

# **Meeting of the Southern Rail Commission**

June 5, 2020 9:00am-12:00pm

Zoom Conference Meeting

**Call to Order:** *Chairman Wiley Blankenship*

## **Roll Call**

Attendees: John Spain, Kay Kell, Knox Ross, Shawn Wilson, Wiley Blankenship, John Clyde Riggs, Renee Lapeyrolerie, Roy Woodruff, Toby Bennington, Stephen McNair

Guests: John Robert Smith (Transportation for America), Marc Magliari (Amtrak), Phil Jones (LA Multimodal Commerce), Dean Goodell (LA Multimodal Commerce), Andrew Justus (Transportation for America), Will Butler (AECOM), Bob Hamm (CDMSmith), Joe McHugh (Amtrak), Robert Smith (City of Montgomery), Greg White (Covington County Commission), Brain Smart (AECOM), Caleb Stubbs (AECOM), Bryan Jones (HNTB), Maggie Woodruff (Regional Planning Commission), Janice Hamilton (Alabama Public Service Commission), Robert Tannen (CDMSmith)

## **REGULAR BUSINESS:**

### **I. Approval of the minutes from the meeting of March 6, 2020**

A. Commissioner Spain motioned to approve the minutes, and Commissioner Ross seconded.

### **II. Talgo Equipment Update - *John Robert Smith and Joe McHugh***

- A. Washington DOT and Amtrak have a total of four Talgo Series 6 train sets to sell or dispose of. The trains have a 40-year lifespan from the present; they were just overhauled in the last year, and there are plenty of spare parts needed for repairs, etc. The equipment is available as is, where is. Amtrak has agreed to haul the trains where they need to be and store them in their system. Two are available from Amtrak and two from Washington/Oregon. Using this equipment would require some installation of new wifi/technology equipment, reupholstery, and probably repainting the exterior.
- B. Talgos are unique among Amtrak's equipment pool; they have a regional feel that is adaptable and could be appropriate for the Gulf Coast trains. Talgo maintains the equipment using Amtrak's workforce. Both Washington DOT and Amtrak plan to park the trains at the end of June. The sales process in Washington state has been slowed by social distancing practices, but they should go to bid in July. Amtrak's sets will likely be parked in September. Amtrak could store the trains and transport them to New Orleans for no charge if the SRC decides to acquire them. McHugh is working on estimating the costs for repainting and an interior overhaul. Amtrak has to get permission from the FRA to dispossess any equipment, but that process should not take long.
- C. The cost to move and store equipment is typically a big ticket item. The fact that Amtrak is willing to move and store the equipment for no cost should be a factor in the decision. There aren't any other anticipated bidders besides the scrap metal industry, but the Executive Committee would need to be granted power to place a bid. Senators Wicker and Cantwell are Chair and Ranking Member of the Commerce Committee and have good working relationships with the SRC.
- D. Commissioner Spain noted that if we acquire these trains, there is an opportunity for one of our cities to have a maintenance facility, which would offer job creation. John Robert added that Talgo would rather have their daily/weekly maintenance and larger overhaul maintenance facility located along the Gulf Coast.

- E. One advantage of having a third train set is that the SRC could have a spare in case of necessary repair or maintenance, and the line can keep moving. We also expect Gulf Coast service to have peaks and spikes in ridership; having an extra set would allow for more flexibility in capacity and also potentially allow service from Baton Rouge to New Orleans.
  - 1. McHugh noted that there may be an option for Amtrak to lease the trains to the SRC.
- F. Various financing scenarios with different grants may allow 80/20 or even 90/10 funding for purchasing and refurbishing the trains. The SRC has to decide within a month or two whether or not it will bid on any of the WashDOT sets. The Commission needs to empower the Executive Committee to continue investigating the purchase options and, potentially, make a bid on the equipment.
  - 1. Commissioner Bennington motioned to grant that power, and Commissioner McNair seconded.

