



**Transit and Rail Advisory Committee
Meeting Minutes
August 12, 2011
1:00-4:00 PM
Denver: CDOT/HQ Auditorium**

Members Present	Yes	No	Members Present	Yes	No
Tom Allen	x		Matthew O'Neill		x
Gary Beedy		x	Michael Penny		x
Terri A. Binder	x		Ann Rajewski	x	
Craig Blewitt	x		Peter J. Rickershauser	x	
Richard Hartman		x	James Souby	x	
Todd Hollenbeck (Phone)	x		Michael E. Timlin	x	
Jonathan Hutchison	x		Bill VanMeter	x	
David Johnson	x		Scott Weeks		x

Others Present

Fred Sandal, Denver Regional Council of Governments
David Hollis, HNTB Corporation
Craig Gaskill, Jacobs Engineering

CDOT Present

Office of Policy and Government Relations: Mickey Ferrell
Division of Transit and Rail: Mark Imhoff, Tom Mauser, Wendy Wallach, Robin Foote
Division of Transportation Development: Tracey MacDonald-Wolff, Jason Wallis,
Region 4: Karen Schneiders

I. Call to order

Ann Rajewski called to order the regular meeting of the Transit and Rail Advisory Committee (TRAC) at 1:08 pm on August 12 2011, in the Denver CDOT/HQ Auditorium.

II. Agenda items

1. **Introductions:** The agenda order was revised to accommodate some presenters' schedules. Ann announced the sad news regarding the recent passing on August 2 of TRAC member Doug Lehnen, Rocky Mountain Rail Authority. Doug was 58 years old. Ann reminded everyone of the CASTA-CDOT Fall Conference that will held at the Sheraton Steamboat Resort in Steamboat Springs. She also circulated a TRAC registration spreadsheet for members to complete. A special thank-you went out to Michael Timlin for coordinating transportation to the conference, which will depart Thursday from Denver on a state-of-the-art Greyhound bus and return on Friday after the TRAC meeting.
2. **Framework for Future Agendas:** Ann discussed the September TRAC agenda and beyond. Ann proposed that Monthly Updates from TRAC members be conducted during every TRAC meeting. These would be quick updates due to limited time. Also, proposed was the movement on state and federal legislation regarding rail or transit. The group concurred with this proposal. The September TRAC agenda will include a Freight Rail Case Study from Steamboat and Funding

Freight Rail in Colorado. Ann reminded the group of the Performance Measures Session that will be held Thursday afternoon at the CASTA-CDOT Conference in Steamboat.

The Transit and Intermodal Committee (T&I) Retreat is tentatively scheduled for spring 2012. TRAC will bring policy issues to the T&I. Performance measures will also be presented on Freight, Public and Private Investment, and Operating Costs.

Jim Souby mentioned there were some issues regarding Intercity Bus (ICB) access to Denver Union Station. He wanted to know if CDOT took action to change that access to improve connections. Mark mentioned a few years back CDOT conducted an ICB study. His current thoughts were to expand on that study, using that ICB study, with the help from a consultant, to specifically look at metro area connections but also others in the state. Mark would like to get the process started this fall. Jim said he will write a letter of encouragement.

Mark mentioned the plans are stacking up; the ICB plan will fit into the State Transit Plan and the State Transit Plan will fit into the 2040 Statewide Transportation Plan. Mark stated that the Denver Union Station Project Authority (DUSPA) is the construction entity and handles funding to get things built, but not the transportation operations. Jim expressed concern that DUSPA was setting in stone what he would like to be flexible. Jim agreed to take the topic offline and Mark agreed to send Jim copies of the ICB letters that were received.

Terry Binder asked if the ICB study was by region or area. Mark stated the ICB is the whole state and would also include regional bus services. Ann added that there were two different types of riders. FREX is a good example of a commuter service that goes outside of the boundaries of a region. Michael Timlin added that connectivity should be with intercity, regional and local transportation, and between both public and private systems.

