

# *Meeting of the Southern Rail Commission*

December 7, 2018 9:00am-12:00pm  
Regions Bank - 11 North Water, Mobile, Alabama

## MINUTES

**Call to Order:** *Chairman John Spain*

**Roll Call**

**Recognition of Special Guests and new Commissioners**

**Attending:** John Spain, Roy Woodruff, Wiley Blankenship, Jerry Wall, Tommy Clark, Anita Archie, Kay Kell, Stephen McNair, David Clark, Phil Jones (proxy)

**On Phone:** Toby Bennington, Knox Ross, Anita Clemons

**Guests:** Dan Dealy, Haley Blakeman, Maggie Woodruff, Scott Goldstein, Todd Stennis, John Robert Smith, Alex Beckmann, Greg White, Larry Watts, Pamela Baptiste, Andrew Johnson Ray Lange, Brad Christensen, Senator Brice Wiggins

**Pledge of Allegiance and Prayer**

**REGULAR BUSINESS:**

- I. Commissioner Wall made a motion to approve the minutes from the last meeting and Commissioner Woodruff seconded. The Commission unanimously approved the minutes from the meeting of September 7, 2018.
- II. Commissioners Spain and Ross thanked Senator Wiggins for his assistance and legwork to get coastal delegation up to speed on passenger rail.
- III. Legislative Affairs Update - *John Robert Smith and Alex Beckmann*
  - a. The SRC Executive Committee held a training for new AL commissioners yesterday to get them up to speed.
  - b. John Robert reviewed lots of changes on Capitol Hill that could affect SRC.
    - i. During midterm elections, Democrats took control of house. Lots of changes in the Senate as well. Most subcommittees will have new leadership. They are still watching how these shifts will play out and will keep us posted. They will start making new relationships. Some of the new leaders have major interests in rail and will be good partners. A summary of political seat shifts is in the presentation given by T4America at the commission meeting and send to commissioners by Haley on 12/14/18.
    - ii. FY19 appropriations are not complete for transportation yet because of lack of agreement on the boarder wall.
    - iii. Congress will be back in session January 3. The SRC Executive Committee comes on Jan 7-10 to the hill for meetings with committee chairs.

- c. John Robert reviewed why the Coast Guard is a partner for moving Gulf Coast passenger rail forward.
  - i. The Coast Guard owns lots of bridges. In previous studies, CSX said that the Coast Guard always keeps the bridges open for boats so trains cannot pass, slowing down trains. CSX used this to request a large budget to replace all of the bridges. This is not true. Working with Sen Wicker and SRC, the Coast Guard agreed to keep bridges open for passenger rail because they are so fast. T4America helped craft language with Coast Guard in their authorization and appropriation that just got passed agreeing that the Coast Guard will not inhibit Gulf Coast rail or drive up coast.
- d. FY19 Budget
  - i. Northeast Corridor \$650M in congressional budget. While this would not be available to Gulf Coast Rail, they will be good partners.
  - ii. Amtrak has \$1.292M in congressional budget.
  - iii. Fed-State Partnership for Good Repair has \$500M in budget. LA, MS, and AL should be putting some applications together for these improvements.
  - iv. CRISI will have \$255-\$300M in budget and R&I \$0-\$10M in budget. This is not as much as FY18, but still strong.
  - v. The work that SRC has been doing is paying off, and this budget looks good for SRC.
  - vi. 2018 money has been released, and SRC has applied. T4America thinks that 2019 will have money available so we can apply.
  - vii. Senator Wiggins gave an update on the MS match. At Senator Wiggins's request, T4America is preparing language to make the appropriation match CRISI for Mississippi. Senator Wiggins noted that Mississippi has taken BP money to do their rail match. Senator Wiggins and Todd Stennis will contact MS congressional members to build support. MDA (Mississippi Development Authority) is supposed to vet the projects for the BP oil spill money. While they do not have to sign off on it, CSX was using them to block the request for the matching money for CRISI. The money will be coming from the legislature appropriations and the first BP money appropriations, so the money could go through MDA appropriations bill without MDA support.
    - 1. Commissioner Spain explained that the heavier financial burden is on Mississippi because of the length of rail. John offered Senator Wiggins support from the Executive Committee and Washington consultants.

IV. Financial and Administrative Report - *John Spain*

- a. Financial Report
  - i. Outside accounting firm that does all of the financial transactions.
  - ii. Commissioner Woodruff made a motion to approve financials and Commissioner Kell seconded. The Commission approved the financial report unanimously.

V. Communications and Media Update - *Haley Blakeman and Dan Deal*

- a. Haley stated that most of CPEX's work over the last quarter was onboarding the new commissioners, including ordering cards, updating the website, sending out press release, etc. CPEX is available to help prepare SRC communications material for commissioners at

their requests, such as presentations and briefs. Haley will order ID cards for those who do not have them.

- b. Dan reviewed some of the recent Alabama communications work in preparation for the funding request, and noted that he does the Facebook posts for SRC.