### III. **Legislative Affairs Update** - *John Robert Smith, Andrew Justus*

- A. COVID has had a devastating impact on public transportation. CARES Act funding provided some assistance for transit and Amtrak; thanks to Alabama commissioners for working with Senator Shelby's office.
- B. Amtrak has submitted a supplemental request which cut costs across the board by about 20% amounting to 4,000 jobs. Transportation for America voiced a concern that this will cause a big loss of institutional knowledge and technical skill. Amtrak is also considering making frequency cuts to service across the country.
- C. Two new pieces of legislation:
  - 1. BRAIN Train Act: Creates \$5 billion annually for passenger rail and allows a range of assets (discounted or donated property like stations, right of way, equipment, etc.) to be usable for the non-federal match, minimizing the cash match requirement. Also includes language to favor projects that interface with other transit-oriented facilities/services.
  - 2. Re-Authorization TRAIN Act: Creates \$60 billion over five years for rail. Includes new PRIME grant program featuring \$19 billion for passenger rail over 5 years (40% for Northeast Corridor, 40% for the National Network, and 20% for other intercity rail lines) with a 90/10 match. RRIF revisions allow the feds to pay the credit risk premium, making it much easier for the private sector to use RRIF. Language also improves enforcement of on time performance by affirming Amtrak's right of access. Changes to CRISI include expansion to \$5.8 billion, extending authorization until 2025, and removing incentive for a match exceeding 80/20. If this becomes law, Transportation for America is working to make these changes retroactive to apply to existing CRISI grants.
  - 3. Amtrak-Specific Reauthorization: Authorizes \$16.2 billion for Amtrak National Network and authorizes \$13.1 billion for the Northeast Corridor. Also authorizes \$400 million for Amtrak state route operating support. Affirms Amtrak's priority to provide quality service and removes the "break-even" profit language. The language requiring food service breaking even has also been removed, and all passengers will have equal access to food purchases.
- D. Transportation for America has been seeking matching funds for interstate compacts similar to the SRC. They have had good conversations with some midwestern and western states.
  - 1. Marc Magliari suggested reaching out to the Twin Cities. They have a compact, but not a commission.

### IV. **Financial and Administrative Report** - *Knox Ross*

- A. All of the states' dues have been paid; LA has pre-paid for next year. The SRC has collected the reimbursement money from the FRA and has paid back the money borrowed from the reserve to pay bills.

- B. Commissioner Bennington motioned to approve the financial report, and Commissioner McNair seconded.

**V. Communications and Media Update - *Joni Hammons and Dan Dealy***

- A. Joni reported that CPEX wrote and distributed a press release and statement of thanks for the recent R&E award.
- B. CPEX designed new lapel pins for the Alabama commissioners -- please contact Wiley if you need one.
- C. CPEX assisted with a letter of support for a recent grant submitted by the city of Bay St. Louis for improvements to their historic train depot.
- D. The final Alabama Economic Impact Study, recent press releases, past meeting minutes, and other resources are available on the SRC website.

**OLD BUSINESS:**

**I. Report on Executive Committee activities - *John Spain, Knox Ross, Wiley Blankenship***

- A. The Executive Committee is in ongoing conversations about the timeline on the Gulf Coast implementation. Other committee activities were discussed during Transportation for America's updates earlier in the meeting.

**II. Update on Gulf Coast Working Group - *John Spain, Knox Ross, John Robert Smith***

- A. Update on the work between Amtrak, CSX, and NS - Jim Blair, Kyle Montgomery
  - 1. CSX is doing a final review of the base case, then there will be an analysis of performance metrics; we expect the base case to be approved within the next few weeks. Modeling the future with economic growth is happening in parallel with Amtrak's development of iterations to model (schedules, etc). One version will model the downtown site in Mobile, and one will model the airport site as an alternative. Once a base case is built, Amtrak will develop iterations to understand which passenger service we want to introduce and what parameters to organize those around. To be efficient in the selection of those iterations, Amtrak would like to sit down with the Commission and get input on which iterations should be modeled. Talgo equipment would affect speed inputs in modeling scenarios.
  - 2. On the bridge portion of the study, Amtrak has engaged HDR's economic analysis team to look at water traffic, existing and future, to determine how many bridge openings may be required. Variables affecting the study include the bridge and the mix of traffic moving under it, weekday traffic vs. weekend traffic, etc.
  - 3. Amtrak expects to complete this work in Fall 2020.