- 3. *Catch 22 Transit – Intercity and Commuter Service:*** John Tayer provided a PowerPoint presentation on the Transit Paradox and RTD's Bigger Financial Conundrum. John explained the inputs and outputs that make up transit operations. Inputs or expenditures (salaries, wages, fringe benefits, materials, supplies, services, utilities, insurance, purchased transportation, debt service, capital expenditures) result in the output, which are service hours. The funding drives expenditures, which lead to service hours. Regional Transportation District (RTD) has many external influences that make it a challenge for the system. Higher gas prices compounded with decreased revenue and increased operating costs result in service cuts to people when people need transit the most. John provided an overview of RTD's Base System Operation Expenses, which was a total of \$365.5 million for 2011. Fuel costs made up 8.4 percent of this budget. The Base System Funding Sources, excluding Financing for 2011 was \$459.1 million. Sales and Use Taxes make up 50 percent of the base revenues and Passenger Fares make up 23 percent. In 2012 it is anticipated that RTD will have a \$34 million deficit and growing to \$124 million by 2016. The consequences are to cut bus and rail service. RTD's Strategic Budget Plan for prior years has been cut by \$29.3 million in 2009, \$7.7 million in 2010, and \$18.1 million in 2011. The RTD Board created a Long Range Fiscal Sustainability Task Force. The purpose of the Task Force is to develop a formal written report to be submitted to the RTD Board in Jun 2011 detailing opportunities for operating efficiencies and revenue enhancements to ensure RTD fiscal sustainability in the long term. In summary, the Task Force recommended 13 potential actions.

John concluded the presentation and opened the floor for questions. Jim asked about the impact on ridership. John stated the 11 percent increase in fares resulted in a 25 percent reduction in

ridership. Jim also asked what percentage of a family budget is for transit. Bill VanMeter mentioned he has this information for the region. Terry Binder mentioned that when she was on the Board there was plenty of money in sales tax, which paid for parking facilities for riders; however, paying for parking is now being considered and is controversial. John stated that this would be analyzed. Terry also mentioned, in Arvada a ride is provided to Denver International Airport and ridership hours have increased. John replied if you reduce the size of a vehicle, and have a direct route, this may reduce costs. Service optimization would allow a system that serves more people and have cost savings with smaller vehicles; however, driver costs would still be high. Mark mentioned that partnership with ICB lines can capture the value. John agreed, for example Greyhound shuttles people to the mountains. However, RTD buses are not designed to go the long trips because they do not have bathrooms, so you pass off this service to Greyhound.

- 4. Funding and Financing of Transit Operations:** Mickey Ferrell provided an overview of FASTER funding for Transit projects. FASTER funds are from fees associated to registering your vehicle. Statewide FASTER projects are allocated \$10 million per year and local FASTER projects are allocated \$5 million per year. FASTER funding is distributed through a statewide competitive grant process.

Federal transportation funding sources come from gasoline tax plus vehicle registration fees plus other fees and tickets. Of the gasoline tax, the state tax is 22 cents per gallon and the federal tax is 18 cents per gallon. Currently, the federal tax on gas goes to the Highway Trust Fund (HTF), part of which is given to the FTA for transit. These transit funds from the HTF go towards an Urbanized formula, which are provided directly to urbanized transit providers like RTD. They also is a Rural formula that's provided to the states, which determine where to award the funds. The FTA Section 5309 capital discretionary funds are obtained through the General Fund, not the HTF. How will the General Fund money be obtained given the tight budget? One thought would be to eliminate the line between the Trust Fund and the General Fund. Transportation would become a 100 percent General Fund program, which is good and bad. Good because you eliminate the struggle about how much transportation funding comes from the General Fund and how much from HTF; bad because the General Fund can be used to pay for other things such as housing. The Highway Trust Fund would be used for anything at the federal level.

Reauthorization and federal funding is a big question these days. Mickey is not sure what Congress is going to do. He was asked how we can help transit when gas tax dollars are going down. Mickey responded that the Vehicle Miles Traveled (VMT) is tied to the economic industry in Colorado and our VMT is either up or down. Mark mentioned there are bills that are out there that may help.

Mickey stated the federal transportation authorization bill (2005-2009) expired but the gas tax was extended out. However, the tax will expire on September 30th if not extended. Failure to renew the gas tax could be very harmful for transportation funding, for there would be no funds in the Trust Fund. For reauthorization of the surface transportation bill, one proposal is to extend it for six years and one for two years. CDOT's position is to support the 2-year extension.

Colorado has not raised its gas tax in 20 years. Adjusting gas tax in 2 years is under discussion. Terry asked if the Mileage Base User Fees were being considered. Mickey stated this was a pilot program and there are issues that need to be worked out with the other states. This is considered the best long term funding solution.

