

# *Meeting of the Southern Rail Commission*

June 8, 2018 9:00am-12:00pm

Hancock Bank - 2510 14th Street Gulfport, MS 39501

## MINUTES

**Call to Order:** *Chairman John Spain*

**Pledge of Allegiance and Prayer**

**Roll Call and Recognition of Special Guests**

**Attending:** John Spain, Greg White, Knox Ross, Toby Bennington, Kay Kell, Ashley Edwards, Blake Wilson, Roy Woodruff, Wiley Blakenship, Jerry Wall

**Guests:** John Robert Smith, Alex Beckmann, Todd Stennis, Dan Dealy, Haley Blakeman, and Debbie Vignes, Janice Hamilton, Paul Gavin, Betsy Nelson, Troy Jonifer, Angel Middleton, Elaine Wilkerson, Bo Jacks, Maggie Woodruff, Dean Guidell

## REGULAR BUSINESS:

- I. The Commission unanimously approved the minutes from the meeting of March 2, 2018.
- II. Legislative Affairs Update - *John Robert Smith*
  - a. Restoring Passenger Rail - 13 years ago we lost passenger rail due to Katrina, and it was not reliable before that. 3.5 years ago, we reassessed and determined what rail service should look like. We led an inspection trip on the train last year. Senator Wicker worked to include passenger rail included in FAST Act, and created the Gulf Coast Working Group including CSX, Amtrak, and representatives from along the coast from Louisiana to Florida. The working group analyzed service, impediments, schedules, improvements needed, etc., and made a report to congress. Congress accepted recommendations and projects. CSX wanted \$2.3 billion to improve track. Senator Wicker created two new funding streams for construction and maintenance: CRISI which can fund capital projects, and R&E for operating budget for 3 years. Senator Cochran then appropriated \$68 M + \$92 M for CRISI and \$6M + \$20M for R&E over 2017 and 2018. We are already writing the 2018 grants. These were created by congress to explore passenger rail along Gulf Coast. Congress placed money in these buckets, but Federal Railroad Administration holds the money. Governors have to sign letters of commitment, and pledge local match to access it.
  - b. R&E Grant Application
    - i. This is 80/20 money, but priority given to 50% match. T4 recommends a 50% match to be competitive.
    - ii. Louisiana committed \$8 M for 80/20 money and will match the R&E funds.
    - iii. All three commissioners said it was important to Mississippi to match all 3 years of operating support.

- iv. Without Alabama's support, it won't stop in Alabama but not support governor has not pledged support.
- c. CRISI Grant Application
  - i. Due June 21, 2018.
  - ii. Amtrak putting in \$5.2M as a partner for CRISI. Most will go to Mississippi improvements.
  - iii. Louisiana has committed.
  - iv. Alabama needs \$5.35M match R&E application and CRISI applications
  - v. Mississippi needs \$14.82M match for R&E and CRISI applications, but it is an almost \$40M grant package.
  - vi. Need these commitments from Alabama and Mississippi now to apply. If we don't apply, the money will go to other states. Must commit funds that are present now and can legally spend.
  - vii. John Robert reiterated that there is a big deadline coming, and encouraged the commissioners to call the governor and make sure that Mississippi doesn't miss out of this opportunity.
- d. John Robert gave economic impact report for passenger rail for Alabama and Mississippi. The Commission also has studies on Dallas-Fort Worth to Alabama along I-20 corridor, which would connect to international air service at DFW. New Orleans is opening a new terminal in 2019 for international flights and we want to have direct rail connection to that.
- e. Comments and Questions
  - i. Dick Hall stated that there was a 3-0 vote on the commission to support this because of the economic development. Hoping that the governor will see the economic benefit and agree.
  - ii. How long will stops be?
    - 1. 3-minute stop to keep the schedule. 2 trains a day in each direction that they have a lot of control of. There will be 2 stops in Harrison County.
    - 2. Top speed will be 79 miles/hour. The trains will leave Mobile and New Orleans at 8 in the morning. Because it would be state run, they can do special stops for festivals, etc. SRC wants to sell an experience of the coast so it will reflect the food, culture, etc. of the coast. Build on all of the investments in the area and have a way to bring people to the front door.
  - iii. Discussion has been that if it will negatively impact freight rail, then maybe we shouldn't do it.
    - 1. Amtrak can do passenger rail now without improvements, but it is not efficient. This money improves the track, so the passenger service will have even fewer conflicts with freight. Amtrak is committed to being here and is taking advantage of getting improvements to the track. The solution has to work for both freight and passenger. SRC has no desire to be in conflict with freight, but instead to improve infrastructure for both.
  - iv. Has CSX's costs firmed up yet?
    - 1. No, but the next step is a conversation with CSX and Amtrak. Amtrak's costs are a set fee for operations.