#### **OLD BUSINESS:**

- I. Report on Executive Committee activities - - *John Spain*
  - a. The Executive Committee has a weekly phone call with Washington consultants on Mondays.
  - b. The Executive Committee visits Capitol Hill each January.
  - c. The Executive Committee visited Brightline, which will soon be redone as Virgin Rail. Virgin has air service to Miami from Europe, and a cruise line, which they will link to. Brightline is a private rail line that is looking at pair city connections, such as New Orleans to Mobile, Mobile to Orlando. It is another option to Amtrak. Totally different model than Amtrak and may not be applicable.
    - i. Takeaways: 1) Customer service was incredible. 2) They develop their real estate at the stations to offset costs – shops, eateries, high end retailers, apartments – where people want to hang out.
  - d. John Robert and Todd Stennis said they expect a letter of agreement between CSX and Amtrak next week on the analysis of New Orleans to Mobile to determine enhancements needed.
    - i. FRA to reassessed the rail between New Orleans and Mobile to restore passenger rail and recommended \$200M in infrastructure improvements.
    - ii. Amtrak has had right to run passenger rail, but want to do it more often and at reasonable hours so that it is efficient.
    - iii. CSX has been quoting \$2.3B for the past 3 years, which included all new bridges.
    - iv. If Amtrak can come to an agreement with CSX about costs and level of service, SRC can push for money to get service.
- II. Update on Gulf Coast Working Group next steps – *John Spain*
  - a. CRISI grants put together funding from MS and LA and private investor for \$50M with a dollar for dollar match. We should hear in January and will start environmental impact.
  - b. Another round of CRISI applications are due on September 19. We need to start identifying matching funds now. Congress worked hard in a hostile congress to secure money for us, and they want us to use it.
  - c. John Robert emphasized that it is not too late to get a letter of commitment from Alabama (or any state) of additional funding for 2018 grant, but need it by December or January.
  - d. We would like to get all three governors together to discuss applications and appropriations so they can give each other political cover.
  - e. We have put \$1M in CRISI to study options for the Port of Mobile. City of Mobile has given \$150,000 for downtown station study. Port Authority has an open line of communication with Wiley and commission and is willing to work on a study together.
- III. Update on station planning grants - *Alex*
  - a. Divided an unused earmark into 3 minigrants for local station planning (\$2M)

- i. Planning for station grants in BR (2), Gonzales, and St. John, LA will be done by February.
- ii. Mobile, AL station planning started in August, and money for final design in CRISI application.
- iii. FRA will sign grants in late January for the construction of 4 stations in MS and 1 in Birmingham, AL.
- iv. Two more in Montgomery and Anniston but not ready yet.
- v. Phil Jones added that Louisiana is doing analysis on existing station improvements and they lack connectivity from stations. DOTD will be releasing this report in the next few weeks. John requested that the report be shared with the commission.

IV. State Reports:

- a. Louisiana – *John Spain*
  - i. Private investor who transports liquids pledged \$8M for CRISI for the Baton Rouge to New Orleans rail. They are helping to fund light rail from airport to downtown New Orleans and potentially Baton Rouge-New Orleans.
- b. Mississippi – *Kay Kell*
  - i. There is a project on hold in Bay St. Louis and she wants to discuss at the next meeting.
- c. Alabama – *Wiley Blankenship*
  - i. The new commissioners will have a meeting in Montgomery in December or in early January to discuss path forward for CRISI grant.
  - ii. Montgomery – Mobile Passenger Rail Feasibility Study Phase II’s planning grant has started and had public meetings last month. SRC contributed \$25,000 to this study and AECOM is lead.
- d. ALDOT Rail Program Update - *Anita Clemmons*
  - i. ALDOT manages all railroad crossings in the state. Section 130 program is funded by FRA at 100% in the past for all safety improvements at crossings. At the end of last year, FRA started enforcing a 10% local funding match. They are having to use state funds most of the time because city and county cannot afford it, but it is a challenge. ALDOT is working on legislation to address, but would like to have some sort of assistance from SRC to find funds.
  - ii. They have a State Action Plan on safety improvements that will be out in January, which is more proactive on fixing issues.
  - iii. Commissioner Spain wants to continue to coordinate on passenger rail line upgrades on the routes we are looking at.

**NEW BUSINESS:**

Reports from Amtrak and Rail Passengers Association (NARP) – *Ray Lange*

1. There are funds in the CRISI that cannot be spent unless they are linked to R&I for service. 2020 is reauthorization time for transportation and it will be a challenge. However, we are in a great position now.
2. Amtrak has strong ridership and revenue, and were close to setting a record last year. Very close to breaking even for first time in history.

3. They see the New Orleans to Mobile route as a greenfield. They currently do not employ any engineers or conductors there, so it would be new jobs. Opportunity to do something completely unique.
4. Challenged the SRC to envision what they want service to look like when it happens? They can work with you to build that. What do you want the equipment to look like? Food service car or cart service? Multiride ticket for various types of transportation? What do you want to see happen at the stations? Local food and products, wifi, etc. are a given. Amtrak believes that we will be successful at the grants, so start thinking about what it looks like at the next couple meetings. The passenger experience is critical.
5. Commissioner Spain and Greg talked about the option to purchase a Talgo fleet. They are brand new train sets that are available at a good cost. There is a mechanical driver on every train, which is unique. You buy mechanical, equipment, and service with the train. In service 99% of time because the maintenance facilities are on route. These are also new, local employment opportunities. They are available to lease while we build out infrastructure. Push-Pull service type of train, which happens to be good for Port of Mobile.

**SUMMARY AND SCHEDULE OF UPCOMING MEETINGS:**

- I. March 1, 2019 Mississippi – Bay St. Louis
- II. June 7, 2019 Louisiana
- III. September 6, 2019 Alabama
- IV. December 6, 2109 Mississippi

**ADJOURNMENT**