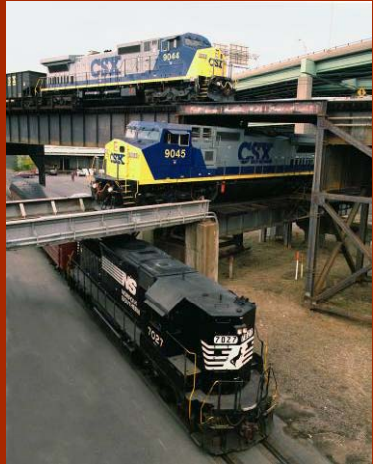




Virginia Department of Rail and Public Transportation



www.drpt.virginia.gov

HRTPO Briefing

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Chief of Rail Transportation

June 16, 2011

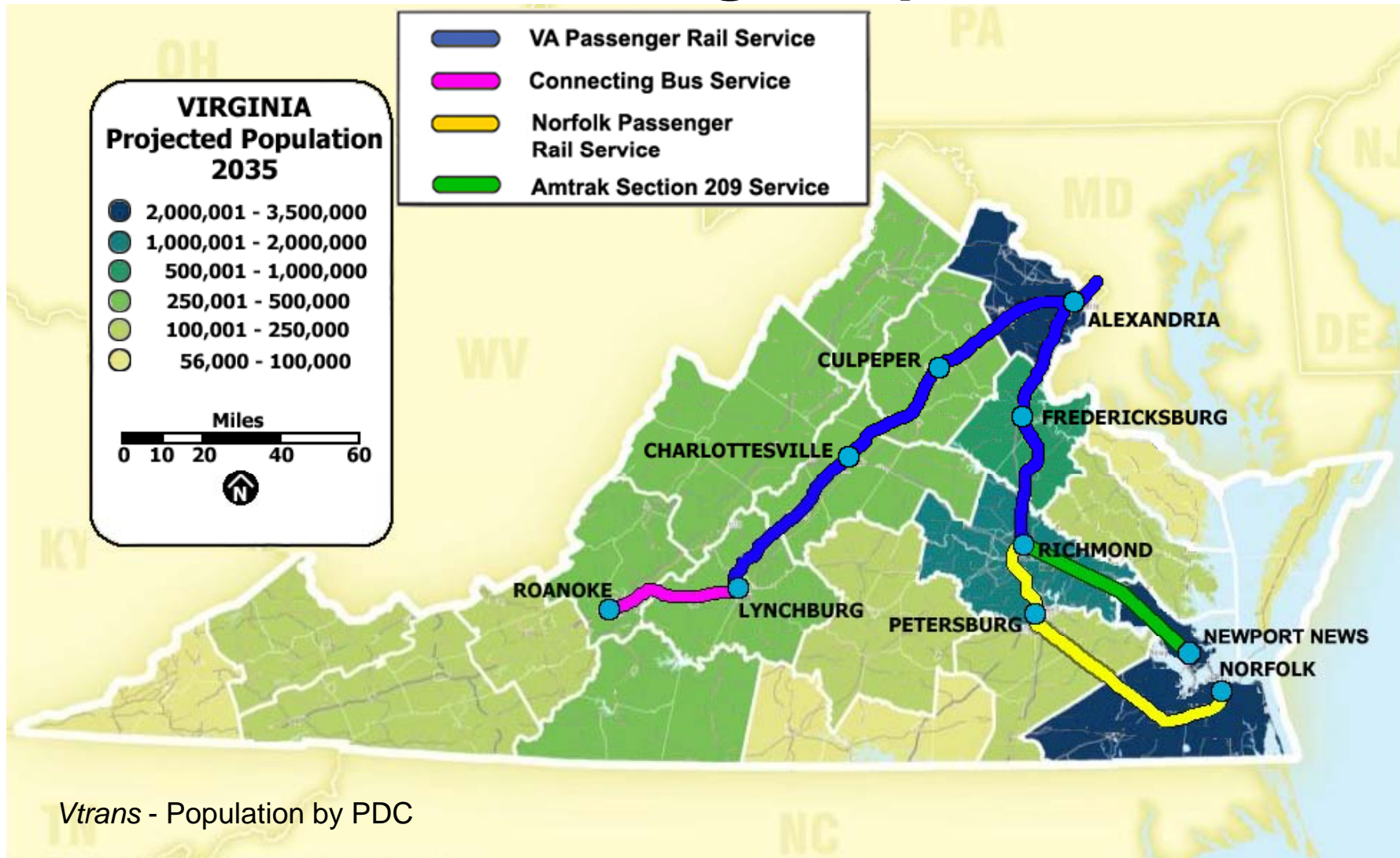
State-Funded Intercity Passenger Rail Service

- More service expansion on the way -
 - Extend Richmond service to originate in Norfolk by 2013
 - Extend Lynchburg service to Roanoke and Bristol, short term bus bridge from Roanoke funded FY2012