Mickey touched on the Surface Transit Authorization Bill for railroad crossing and there is not much rail funded through the Passenger Rail Investment and Improvement Act (PRIIA) bill. The American Recovery and Reinvestment Act (ARRA) bill kicked off the High Speed Rail Program and how it would be funded. Jonathan Hutchison mentioned there were two pots of money: PRIIA and ARRA, which provided \$12 billion. Tom Mauser asked if any money was taken off the top of the federal gas tax after the funds were allocated, as happened in Colorado. Mickey stated 10 percent of the total funds are taken off the top for safety, research, and the administration of the program. Mickey concluded the CDOT portion of the presentation and Jonathan Hutchison continued with a presentation on Amtrak's funding.

Jonathan provided a PowerPoint presentation on Amtrak's funding, which includes federal support through appropriation and reauthorization and state support. A breakdown of Amtrak's finances was also provided. Amtrak is chartered by Congress as the nation's intercity passenger rail, which began in May 1971. The majority of route miles are on tracks shared with freight trains. Amtrak covers 76 percent of operating costs with ticket revenue. Total revenue covers 85 percent of operating costs and Congress' annual appropriation covers 15 percent. Amtrak reports 28.7 million passengers in FY10, which is the highest ridership in Amtrak's history. Ridership has been up 6.7 percent for the past 20 consecutive months and is on pace for serving over 30 million passengers in FY11.

Federal support is received through an annual appropriation. Amtrak makes a request and Congress and the Administration negotiate the final amount. Approved federal funding is less than requested and is inadequate compared to the other modes. Amtrak's federal appropriation for 2011 was \$1.48 billion, compared to the Federal Transportation Administration (FTA) at \$10.3 billion, Federal Aviation Administration (FAA) at \$15.9 billion and Federal Highway Administration (FHWA) at \$42.7 billion.

The existing reauthorization legislation, known as PRIIA, provides multi-year funding targets for Amtrak, but not the funding. It creates a framework for an 80/20 federal capital matching program; however, only the framework is in place. PRIIA outlines the principles and values regarding Amtrak's roles, but the lack of clarity remains particularly regarding the need for a national system. PRIIA attempts to minimize the volatility of the "Amtrak Issue"; however, funding Amtrak remains as volatile.

In February 2009, Amtrak received \$1.3 billion in stimulus funds from ARRA of which \$977,909 was invested in Colorado. This funding allowed for capital projects in Grand Junction, Winter Park/Fraser, Glenwood Springs, Trinidad, La Junta, Granby, and Lamar. In 2010, Amtrak partnered with 15 states (CA, NY, MO, MI, ME, IL, WI, WA, VT, VA, TX, PA, OR, OK, NC), which provided operating and often capital support for shorter-distance trains. These services comprise more than half of Amtrak's departures.

Jonathan explained the impacts to underfunding intercity rail. Amtrak's fleet is old and needs replacement, and its age and size hampers ridership and revenue. Before 1997, Colorado was served by four Amtrak routes (Pioneer, Desert Wind, Southwest Chief, California Zephyr); today, only two remain (Southwest Chief, California Zephyr). Amtrak's ability to partner with states and host railroads on infrastructure improvement projects is extremely limited.

In the forty years of Amtrak's existence, the federal government has invested a total of \$36 billion in the Amtrak system and \$10.5 billion in High Speed Rail. Between 1971 and 2008, the federal

government invested more than \$421 billion in aviation and over a trillion dollars in highways. Despite the chronic financial challenges, Amtrak's fiscal performance is far superior than most other transit providers.

Jim Souby commented about system costs being built-in to provide the operation. Jonathan stated that \$46 million to reduce or eliminate a line does not save the same amount of money. The loss of revenue is greater than the loss of cost of operations. Jonathan was hesitant about giving an exact percent of cost savings, because rails are still there and eliminating 12 trains doesn't change the facility. Terry Binder commented that Amtrak runs with freight rail. Jonathan clarified that while Amtrak often gets priority on the freight line, sometimes it has to wait on a siding for a freight train to pass. Jonathan mentioned the appropriation decreased because two lines were eliminated. It's the condition of the infrastructure and trying to partner with states to allow Amtrak and freight to run effectively. The network is breaking down, making this largely a federal issue. Mark talked about how to preserve the Southwest Chief, which requires track upgrades in three states: Kansas, Colorado, and New Mexico. The cost for track upgrades for all three states is in the range of \$200 million. Amtrak wants the upgrades; however, if the states are unable to provide funding one option would be to bypass Colorado. Jonathan stated that Transit does not have a Rail Title and Amtrak would like to see a Rail Title in the authorization.

