DRAFT

Minutes

Rail Advisory Board Meeting
Discovery Room, Science Museum of Virginia
2500 W. Broad St.
Richmond, VA

July 13, 2006

Members present:

Sharon Bulova, Chairman
Richard L. Beadles
Dwight L. Farmer
Wiley F. Mitchell, Jr.
Peter J. Shudtz
Trenton Crewe
Bruno Maestri
Jack Quinn
Hunter R. Watson

Opening Comments

The meeting was called to order at 10:15 a.m. by Sharon Bulova, Chairman. Ms. Bulova introduced the new Director of DRPT, Mr. Matthew O. Tucker and the new Board member representing Norfolk Southern, Mr. Bruno Maestri. Both made short remarks to the Board.

Adoption of Meeting Agenda

A motion to approve the revised agenda of the July 13, 2006 meeting was made by Mr. Mitchell, seconded by Mr. Watson, and was unanimously approved by the Rail Advisory Board (RAB) members. The agenda was revised to include a discussion of HB1581.

Adoption of Minutes

A motion to approve the minutes of the June 6, 2006 meeting was made by Mr. Mitchell, seconded by Mr. Watson, and was unanimously approved by the RAB members.

Public Comments:

There were no public comments received by e-mail.

Lois Walker, President of Virginians for High Speed Rail; and Michael Testerman, Vice-Chairman of Rail Solutions signed up for public comment prior to the meeting.

Ms. Walker stated her organization looks forward to the day when interstate rail lines connecting all major cities, are celebrated much like the interstate highway system, now in its 50th year, and is mentioned in every Commonwealth Transportation Board plan as a viable alternative to air and roads. She urged the Board to make sure that the public benefit is measured for each study funded by the Commonwealth.

Mr. Testerman addressed the Board in reference to the history of HB1581 and HB446 as introduced in the 2006 General Assembly by Delegates Jim Cline and Jim Shuler. The impact of the widening plan for I-81 on the Shenandoah Valley was presented. The VDOT Tier 1 DEIS, released last November, summarized that rail improvements alone made little difference in the needs of I-81, but would compliment roadway improvements. Previous studies had indicated truck diversions to rail approaching 25%, but none of the scenarios VDOT has considered would divert more than 5.8% truck traffic, as they looked at Virginia only rail upgrades.

The main concerns of his organization are:

1. HB1581 be fully funded this year,
2. The study be completed expeditiously, but thoroughly, with full input by all sectors, including the non-profit community,
3. It fully considers the benefits of rail upgrades inside and outside of Virginia,
4. The I-81 corridor multi-state rail feasibility study plan findings be fully incorporated into the I-81 DEIS and that the DEIS is not completed until this happens.

Here are the operating characteristics that are listed in HB 1581:

1. Utilize existing VDOT or Norfolk Southern Shenandoah line right-of-way wherever possible;
2. Extend at least 500 miles, creating or expanding logical termini in Tennessee and Pennsylvania or New York with at least one intermediate terminal in Virginia;
3. Utilize suitable "roll on/roll off" and other efficient rail technologies and service concepts;
4. Achieve truck-competitive transit times and reliability between terminals;
5. Consider alternative ownership, management, and service operational options and requirements; and
6. Consider the option of a new rail right-of-way from Front Royal to Culpeper to expedite more efficient use of the Norfolk Southern Piedmont line.

Mr. Testerman's PowerPoint presentation is available on the DRPT website.

Status of the Rail Enhancement Fund –

Steve Pittard, CFO of DRPT, updated the Board on revenue collections for the Rail Enhancement Fund. For FY2006, $22,988,323 was collected, including about $400,000 in interest. There is an un-obligated balance of $1.6 million for the year, added to the projected revenue; there is about $13.9 million for the upcoming application cycle (November 06 – April 07). The Virginia Department of Taxation usually revises estimates in May and December, so there is a chance of a change later this year.

Chairman Bulova asked about the General Assembly dedicated funding bills, none of which passed in the regular session. There is anticipated to be a Special Session to address Transportation issues in September to November 2006.