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



Vtrans - Population by PDC

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Norfolk Service Expansion

- January 2010 – VA receives 3 train slot proposal from NS to extend Amtrak service to Norfolk
 - NS and CSX came to terms with VA on use of trackage between Richmond Staples Mill Station and Norfolk
 - Amtrak is under contract to provide a service development proposal to start the service
 - General Assembly Appropriated \$93.04M in Rail Enhancement funds for improvements in 2010 budget increased to \$101.2M in FY2012-2017 Six-Year Program
 - Capacity will be purchased by VA through state investment
 - Construction will begin summer 2011
 - Service will begin by October 2013
 - DRPT web site project updates available at:
<http://www.drpt.virginia.gov/activities/norfolk.aspx>

Roanoke Bus Bridge – Funded FY2012

- ❑ Study completed to evaluate ridership and cost estimates for a bus connection between Lynchburg and Roanoke
- ❑ Study was communicated to the CTB in December 2010
- ❑ Funding was identified to support this proposed service – General Assembly appropriated FY2012 state funds to match an FTA grant to provide a one year demonstration service



June 16, 2011

Passenger Rail Investment and Improvement Act of 2008

PRIIA

- ❑ PRIIA changed America's approach to intercity passenger rail development at the level
 - 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 (80/20) with no operating funding to states to cover costs
 - States and Amtrak must agree on new standardized national pricing policy by October 16, 2010 (Now on multiple extensions) and enactment by October 16, 2013 – For VA, 6 trains, including 2 trains (Lynchburg and Richmond/Norfolk) subsidized today (Norfolk in 3 years) AND 4 more regional trains – 2 Richmond and 2 Newport News
 - Virginia is a member of the State's Working Group along with Amtrak and AASHTO staff charged to develop the national pricing policy
 - Section 212 Defined Amtrak's NEC Commission – VA is a non voting member – VA Regional trains are extensions of NEC

How Will VA Pay for Intercity Passenger Rail?

SJR 63 (2010) Senate Document 14

- ❑ Study requested by Senator Yvonne Miller in 2010 General Assembly Session as SJR 63
- ❑ 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

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 – Rail is the only mode not in 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

Governor McDonnell and General Assembly Respond to SD14

- Governor McDonnell was briefed on SD14 and the pending implications of Section 209 and quickly responded to prepare VA for continuation and expansion of intercity passenger rail:
 - Governor McDonnell quickly realized that regional conventional and high speed intercity passenger rail and its future is contingent on VA finding a way to contribute to its continuation and growth
 - Governor McDonnell included in his \$4B transportation legislative package legislation the creation of the Intercity Passenger Rail Operating and Capital Fund (IPROC)
 - Governor McDonnell secured bi-partisan patronage and support of his 2011 transportation legislative package
 - The VA General Assembly passed the bill into law and IPROC was created effective July 1, 2011 – Needs dedicated revenue source
 - June 2011 – DRPT identifies IPROC in its FY2012-2017 Six Year Improvement Program – operating funds not needed until FY2013

June 16, 2011

PRIA Section 209 Virginia Comments

- ❑ Communication is critical
- ❑ FRA's proposed concept of transitional operating assistance to states and the Capital assistance program will be essential for sustaining regional services short and long term
- ❑ VA understands Section 209 and the efforts of the State Working Group, but disagrees with Amtrak's proposed approach to sharing through revenue for passengers traveling to and from the NEC
 - VA and Amtrak benefit from the connectivity of VA trains to the NEC – All trains are noted by Amtrak as, “NEC Base Incremental”
 - Current relationship shares through revenue and continuation of sharing of this revenue is critical to the VA business model

PRIIA Section 209 Thru Revenue Comparison Rolling 12 Months

Lynchburg Service				
	Current (1)	Proposed (2)	Change - Better(Worse)	
Route Costs	\$4,568,040	\$3,732,776		
Additives		1,009,266		
Third Party Costs	977,211	1,242,724		
Subtotal - Costs	5,545,251	5,984,766	(439,515)	(7.9%)
Revenue credit	(7,368,060)	(4,433,589)	(2,934,470)	(39.8%)
Net State payment(credit)	(1,822,809)	1,551,177	(3,373,986)	na

PRIIA Section 209 Thru Revenue Comparison Rolling 12 Months

Richmond/Newport News				
	Current (1)	All trains, 209 Policy (2)	Change - Better(Worse)	
Route Costs	\$2,402,193	\$15,028,376		
Additives		3,866,104		
Third Party Costs	437,922	3,476,601		
Subtotal - Costs	2,840,115	22,371,081	(19,530,966)	(687.7%)
Revenue credit	(1,347,442)	(16,406,329)	15,058,888	1117.6%
Net State payment(credit)	1,492,674	5,964,752	(4,472,078)	(299.6%)

