and required by the Federal Government. Service requirements are one way of doing this.

Rick Moulton asked about the amount of funding. Joe Flynn replied \$70 million with an 80/20 split. The legislature gave the state authorization to bond for \$15 million.

Jeff Young asked about the Track 2 timeline. Costa Pappis stated the application deadline is August 6, 2010. A decision by the FRA will be made in September.

Rutland Rail Yard

Joe Flynn reported on the joint meeting with Rutland City, Rutland Town, FHWA, VTrans, and the consultants to try to understand the situation between the city and town. Preferred alternative #5 will not be built. VTrans supports the Rutland relocation project, but will not support any alternative that is forced on either municipality. If the project is not done, the federal funding (\$1.2 million) must be returned. One option is to change the environmental assessment to an environmental impact statement to look at potential new sites that are acceptable to both entities. Another option is to have FHWA render a “no build” alternative so the money does not have to be paid back. This option does not address railroad needs or town and city needs.

Rep. Aswad questions spending so much time on a project when the state does not have the money (\$100 million) to do the work. Joe Flynn stated if other options can be

examined via an EIS there are components of work the railroad hopes to do with the relocation of the rail yard that could be done with satellite pieces linked together and phased over time.

Middlebury Rail Spur

Joe Flynn reported OMYA is taking the project to senior management in August. VTrans wants an answer by August 1st, but OMYA felt early September was feasible. The state is responsible for the Route 7 crossing. The state will not support a quiet zone crossing. There was further discussion of the money spent on the project by the state and OMYA. George Barrett stressed the need to get a commitment from OMYA. It was noted the amount of money for the project is greater than the amount first anticipated. Dave Allaire pointed out there are benefits including truck traffic begin taken off the roads and the increased use of rail as well as more jobs. Jeff Munger stated OMYA has always been in support of the project and stands behind the commitment of money. The delay was the EIS. OMYA cannot expand output without the rail spur. Carl Fowler referred to the January 30, 2009 report on the Jeffords earmark and Middlebury spur, noting \$108,000 was spent in state funds and \$122,000 more was needed for the EIS. Sixteen million dollars of the \$26 million earmark was projected for the spur. Joe Flynn stated the amount was estimated high to ensure all that is needed is included. Mr. Flynn promised to include in the monthly updates the balance on the amount spent on the Middlebury spur to date.

White River Jct. Station

A Tiger grant and earmark from Sens. Leahy and Sanders are being sought. The state is trying to secure an option on the property which encompasses a 6,500 s.f. building with parking. The property owner, Byron Hathorn, prefers the state to buy the station if the price can be met. House and Senate transportation committees are being kept informed. The appraised value of the property is \$800,000. The property is on the market for \$875,000. The property owner or Buildings & Grounds may be engaged to manage the property. The station is key infrastructure for Amtrak, freight, and high speed rail.

Alburgh Trestle

Paul Craven reported \$1.3 million has been spent to upgrade the 100 year old timber structure. Phase 2 (\$1.9 million) encompasses work by the design engineer (\$150,000) on the automation of the structure (.75 miles with 100' swing bridge). The track will be 286,000 pound capacity from Vernon to St. Albans and then 263,000 pound capacity to the bridge. Travel on the trestle will be 5 mph. Two trains a day use the trestle. Boat traffic can now move through freely. There is a safety system in place to alert when the bridge will close. The preferred contractor for the work on the trestle is a Vermont company.

Chris Parker asked if there are any long term issues. Paul Craven stated the lateral bracing will help with structural integrity. The structure is historic so there are always issues.

Carl Fowler commented if the state is serious about re-establishing passenger service to Montreal any improvement in travel time will be a benefit.

Jeff Munger stated it is hoped with the automation of the swing trestle that there will be enough money left over to improve the line from the bridge to St. Albans to 286,000 pound capacity.

Castleton Parking & Platform

Bob Atchinson reported the survey work is complete on the parking and platform in Castleton. An area of the parking lot is owned by the Clarendon Pittsford Railroad. Amtrak had \$113,000 in grant money for the Fair Haven Station that was shifted to the Castleton Station. Negotiations between Vermont Rail Systems and Amtrak are in process. A parking lot and ADA compliant platform are needed. Agreements need to be in place for access to the station and to build the parking lot. Mary Anne Michaels noted the lease agreement is presently under legal review. Bill Hollister stated the stimulus money Amtrak received for station signage includes the Castleton and Rutland sites. Temporary signs will be posted until the project is complete.

WACR Status Update

The structures have been analyzed as built along the 13 mile stretch of the Washington County Railroad. Stantec is doing ultrasonic diagnostics. Results will be compared and a meeting scheduled with the railroad. Ties and signage at crossings have been replaced by the railroad. The railroad is operating at its own risk. Local law enforcement agencies will act on behalf of VTrans to adjudicate trespassing and crossing violations.

Matt Levin, VCE, commented people see an issue of safety, impact on businesses, impact on traffic flow so the matter is more global.

Jeff Munger asked about an earmark from the Congressional delegation. Joe Flynn stated updated cost information will be available by the end of the month.

7. Freight Topics

No Report.

8. Passenger Topics

Amtrak Ridership & Revenue Update

Bob Atchinson reported ridership and ticket revenue are up on the Vermonter and Ethan Allen Express. Castleton ridership continues to grow. Amtrak advertising through Smart Marketing includes posters, Vermont Life magazine, television commercials, Operation Lifesaver, and a billboard at Centennial Field (Vermont Lake Monsters). Bill Hollister stated the ridership numbers for June are up 10.5% on the Ethan Allen Express north of Albany and 35% on the Vermonter north of Springfield. Year to date the Ethan Allen Express ridership is up 2.4% and the Vermonter is up 13.7%. On time performance is good on both lines.

Chris Parker mentioned sold out conditions on tickets from New York City to Albany and not being able to get a ticket to Vermont. There was discussion of setting aside some seats for Vermont.

Amtrak Draft FY11 Agreement

Joe Flynn reported the agreement from Amtrak shows a 3% CPI increase. Amtrak has been asked to highlight potential areas where money could be saved, such as decreasing the number of cars or engines.

Amtrak & PRIA Sec. 209

Joe Flynn reported according to the Passenger Rail Investment Act, Sec. 209, Amtrak and the states that Amtrak partners with must agree on the methodology with which Amtrak applies costs to states in which Amtrak provides service otherwise the Surface Transportation Board will decide. Vermont has a concern with the first draft of the cost allocation and is deciding whether to take a chance with the STB. Vermont feels the elements that build the cost should be consistent across the states.

Montreal

Joe Flynn reported at the New England Governor's meeting there was reaffirmation of Quebec and Vermont being the gateway to the northeast for the Canadian traveler. Karen Songhurst stated Quebec will be invited to the New England Regional Rail CEO meeting to discuss border issues. Amtrak at the national level expressed interest in retaining markets. There is no standard for passenger rail travel across the border as there is for air and automobiles.

9. Other Business

Legislative Summer Study

Scott Rogers reported there is a legislative directive for VTrans to evaluate the various advisory councils (rail, air, public transit, scenery preservation) and report to the House and Senate transportation committees.

10. Next Meeting/Agenda Items

Next Meeting: October 13, 2010 at 1 p.m., National Life Building, Montpelier.

11. Adjournment

MOTION by George Barrett, SECOND by John Cook, to adjourn the meeting.

VOTING: unanimous; motion carried.

The meeting was adjourned at 4:15 PM.