### III. Financial and Administrative Report- *Debbie Vignes*

- a. Debbie presented the financial statements as of April 30 and a year to date general ledger.
- b. Currently have \$675,583 in cash and \$538,000 of that is restricted for other projects. Year to date surplus of \$12,723.42.
- c. Budget of actual comparison shows what the commission budgeted to spend for the year and what was actually spent.
- d. Expense reports will be paid faster if they are emailed to Debbie, instead of mailed. Send invoices to Debbie, then she will send to Exec Committee via email for approval. CPEX will add her email address to the website.
- e. Financial report was unanimously approved. Expenses are running high because of activity on federal grants including gubernatorial report, financial report, trip to Washington, and travel in Alabama, but the Executive Committee is trying to keep an eye on expenses.
- f. Motion unanimously passed.

**IV. Communications and Media Update-*Haley Blakeman and Dan Dealy***

- a. Haley gave a communications update including social media and website demographics and activity; media coverage; and communications that CPEX can offer commissioners.
  - i. There have been nearly 10,000 page views on our website this year. The most commonly visited pages are Home, About Gulf Coast Passenger Rail, and News pages. Added a button to site to contact Governor Bryant that got over 765 clicks.
  - ii. Three articles or earned media in Louisiana, Alabama, and Pensacola newspapers.
  - iii. Our Facebook likes and twitter followers continue to grow.
  - iv. T4A and CPEX worked to develop a packet of information for Gov. Bryant to deliver to USDOT Sec. Chao, committing Mississippi's financial support of matching funds for infrastructure improvements and operating support required by federal Restoration & Enhancement grants. The book outlined the economic benefits of passenger rail to the state of MS and was delivered to the Governor April 30.
  - v. CPEX also developed a presentation deck for Knox in April giving in overview of the SRC and detailing an update on the progress of passenger rail along the gulf coast.
  - vi. CPEX can assist any of the commissioners in preparing similar presentations if needed.
- b. Dan talked about emails, meetings and reports that the Alabama Commissioners have done in the last few months to build support for local match.

**OLD BUSINESS:**

- I. Report on Executive Committee activities - *Spain, White, Ross*
  - a. *Washington Meeting with members of Congress and Congressional Staff & FRA* - The Executive Committee had a very successful visit to Washington in April. The Executive Committee has been going for 5 years and now they have relationships with staffers who are working on their behalf, and that they can talk frankly and candidly with. Senator Wicker continues to be a champion. The new FRA administrator and DOT #3 met in Senator Wicker's office. Senator Wicker had a couple of suggestions and asked them to streamline the application process. SRC is now a named entity in a lot of the legislation.
  - b. *Meeting with Richard Anderson and Senior Staff of Amtrak* - Successful meeting in New Orleans a few months ago with CSX, Amtrak, FRA and SRC.