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

FRA High Speed Intercity Passenger Rail Funding List

State(s)	Funding (\$M)	State(s)	Funding (\$M)
CA	\$ 4,239	VA	\$ 120
MO, IL	\$ 1,379	PA	\$ 66
NEC	\$ 954	MN, WI, IL	\$ 63
WA, OR	\$ 813	MA, ME	\$ 59
MI, IN, IL	\$ 602	IA, KS, TX	\$ 25
NC	\$ 572	OK, TX	\$ 20
CT, MA, VT	\$ 317	NE / SE Planning	\$ 19
IL, IN, IA, MI, MO	\$ 268	Midwest / South Planning	\$ 16
NY	\$ 246	CA/NW Planning	\$ 11
IA, IL	\$ 230	DC	\$ 4
		Total	\$ 10,023

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

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 – not accepted
- ❑ October 2010 – Design Build proposals requested – 8 Proposals Received

Arkendale to Powell's Creek Project Timeline

- ❑ November 2010 – FRA sent Draft FONSI – Under FRA review
- ❑ December 2010 – FRA announces second round funding \$1.195B redistribution
 - Project receives no additional funding – VA Delegation meets with FRA.
- ❑ January 5, 2011 – FRA and DRPT meets with FRA to discuss advancing the project
- ❑ February 4, 2011 – FRA issued Environmental Assessment Finding of No Significant Impact (FONSI) that clears path for next step - environmental permitting
- ❑ February 11, 2011 – First grant meeting with FRA, CSX, and DRPT to discuss railroad agreement
- ❑ April 28, 2011 – DRPT and FRA staff meet to continue advancing project
- ❑ Project team continues to work on the environmental permit application, final approval of track design, and FRA/Railroad agreement

Federal HSR Planning Process- \$45.5M FFY2010 Projects

- ❑ October 28, 2010 - \$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
- ❑ April 28, 2011 - FRA and DRPT held kickoff meeting to discuss project scopes of work
 - Full corridor Tier II EIS continues to be the path forward with the Richmond Area to Washington, D.C. environmental planning
 - Alignment of Appomattox River bridge discussed with FRA and may require additional alternative analysis

Richmond Area to Washington Project Timeline*

- ❑ Step 1: Finalize Scope of Work \$75M FRA ARRA Grant for Arkendale to Powell's Creek project.
- ❑ Step 2: Develop \$44.3M FRA grant funding Agreement– Richmond Area to DC (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+)

* Timeline is subject to federal funding and approvals

Federal HSR Planning Process: Richmond to Hampton Roads

- ❑ Tier I EIS released for public comment in December 2009
- ❑ Early 2010 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 EIS (FEIS) document submitted to FRA for formal Record of Decision
- ❑ April 28, 2011 – FRA Environmental Staff and DRPT meet to discuss initial FRA comments – awaiting FRA legal staff comments
- ❑ 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

Federal HSR Planning Process- Richmond to Raleigh Tier II EIS

- ❑ DRPT and NCDOT continue to advance work on the Richmond to Raleigh Tier II EIS
 - NCDOT applied for \$4.1M in federal funding on April 4, 2011 and received an award of those funds on May 9, 2011
- ❑ April 28, 2011 – FRA and DRPT met and discussed FRA's review of the Tier II EIS document
- ❑ DRPT has accommodated the third track alignment for high speed rail operations as a part of the Collier Connection alignment for the Norfolk train service extension
- ❑ Before SEHSR service is to begin, significant track capacity improvements must be made between Raleigh and Washington, D.C.

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 reviewed by 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 SEHSR corridor EIS projects through the federal planning process

Points for Consideration SEHSR 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

Additional Federal High Speed Funding Virginia Did Not Apply

- ❑ March 11, 2011, FRA announced \$2.4B was again available for high speed rail project funding mostly due to Florida's return of funding. Applications were due April 4, 2011.
- ❑ DRPT assessed the requirements and was not able to apply:
 - Virginia had no matching funds for the \$800M 80/20 funding
 - \$1.6B 100% ARRA funding available must be spent by 2017
 - The schedule to complete the Richmond Area to Washington, D.C. project was 2021 – VA could not take the risk of payback
 - Environmental Tier II EIS FFY2010 grant awarded October 28, 2010 had not advanced
 - \$75M Arkendale to Powell's Creek ARRA grant awarded January 28, 2010 had not advanced

Virginia North Carolina High Speed Rail Compact

- ❑ Created in 2004, the VA/NC High Speed Rail Compact has conducted two meetings – July 12, 2010 and January 7, 2011
- ❑ A Virginia member workshop was held on June 7, 2011, to discuss:
 - Definition of the Corridor
 - Affordability of the Southeast High Speed Rail Corridor development and phasing of projects
 - 20% match requirement
 - Sequencing of individual projects
 - Risk and payback of high speed rail service
 - Protection of the capacity that Virginia has paid for its own intercity passenger and commuter rail development
 - Partnering of other Southeast Corridor states for the rail improvements necessary to run trains from the south through Virginia to the northeast

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/NC Compact, Sen. Watkins Chair
 - 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?

