

VERMONT RAIL COUNCIL

**MINUTES OF JULY 10, 2002
VTRANS BOARD ROOM
NATIONAL LIFE BUILDING
MONTPELIER, VERMONT**

MEMBERS PRESENT: Charlie Miller for Brian Searles, Chairman

Richard Mazza Curt McCormick
John Cook Sonny Audette
Peter Gregory Greg Maguire
Chris Cole Christopher Andreasson
Al Perry John Pennington
Philene Taormina Rick Moulton for John Booth

OTHERS PRESENT: Tom Kennedy Tina Bohl
 Anthony Otis Rep. George Schiavone
 Brad Worthen Jim Fitzgerald
 Scott Bascom Karen Songhurst
 Dick Pembroke Paul Craven
 Bill Macormack Nancy Rice
 Jennifer Royer Dave Pelletier
 Tim Lewis

1. Call to Order and Approval of Minutes of June 12, 2002

Charlie Miller called the meeting to order at 1:07 p.m. Introductions were made.

Approval of Minutes of June 12, 2002

MOTION by Peter Gregory, SECOND by John Pennington, to approve the 6/12/02 minutes as written. VOTING: unanimous; motion carried.

2. Amtrak Update (Charlie Miller)

The Council received a copy of the draft Vermont Rail Business Plan, the Western Vermont Corridor Study (final report), and two special employee advisories from Amtrak President, David Gunn, dated respectively June 5, 2002 and June 10, 2002. Charlie Miller reported the contract with Amtrak expired on June 30, 2002. A new contract has not been executed (negotiations continue).

Senator Mazza asked about the next steps with Amtrak. Mr. Miller stated Amtrak will have to present alternative service scenarios. Sen. Mazza also asked if Vermont is receiving the same, more, or less service than a year ago, and if this is due to lack of ridership or reduction of service by the company. Mr. Miller replied Amtrak is running one less train into Rutland, so slightly less service is being received by the state. The reason for the reduction in the number of trains is because Amtrak wanted to avoid having to overnight a train and the equipment was needed elsewhere. Sen. Mazza asked about the St. Albans service. Mr. Miller stated the service to St. Albans is unchanged. Station agents are on duty 40 hours per week, but the time can not be spread over more than five days. There is full day coverage except on Tuesdays. Ridership has not been adversely impacted. The least amount of tickets are sold on weekends yet weekends show the highest ridership. There is a caretaker at the site when the train arrives. There have not been problems with passenger baggage. The building is open within an hour before the arrival and after the departure of the train.

Al Perry asked which option of service is being discussed as the contracted service from Amtrak. Mr. Miller explained Option #1 of the 2003 contract where the Ethan Allen Express overnights in Rutland (the State pays for this). Option #2 where the layover is eliminated and the train is in/out is being reviewed by Amtrak. Amtrak is aware the State has approximately \$2 million available for service, stated Mr. Miller.

Philene Taormina questioned why the State is paying for a layover when there is not a layover. Ms. Taormina observed Amtrak may be cutting service as a way to decrease their loss, but Vermont should experience a decrease in spending as a result. Mr. Miller explained the plan shows Vermont paying 20% of fully allocated cost working toward paying fully allocated cost after five years.

Chris Andreasson provided the Council with a handout using figures in Option #2 (in the Rail Plan) and showing the revenue/mile, cost/mile to operate the train, loss/mile, average passenger/mile, loss/passenger and loss/trip by the State. Mr. Andreasson requested reports on passenger service in Vermont be in this report format since transportation companies measure productivity by cost and revenue per mile. Mr. Andreasson noted per the figures he provided, the loss per mile and the cost per passenger for the Amtrak service in Vermont is very high. With bus transit service, feeder lines operate at a loss, but this is justified because these lines feed the main trunk lines of the service. Amtrak should look at the Ethan Allen Express and the Vermonter as feeder lines to Springfield, Boston, and New York, and give Vermont credit for passengers from these "feeder" lines. Charlie Miller confirmed Vermont is charged with any cost Amtrak incurs for service from the time the train leaves their core network, but if a passenger boards the train in St. Albans to go to Washington, D.C., Vermont gets the credit. Vermont gets credit for a passenger going to Penn Station, but does not receive credit beyond that point (i.e. if the passenger goes on to Chicago, for example). It was noted Congress is going to request a higher level of understanding of the figures and accounting practices and reports of Amtrak.

Chris Andreasson stated Vermont Transit must charge 20% more for a ticket from St. Albans to Montreal because Vermont Transit must pay Amtrak 20% of the fare. Greg Maguire interjected Amtrak is marketing sales in Vermont's direction, so the 20% of the bus fare may be used for this.

Mr. Andreasson asked how Amtrak measures productivity. Greg Maguire stated Amtrak measures yield, and the information is proprietary (not publicly available). Per passenger, yield is the cost plus profit (Amtrak does not provide the State with their yield figure, but this number can be determined by the available data). Mr. Miller noted the State does not always agree with the portion of the cost designated by Amtrak to be paid by Vermont. Mr. Andreasson asked about the Vermonter. Mr. Miller stated the Vermonter is shown with food service and without food service, and in 2007, there will be a shuttle from New Haven to White River Jct. for a turnaround.

