

Front Range Rail Bypass

In search of the Holy Grail
A 40 Year adventure

Rocky Mountain Transportation Systems

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1. 1979 Rail Bypass Feasibility Study
 2. 2005 Public Benefits and Cost Study
 3. 2009 Colorado Rail Relocation Implementation Study



Major reasons for lack of progress on building the bypass

- Lack of agreement on how to pay for the bypass
- Too disruptive to existing farm/ranch operations by dividing farms and ranches
- UP felt that the bypass only benefitted BNSF
- BNSF network priorities have changed



Guiding Principals

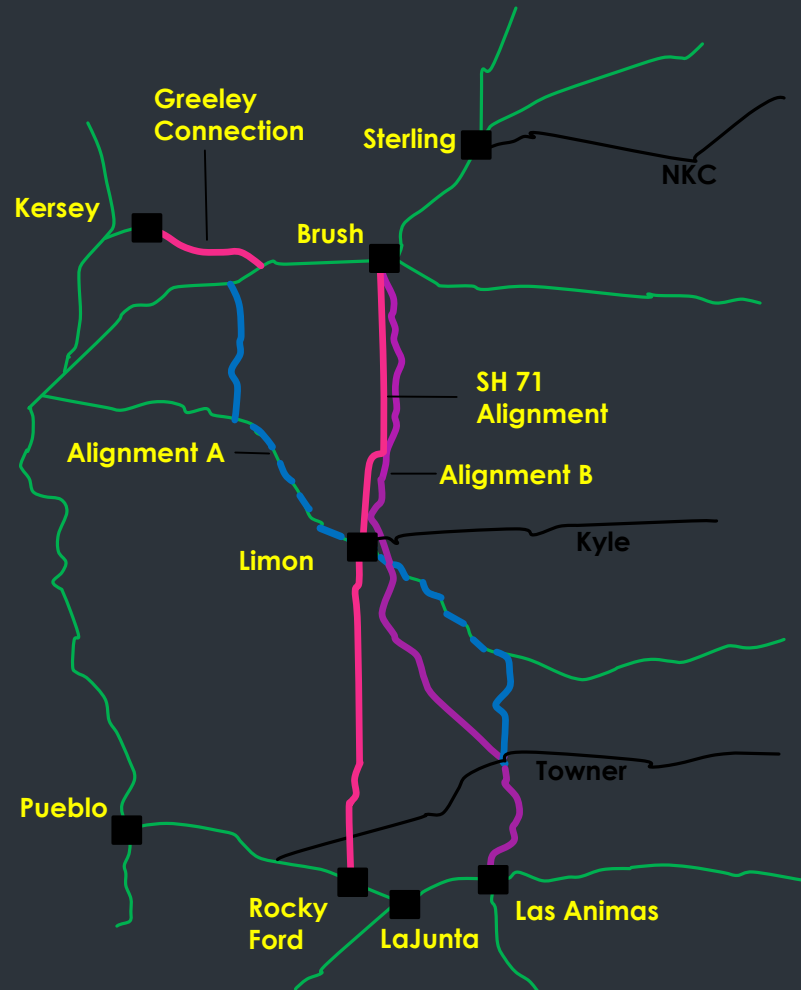
The overall goal of our effort is to facilitate the implementation of intercity passenger rail service along the Front Range by moving the overhead rail traffic out of the Front Range

Front Range Rail Bypass Key Elements

- Identified a new alignment to reduce disruption to farm/ranch operations
- Make all crossings quiet zones
- Should not favor BNSF over UP by providing the Kersey to Fort Morgan connection
- Need to find a way for BNSF and UP a reason to say “Yes” to using the bypass

RMETS

SH 71 Alignment and Greeley Connection





Asked BNSF if they would consider a credible proposal for BNSF to use the Front Range Rail Bypass

Answer

Happy with their current operation through Colorado



Possible Reasons for the Response

- Powder River Basin coal is not expected to grow and it is actually declining
- Bypass does not provide a significant enough benefit/savings to BNSF
- Have made investments in the existing rail lines to improve performance and lower operating cost