- II. Update on Gulf Coast Working Group, financial needs and next steps - *Spain, White, Ross and John Robert Smith*
- a. The Gulf Coast Working Group has spent a lot of time working on passenger train from New Orleans to Orlando. At the present time, Amtrak does not want to do train that long. Amtrak has been studying New Orleans to Mobile and want SRC to focus on that, so they are now working quickly to establish a twice-a-day service from New Orleans to Mobile. SRC likes local control so they can make their own contracts with funders, stops for festivals, own food service, etc. With the change of Amtrak leadership, this is what they want all of their future service to look like. In the old model, Amtrak paid operating costs, but states will have to cover operation costs in new model. That is why current conversations are tough with Governors because the model flipped and now they have to give a match. T4A is doing great work to support this. Beth Osborn has done lots of work to help, along with Alex Beckman. Cedric Richmond is going to talk to other members of the Black American Caucus to explain why we need their support. Members of Executive Committee have carved out a good reputation for SRC. Thank Todd Stennis publically for his support. Amtrak is ready to go as quickly as possible and contributing funds to CRISI grant.

#### **NEW BUSINESS:**

- I. State Reports:
  - a. Louisiana
    - i. John Spain gave and update on Louisiana. There are a lot of hoops to get from Baton Rouge to New Orleans, which is why it has been broken out as another leg. Legislators are about to do Special Session 7 to finish a budget, which has distracted a meeting between KCS and the Governor to get an airport to downtown link in New Orleans. The next step is an environmental assessment. A new terminal would be leverage. Trying to get a meeting with the Governor. Asked Shawn Wilson to identify a project manager to look at Baton Rouge to New Orleans connection full time.
  - b. Mississippi
    - i. Tommy Clark gave an update on Mississippi.
  - c. Alabama
    - i. Alabama has been in the middle of an election, but expect them to participate. Commissioners doing a lot of work to make that happen.
    - ii. Jerry would like for it to go to Atmore. John assured that the train will eventually go to Atmore and even Orlando, but Mobile's port is an issue and we will have to work it out. John assured that the Commission will continue to support Alabama.
    - iii. Greg feels good about where they are today, but do not have money in hand.
    - iv. Dan talked about the activities that they have done in Alabama.
    - v. Port of Mobile is an issue and we need solutions to address it. Major improvements are necessary if passenger rail goes past Mobile. AECOM has been hired to do a study from Montgomery to Mobile which may include the port. The Mobile airport may move to downtown. Car Manufacturers in Mobile and Montgomery are increasing outputs and may be partners on improving the port railroad tracks.
    - vi. Congressman Bradley Byrne, Greg Albritton, Alan Baker, Connie Hudson, all Baldwin County Commissioners, Mayor Stimpson (Mobile), and Coastal Alabama Partnership have already pledged support.

## II. Comments and Questions

- a. Commissioner Woodruff made a motion to commend the work of the executive committee.
- b. Commissioner Knox stated that SRC is committed to working with all partners on the rail and trying to use the relationships that they have made to solve problems. Leverage resources to try to work things out.
- c. Commissioner Spain noted that each state has to get a commitment letter with a source of funding by June 23. This is our opportunity to restore something that was there before, but better. Please use your influence and get it done. We have great support, but we need to push hard in the next few weeks. Louisiana will share our letter with other states.
- d. Will hook Haley up with RPA website and social media so we can build on their larger network. Their job is to make SRC be more effective.
- e. Ron at FRA is friendly to passenger rail could be a friend.
- f. Widening of 1-10 is a \$500,000 project. Airport improvements are +/- \$12 M for 50,000 people. Can't afford not to make these improvements.
- g. What is SRC's role? Is it just to support passenger rail?
  - i. Not just passenger rail, because any improvements to rail will improve passenger rail and cargo. Our goal is economic development.
- h. Is a portion of grant for only disaster areas?
  - i. Yes. It was meant for the Gulf Coast, but others could apply.
- i. Could Alabama do 80/20?
  - i. Yes, but very competitive and they will give preference for ones that have at least a 50% match.
- j. There will be \$500,000 for the Gulf Coast Working Group to continue.
- k. SRC needs to keep relationship with the Southeastern Tourism Conference and always have a representative there.
- l. There is a group in Georgia and the Florida Panhandle that are interested in joining SRC. SRC asked them to stand down until Amtrak and CSX work out their details.

## UPCOMING MEETINGS:

- I. September 7, 2018 New Orleans, Louisiana
- II. December 7, 2018 Alabama, TBD

## ADJOURNMENT