There was further discussion of receiving credit for passengers (including transferring passengers), when the contract will be in place (Amtrak wants to do an assessment of the full system before making any changes), and paying fully allocated costs (John Pennington pointed out Amtrak is paying the railroad variable costs, but when Amtrak begins to receive payment of fully allocated cost from the State, the railroad will want their full costs paid as well). Senator Mazza observed the data does not point toward a brighter future with Amtrak, and it seems a point will be reached when the ever increasing subsidy will have to end. Sen. Mazza asked if there is any progress on passenger rail within Vermont since no progress is being made with Amtrak. The State is receiving less service for more money which makes no sense to continue to support, stressed Sen. Mazza. Charlie Miller clarified the question is what the State is paying for now and what Amtrak wants for payment in the future. Presently, Vermont is paying 20% of the cost of service with this expected to increase to 100% of the cost in five years. The service is different, not decreased, stated Mr. Miller. A spreadsheet on Amtrak service and where the passengers are was given to the Council. Mr. Miller pointed out the stations outside of Vermont are considerable contributors of passengers. Vermont gets credit for passengers from Amherst and Saratoga.

Senator Mazza asked if Vermont will get double the passenger service if the subsidy is increased to \$6 million. Charlie Miller explained Vermont will get service to the southwest portion of the state (part of the western corridor of the state) and lose the passenger numbers from the New York side (that is why the passenger number decreases). The numbers decrease and the subsidy increases, conceded Mr. Miller. Sen. Mazza again questioned how much the State can afford for passenger rail. A subsidy increase from \$2 million to \$6 million must be justified by greater ridership and a bigger service. Mr. Miller urged considering the benefit received from the passenger service (more people/tourists are being brought into the state which increase rooms & meals revenues, for example). Senator Mazza interjected people can also be transported into the state by bus.

Rick Moulton suggested a contingency plan of having the State operate a passenger rail service within Vermont that would connect with Amtrak service should be reviewed for cost effectiveness and efficiency. Charlie Miller confirmed this is being investigated by a study facilitated by the Vermont Transportation Authority (VTA). The report is due to the Legislature by January, 2003. Greg Maguire noted research has shown there is a 50% drop in ridership when passengers have to change trains to reach their destination, so having Vermont operate passenger service to dovetail with Amtrak trains may not work. Time and convenience (seamless travel) are paramount, and people want both when coming to Vermont. The data shows there are more riders with through trains than when having to switch from train to bus (for service from St. Albans to Montreal, for example).

Senator Mazza summarized the subsidy number continues to increase, and Amtrak has been in financial trouble for a long time. Serious consideration of what Vermont is willing to pay for ridership (and can afford to pay) is due. Greg Maguire mentioned the states of Iowa and Montana receive the same service from Amtrak as Vermont at no cost because these states are part of the national system. Vermont is in partnership with Amtrak and must pay for the service received. Vermont needs to get back into the national service or continue to pay for service received.

Brad Worthen asked if there is a downside to not having the layover with the Ethan Allen Express. Charlie Miller stated the service was initially designed without a layover. Both trains must be

coming out of Penn Station in order for the service to work with the schedule. Mr. Worthen asked if the marketing plan which is very ambitious is underway. Greg Maguire confirmed this, noting the Department of Tourism staff works in partnership with Amtrak to implement the plan. The plan is doable subject to the budget. Paul Craven noted the ridership on the Ethan Allen Express is up in the last three months, and the increase is being attributed to marketing efforts.

Al Perry asked about the status of the bill in the U.S. Senate. Charlie Miller reported the bill is expected to move out of committee onto the floor.

3. Burlington-Essex Project (Paul Craven)

Paul Craven provided a brief update on the Burlington-Essex project. The Chittenden County Metropolitan Planning Organization (CCMPO) is to vote on the earmark on 7/16/02 (the funds will cover preliminary engineering, final design, and acquisition of right-of-way). There is a task force reviewing how all transit entities can work collaboratively and potential funding sources in order to form an optimal transit system. The task force is made up of representatives from the CCMPO, CCTA, VTA, SSTA, and VTrans. The existing bus service (CCTA) must be funded, and there is increased congestion, decreased mobility predicted in the Route 15 corridor in the next 15 years so other mass transit options must be found (unless the footprint of the road is expanded, but this is not feasible in all places along the corridor). Most of the growth in Chittenden County has occurred outside of the identified growth centers.

Mr. Craven reviewed the strategy of the task force (review existing reports, define a regional transit entity, base the transit system where the population and jobs are located rather than county based, define the service area, determine a regional/statewide funding option). A draft plan and findings as well as proposed funding sources for the corridor plan (rail, bus, road intersection improvements) will be presented to the governing boards. The task force will work by consensus. KFH has been retained as the transit consultant.