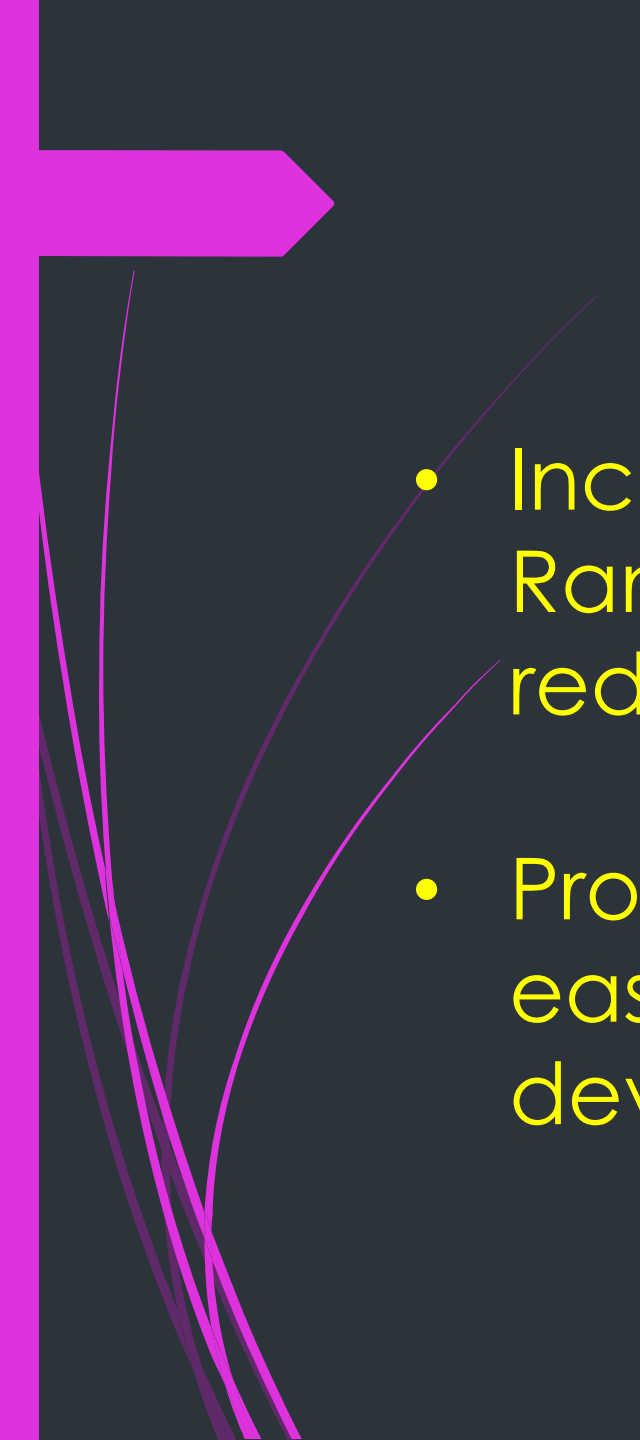
Options for UP and BNSF to Say “YES”

- Charge UP and BNSF a lease rate of less than \$0.01 per ton-mile for using the Front Range Rail Bypass
- Charge UP and BNSF a fee per rail car for rail traffic using the I-25 corridor (overhead traffic only)
- Require trains containing hazardous cargo to travel at a reduced speed for safety reasons



Benefits of Front Range Rail Bypass Approach

- Does not favor UP or BNSF by providing the Kersey to Fort Morgan connection
- May, depending on location of intercity passenger rail lines, lower the cost to implement intercity passenger rail service along the existing rail lines by moving overhead traffic to the bypass
- Should lower the cost for farmers to get their product to market
- Improve performance of BNSF and UP rail service



Other Key Elements of the Front Range Rail Bypass

- Include intermodal facilities in Hudson, Front Range Airport and La Junta which should reduce rail traffic during peak-hours
- Provide intercity passenger rail service for eastern Colorado to spur economic development