**III. Update on station planning grants - *John Robert Smith***

- A. Andrew Justus is taking up Rayla's work on the station grants.
- B. Mobile prefers the Brookley site and has received a price on an alternatives analysis. Biloxi, Pascagoula, Bay St. Louis, Gulfport, and Birmingham have finalized their grant agreements for construction on stations, and they are moving forward.
- C. Since Tuscaloosa decided to cancel their project, the SRC has about \$846,000 remaining in the grant fund. Mobile, Pascagoula, and Bay St. Louis have indicated that they are interested in applying for additional funding.
- D. Wiley noted that the Mobile regional airport should be finishing its long range strategic plan in July, and it will identify where exactly the station would be located.

#### IV. State Reports

##### A. Louisiana:

1. Commissioner Renee Lapeyrolerie has been confirmed as the State's multi-modal commissioner. She introduced herself and is looking forward to working with everyone.

##### B. Mississippi:

1. The Governor has appointed a new Director of Development: John Rounsaville. Has been the rural development director, and SRC expects him to be an ally on passenger rail.

##### C. Alabama:

1. Commissioner Bennington noted that prior to COVID, Tuscaloosa, Birmingham, and Anniston had been working together to set up meetings. They will resume that process once things start to get back to normal to make good use of the economic impact data we got from Jacksonville State University.
2. AECOM final report on Birmingham to Montgomery to Mobile passenger rail feasibility study. – *Brian Smart, Caleb Stubbs, Will Butler, Robert Smith*
  - a) Robert Smith (Director of City planning in Montgomery, AL) gave an overview of the study and introduced Brian Smart from the AECOM team to present Phase II of the Birmingham-Montgomery-Mobile study, looking at ridership, revenue, and capital costs.
  - b) Brian Smart of AECOM reviewed the project timeline; the final report is available for public review on the ADECA website. The team is now entering into additional coordination activities to keep momentum up and identify funding opportunities.
    - (1) There were public meetings in Montgomery, Atmore, and Mobile. This input was combined with data of baseline conditions and, and these helped develop the three potential alignments:
      - (a) Amtrak service restoration (Gulf Breeze): average speed is 48mph, shared track with CST.
      - (b) CSX corridor: Higher speed with alignment and crossing improvements. Average speed is 70mph.
      - (c) Interstate 65 alignment: This would be a newly constructed track; would allow an average speed of 101mph.
    - (2) Model assumed 1, 3, and 6 trains per day in each direction. Phase I showed big ridership demand originating in Birmingham. The ridership forecast concluded that higher speeds and higher frequencies result in higher ridership.
    - (3) The capital cost estimation showed an estimated total cost of \$345 million for the Amtrak service restoration (Option 1), \$1.3 billion for the CSX corridor (Option 2), and \$9.5 billion for the I-65 alignment (Option 3).
    - (4) What's next?
      - (a) Further planning and outreach; identifying sponsors; conducting an alternatives analysis; meeting NEPA requirements; final design; funding agreements; right-of-way acquisitions; and construction.

#### NEW BUSINESS:

- I. Amtrak update

- A. Marc Magliari clarified that voluntary separations have been extended to both agreement and non-agreement employees, regardless of length of employment. Service post-COVID is expected to be half of what it was before for the foreseeable future, and Amtrak is hoping to size the company appropriately. Amtrak has implemented temporary pay reductions for management employees. They appreciate the efforts of SRC, TFA, RPA, etc., but there isn't much optimism within Amtrak that there will be great growth in ridership.

**SCHEDULE OF UPCOMING MEETINGS:**

- I. September 11, 2020 -- Bay St. Louis, Mississippi
- II. December 4, 2020 -- Louisiana

**ADJOURNMENT**