George Schiavone mentioned the Legislature did not want final design included in the use of the earmark. Mr. Craven will further investigate this matter. It was noted final design will not occur before the next legislative session. The \$4.8 million for the Burlington-Essex project will fund preliminary engineering, final design and right-of-way acquisition of the eight mile of railroad track between Burlington and Essex Junction. The vote by the CCMPO is to include the project in the TIP. The design work and right-of-way acquisition will be done. Future construction will have to be funded from future earmarks.

4. Rail Crossing Policy (Philene Taormina)

The Council received a draft policy from the subcommittee for review and discussion at the next meeting. Comments and correspondence can be sent to Charlie Miller via E-mail.

5. Updates

Commuter Rail/VTA

Jim Fitzgerald provided the Council with a chart showing an analysis of ridership on the Champlain Flyer. Ridership numbers are close to last year's numbers, though there was a slump in April. In the first six months of 2002, ridership is up 68 riders (less than 1% growth) due to the negative message from the past Legislative session and bad weather. More aggressive marketing of the service is being done with positive results. The VTA is involved in numerous studies, including Amtrak into Burlington (RFPs due 7/22/02, opened 7/24/02), transit systems and funding (task force), and noise along the Burlington waterfront (meeting on 7/15/02). Noise from the train has not increased, but the number of complaints have increased with more people and businesses moving to the waterfront, stated Mr. Fitzgerald. The crossing at King Street and Maple Street is flagged in the early morning so the train horn does not sound.

Senator Mazza observed ridership on the Champlain Flyer is doing well in spite of the inclement weather in May and June. Representative Sonny Audette confirmed he heard comments of surprise the commuter rail service was still operating after the negative comments from certain sections of the Legislature. Rep. Audette commended Mr. Fitzgerald on the ongoing campaign to promote the service and assured people will return to ride the train. Greg Maguire said the Department of Tourism has been receiving calls asking if the service is still in operation. It is difficult to overcome the idea service is no longer available, but the Flyer's marketing campaign seems to be doing this.

George Schiavone asked about locomotives being at the front and back of the train. Mr. Fitzgerald explained the cab cars for the fleet were in for repair and the locomotives were needed to temporarily power the train.

Sonny Audette asked about the status of service to Vergennes. Charlie Miller stated a consultant has been hired to do the environmental assessment which is needed before the grant application can be submitted to the FTA. It is felt the earmarks that are secured presently should be enough to connect service to Vergennes.

LVRC (Charlie Miller)

Discontinuation of the line and the rail banking process is continuing with a completion date targeted for the Fall.

NVRR/CDAC (Charlie Miller)

There are crossing issues with the FRA on the southern end of the line (between Wells River and White River Jct.). The crossing is being flagged, but the FRA wants the crossing fixed. Regarding other buyers for the property, under the bankruptcy code, the purchase and sale agreement can be put up for bid. There are other railroads submitting bids for the property, but it is anticipated the first offer will be the one that is accepted unless there is an extremely attractive offer received.

6. Other Business

Loan of Money to Amtrak

The Council received a handout on the direct loan conditions being applied to Amtrak.

Letter from Pete Snyder

The Council received a letter from Peter Snyder regarding Amtrak.

Rail Advocate of the Year: Dick Pembroke

Applause was given to Dick Pembroke for receiving the annual Rail Advocate of the Year award.

7. Next Meeting Date/Agenda Items

Next Meeting: September 11, 1 p.m.- 3 p.m., National Life Building, Montpelier.

Agenda Items: Railroad Crossing Policy
ABRB Update

8. Adjournment

MOTION by Peter Gregory, SECOND by Chris Andreasson, to adjourn the meeting. VOTING: unanimous; motion carried.

The meeting was adjourned at 2:52 p.m.

LIST OF ATTENDEES

<u>NAME</u>	<u>AFFILIATION</u>
1. Charlie Miller for Brian Searles	Rail Council
2. John Cook	Rail Council
3. Greg Maguire	Rail Council
4. Peter Gregory	Rail Council
5. Sonny Audette	Rail Council
6. Chris Cole	Rail Council
7. Christopher Andreasson	Rail Council
8. Al Perry	Rail Council
9. Philene Taormina	Rail Council
10. Rick Moulton for John Booth	Rail Council
11. John Pennington	Rail Council
12. Sen. Richard Mazza	Rail Council
13. Curt McCormick	Rail Council
14. Tina Bohl	VTrans
15. Scott Bascom	VTrans
16. Nancy Rice	VTrans
17. Paul Craven	CCMPO
18. Brad Worthen	Rail Link
19. Rep. George Schiavone	House Transportation
20. Anthony Otis	RRAV
21. Tom Kennedy	SWCRPC
22. Bill Macormack	Vermont Transit
23. Dave Pelletier	LCPC
24. Jim Fitzgerald	VTA
25. Jennifer Royer	VTrans
26. Dick Pembroke	Legislature

27. Karen Songhurst

VTrans

28. Tim Lewis

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