Rail Enhancement Fund Application Package

Kevin Page updated the Board members on the evaluation process DRPT is working on for the REF Policy Goals and Implementation Guidelines. The staff is beginning a survey of the stakeholders on the first round of applications and sees minor adjustments in: Program Policy Goals, Project Selection Process, Project Execution Requirements, Project Application Elements, and the Benefit Cost Analysis. Some of this has come about as the staff develops the agreements for the first round of projects.

The survey results and draft document should be presented to the RAB at the September meeting for recommendation to the Commonwealth Transportation Board after that.

Discussion followed on the survey process, highlighting the definition of 'stake-holders' and how the general public will be involved in the process. Deliverability and accountability of the passenger and freight rail providers will be reviewed in the benefit cost analysis process.

Members of the Board also discussed the agreement and evaluation review process through the life of the project.

Map Project

Mr. Page updated the RAB on the status of the State Railroad Map. A work in progress of the Official Railroad Map for the Commonwealth was presented to

the Board. The Board was requested to respond to Director Tucker on what they saw as a need of the map.

Comments presented at the meeting included:

1. The need to add the abandoned rights-of-way that are available to be returned to service, if needed.
2. The availability of an electronic version of the map.

Overview of Existing Passenger Rail Studies

Chairman Bulova had requested that at the July meeting a presentation on the passenger rail studies be made, with freight rail studies presented at the September meeting. This would allow the Board to easily digest the material.

Alan Tobias reviewed the status of Amtrak funding, the need for improvements to the infrastructure, the REF projects for Virginia Railway Express, proposed and existing rail corridors and passenger rail studies, impact of freight and passenger movement on the corridors and development around the rail corridors, reduction in travel time from Washington, DC to Charlotte, NC, Richmond area improvements, and TransDominion Express.

Discussion by the Board members covered the status of Amtrak operation of VRE, administration of the Richmond area projects, providers of the local match for projects, project applicants, and how projects are developed.

Mr. Mitchell requested the Director, in consultation with his staff, to identify for the Board instances in which the 30% match could be a barrier to the implementation of a project.

Discussion of HB1581

Mr. Mitchell gave the Board a brief history of HB1581 to focus on the I-81 corridor within and outside of the Commonwealth and the reduction of about 50% of truck traffic from I-81, if certain improvements were made.

The bill was an effort to have DRPT to answer the question of addressing the entire corridor that if a system can be designed to divert a maximum amount of truck traffic, what could realistically be expected to be diverted?

No funding was made by the General Assembly for this bill and there has been an effort to fold this study into the inter-modal study being conducted by VDOT. Mr. Mitchell expressed the concern that if the agency and Board wait until the inter-modal study is completed the significance of diversion will be lost. He

suggested that advantage be taken of the studies already completed by Norfolk Southern and others.

There is available $1.6 million of un-obligated REF money that he suggested could be used to begin the mandated study.

Mr. Maestri related that NS has had internal studies over the past five years and is currently working with Whiteside Associates to update their evaluations of what could be diverted. The Norfolk Southern strategic planning group will be making a presentation at the September RAB meeting.

Mr. Mitchell requested the Director to report to the Board in September, that, if properly structured, the NS study could be seen as matching for DRPT's part of the study. In this way the staff and Board will not be starting from ground zero in September, we can look at what has been done, what is being done and what needs to be done in order to comply with HB1581, if there is a need for public funds and what would the proposal look like for funding such a study.

Mr. Beadles asked if the process could be advanced, before the September meeting. The Director will review the information presented at this meeting and respond to the Board on accomplishment of the preliminary plan for the study.

Other Business of the Board – Agenda Items for September 14 meeting

Mr. Beadles suggested that the members of the Board view Al Gore's "An Inconvenient Truth" before the next meeting. He saw some of the information as being germane to next month's discussions.

Mr. Crewe questioned the focus of the studies on the Eastern corridors of the state, with the need to address the rail corridors in the Western areas of the state.

The meeting was adjourned at 1:42 p.m.