

Meeting Notes  
Executive Oversight Team

Colorado Railroad Relocation Implementation Study – R2C2  
Denver, CO – June 12, 2008 11 a.m.

Meeting Attendees

CDOT

Russ George -	Executive Director
Jennifer Finch -	DTD Director
Tammy Lang -	CDOT Project Manager

RTD

Henry Stoppolecamp -	Engineering Technical Services Mgr.
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BNSF Railway

Colleen Deines -	Director, Public Private Partnerships
Mike Sickler -	General Director Transportation

Union Pacific Railroad

Mark Bristol -	General Director, Network and Business Development
Joseph Bateman -	Vice President – Public Affairs

Consultant Project Team

Randy Grauberger -	PB Project Manager
Jack Tone -	PB Implementation Team Lead
Bob Felsburg -	Principal Advisor (FHU)
Jerry Albin -	Railroad Planning & Engineering (FHU)
Nick Amrhein -	PB Strategic Consulting

Following introductions, Tammy noted that Jennifer Finch and Russell George might be late arriving.

Tammy then turned the meeting over to Randy Grauberger, Parsons Brinckerhoff's (PB) Project Manager for the Rail Relocation Study, "R2C2".

Randy distributed copies of the minutes for the previous EOT meeting that was held on March 28, 2008. It was noted that the titles for BNSF's Mike Sickler and UP's Joe Bateman needed to be corrected. These meeting minutes show their corrected titles. There were no other additions or corrections to the March 28 EOT meeting minutes.

Randy next discussed the status of the 4-party Memorandum of Understanding. It was agreed by all that there would be no further effort to complete this document. However, UP indicated they would like to proceed with 2-party MOU similar to what the UP and Texas DOT had signed.

Nick Amrhein next provided an update on the Funding and Financing Analysis. He spoke from a handout entitled “Benefits Analysis and Funding Update”. He began with the status of the Revised Benefits Analysis which had been distributed on June 5. The document is essentially on hold, awaiting details from the rail operations modeling effort, expected to be completed by late June.

Jack Tone noted that the information included in the June 5 Revised Benefits Analysis included AAR based data. It was now being suggested that more applicable data be used that would better reflect the characteristics of the bypass alignments. Therefore, it is proposed that the fuel savings from the RTC model will be included, as well as actual crew costs for the coal trains which would operate over a selected bypass alignment. The maintenance of way costs would be based on historical maintenance costs using gross ton miles. Both railroads suggested this might be a better approach than using the AAR ‘green’ book data.

This discussion of the RTC model raised some questions about the assumptions being used in the model. Mark Bristol requested that PB send the modeling “assumptions” again to the railroads for their review.

Nick noted that there would be two different discount rates used in the analysis. A rate of 2.8% would be used for the public sector benefits and a discount rate of 9.98 % would be used on the railroad’s benefits. Both railroads concurred with using these two rates.

Colleen Deines noted that the current analysis approach will understate the public benefits because it does not include the benefits associated with future passenger rail operations. Randy suggested that the analysis would include the same level of analysis that the 2005 Public Benefits Study included; looking at the capital cost savings from not having to build new passenger tracks in the Denver to Pueblo corridor. There was a discussion that this was certainly not all of the benefits associated with rail passenger service. Nick Amrhein noted that the costs of the rail passenger service were also not included. Randy Grauberger said the benefits and costs of passenger service were expected to be calculated in the Rocky Mountain Rail Authority (RMRA) Feasibility Study that was just getting underway.

Bob Felsburg suggested that the Study should be consistent; either use all passenger related benefits and costs, or don’t include any. It was decided by the group **not** to include passenger rail related benefits **or** costs, and this will be noted in the final report. It was also suggested that the RMRA Feasibility Study be discussed at the June 27<sup>th</sup> TAC meeting.

Nick next discussed some of the possible federal funding programs that might be sources of funding should this Study move forward to implementation. There are currently no appropriations for many of these programs - only authorizations. Much may depend on the re-authorization of the federal transportation programs. It was suggested that the last federal funding support for a major rail bypass project may have been in Indianapolis in the 1970s.

Jennifer Finch made it very clear that “there will not be much public funding available in the near future.” She further noted that the Governor’s Blue Ribbon Panel on Transportation Finance had identified a category of projects called strategic transit and that this project had been mentioned as eligible for that category of funds. The next step would be to find a funding source(s) for this and other projects in that category. She stated that relocation of the through freight is the first step to seeing how CDOT might help a front range passenger project by preserving right of way for future rail transit. Jennifer noted that the state currently lacks the legal ability to build and operate intercity rail passenger services.

Joe Bateman noted that the railroads select their capital projects based on ROI (return on investment). He also said that there is some public perception that the railroads are in part federally funded.

Jennifer stated that a bypass project as it is being evaluated would also have benefits such as those related to greenhouse gas emissions in the State.

Jerry Albin of FHU next discussed the Preliminary Opinions of Cost for Alignment A and two versions of Alignment B (based on the two possible connections in the Brush vicinity). Jerry noted that estimates had been revised to separate out the cost of the Beshoar Junction connection. Estimates are based on standards and criteria previously approved by both railroads. FHU also has more work to do in refining the costs of grade separations.

BNSF suggested that they may be able to configure their trains with 128 cars and 2 X 2 locomotive consist (two on the front and two on the back) if the grade does not exceed 0.8%.

Jennifer Finch indicated that the “10 % for Transit” Senate Bill 1 funding program (possibly \$80 million over the next 3 to 4 years) was going to be going out for applications in the near future. She said that CDOT is considering applying for some of those funds.

Randy Grauberger noted that another Open House has been scheduled for June 17<sup>th</sup> in Las Animas. The railroads were invited to attend. Also, CDOT is proposing to host “Local Elected Officials” meetings related to R2C2 sometime in August. The final round of R2C2 Open houses is tentatively scheduled for late September.

A question came up at one of the Open Houses regarding the railroads helping local community emergency programs. BNSF noted they have a program which provides free training to communities and other interested parties. Russ George also stated that there is federal grant money available through Homeland Security.

Under the agenda topic “Other Issues” Colleen Deines expressed concern that Randy had been quoted in a newspaper article stating ‘BNSF favors Alignment B’. Executive Director Russ George noted that the reporters will get you to say what they want you to say. He also noted that we all need to keep in mind when dealing with the press that neither CDOT nor the consultant should be speaking for the railroads.

Colleen asked how we could have open discussions without them appearing in the press. Director George noted that all of these EOT and TAC meetings were public; but that when negotiations related to implementation of a project begin, those meetings can be closed.

It was suggested that the next EOT meeting would be held in Denver at CDOT’s Headquarters Building on August 7<sup>th</sup>. **(IT WAS LATER DETERMINED THAT THERE WERE CONFLICTS WITH THAT DATE. THE NEXT EOT MEETING HAS NOW BEEN SCHEDULED FOR AUGUST 4<sup>th</sup> FROM 2 TO 4 PM.)**

There being no further business the meeting was adjourned at 1:35 p.m.