5. ***Freight and Longer Combination Vehicles Follow-up:*** Wendy Wallach provided an updated on the Freight and Longer Combination Vehicles (LCV) discussion at the last TRAC meeting. Wendy talked to Herman Stockinger to determine how to proceed with follow-up discussions and TRAC policies. CDOT would like to hear the recommendations from TRAC regarding policies affecting freight. Pete will lead the discussion at the October TRAC meeting.

Pete will coordinate with the Short Line for the October TRAC Agenda. Mark was concerned about the delay in the T&I Spring Retreat and the 2040 Statewide Transportation Plan and modal integration is part of that. Mark mentioned the T&I Committee will have new members next month and a new committee for us, and we need to push this and not wait next fall. Craig Blewitt asked if there were any written information to give the T&I. Ann said she would take time to sit and talk to T&I and share information with them. Mark suggested we invite the T&I Chairman to our fall meeting.

6. ***Towner Line Status:*** Wendy provided an update on the Towner Line. CDOT will receive funds from the sale of the Towner Line and the funds will be deposited into the State Rail Bank. Indications are the governor may take the funds and deposit them in the General Fund to offset the state deficit. If that is the case, CDOT will discuss the options with TRAC. Pete was unclear why the State Rail Bank was created; Wendy stated it was to support state rail and rail use. Mark clarified that the funds were initially deposited into the General Fund and transferred to the State Rail Fund. Jason Wallis mentioned that legislative action would be needed to take the funds back.
7. ***Railroad Communication:*** Jason Wallis provided a handout on CDOT's Freight Rail Activities. He discussed the current programs, which included Section 130, also known as the Highway-Rail Crossing program, and the Crossing Inventory program. The Federal Highway Administration (FHWA) is responsible for public grade crossing issues that affect highway safety. FHWA provides guidelines and standards for the correct design of grade crossings, the assessment of safety at the grade crossing, and appropriate placement of traffic control devices at and on the approach to a grade crossing. Jason also touched on administrative activities such as abandonments and the requirements for notification and annual reporting, and the Towner Line.

Jason informed the group that a White Paper was prepared regarding a Communication Plan between the public and the railroads, and its objectives, which was also presented to the Statewide Transportation Advisory Committee (STAC). Jason stated he needs ways to get the appropriate people to the table. Jim wanted to know if the handout was for the public. Jason said it was an internal document and he wanted to smooth out issues and work as a team, first. Mark mentioned the handout would be presented to the public at a later date. Pete asked about the communication hierarchy and Jason said he was looking at that now and the impact it has on everyone.

8. ***Follow-up Discretionary Grants:*** Tom Mauser provided a list of projects that were forwarded to the FTA as part of the 5309 State of Good Repair (SGR) and Bus Livability consolidated grant application. Nineteen SGA projects and five Bus Livability projects were submitted. Projects that did not meet the minimum score threshold were not forwarded to the FTA. Jim asked about the agency response on the process. Tom stated the CASTA consultant was helpful and felt most people thought the selection process was an improvement over last year's process. Jim asked if any feedback was received on the projects that were not eligible. Tom contacted each agency whose projects were not awarded and let them know the primary reasons they were not selected and mentioned to them they will automatically be considered for FASTER funding. Craig asked if any comments were received on what could be clearer. Tom responded the review committee looked at the merit of each project while determining the score.
9. ***Wrap Up:*** Terry wanted to remind the group to save the date for the Full Funding Grant Agreement Ceremony and Gold Line Groundbreaking at the Grandview Lot in historic Olde Town Arvada on Wednesday, August 31, 2011 at 2:30 pm. Join the USDOT, FTA, and RTD to commemorate the award of a \$1.03 billion federal grant along with the groundbreaking of the Gold Line – where prospectors also struck gold back in 1850.

III. Adjournment

Ann adjourned the meeting at 4:03 pm.

Minutes submitted by: Robin Foote

Minutes approved by: Wendy Wallach and Tom Mauser