Financing Methods – Front Range Rail Bypass

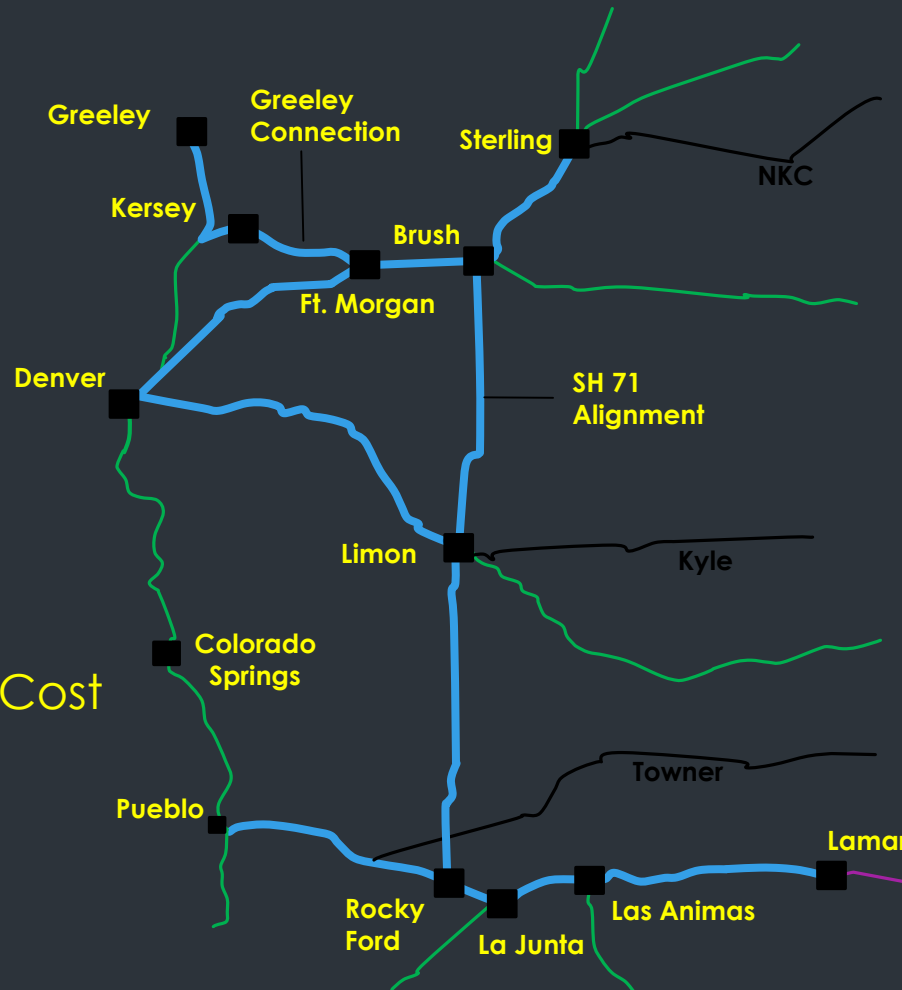
- Enter into an IGA between counties and cities along the Front Range and in eastern Colorado
- Existing coal traffic (100 million tons/year)
- Existing farm/ranch business
- New agriculture business (hemp) – locate processing facilities along the bypass
- New overhead business

Eastern Plains Intercity Passenger Rail Service Routes

Frequency of Service
3 to 5 trains per day

Number of Stations
5 to 10 per line
Off-Line Stations

Technology
Battery Power Rail Cars
FRA Certified Rail Car
Much Lower Operating Cost



1. Sterling to Denver
100 miles
13 stations
\$32 million

2. Limon to Denver
69 miles
8 stations
\$48 million

3. Lamar to Pueblo
120 miles
7 stations
\$48 million

4. Sterling to Greeley
45 miles
3 stations
\$0 million



Financing Methods – Eastern Colorado Passenger Rail Service

Station Access Fee for Capital Improvements

- Sterling to Denver (\$3 million/station)
- Limon to Denver (\$6 million/station)
- Lamar to Pueblo (\$7 million/station)
- Sterling to Greeley (\$0 million)

Operating Subsidy

- Using battery-powered rail cars
- Significantly lower operating cost
- Expect farebox revenue to cover the operating cost



Benefits of Other Elements

- Allow for the development of lower cost housing along the three rail lines for employees working along the Front Range
- Bring economic development to eastern Colorado



Needed Studies

- 2009 Bypass Study identified an eastern Colorado agricultural study
- Study ways to convince BNSF and UP to move overhead rail traffic to the Front Range Rail Bypass
- Identify the cost to implement intercity passenger rail service with and without overhead freight traffic along the Front Range

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Questions and Answers

RMTS