



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
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Agenda Item NB 2

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

February 17, 2021

MOTION

Made By: Mr. Kasprovicz, **Seconded By:** Dr. Smoot
Action: Motion Carried, Unanimously

Title: Authorization for the Director of DRPT to Enter into a Passenger Rail Improvement Funding and Partnership Agreement Between the Virginia Department of Rail and Public Transportation and Amtrak

WHEREAS, the Virginia Department of Rail and Public Transportation (“DRPT”) plans to acquire the following three rail corridors now owned by CSX Transportation, Inc. to improve intercity and commuter passenger rail service within the Commonwealth:

1. **Segment 1** – about half of a rail corridor (divided longitudinally) extending approximately 144.8 miles between milepost CFP 112.4 in Washington, D.C. and milepost CFP A 29.04 in the County of Dinwiddie, Virginia;
2. **Segment 2** – an abandoned rail corridor extending approximately 75.13 miles between milepost CFP A 29.04 in the County of Dinwiddie, Virginia and milepost CFP S 100.1 at Ridgeway, North Carolina; and
3. **Segment 3** – a rail corridor extending approximately 164.3 miles between milepost CFP 276.0 in Clifton Forge, Virginia and milepost CFP 111.7 at Doswell, Virginia; and

WHEREAS, after acquiring Segment 1, DRPT plans to undertake a program of rail infrastructure improvements within and adjacent to Segment 1, which will increase rail capacity for both freight and passenger operations; and

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WHEREAS, the additional capacity will permit DRPT and the National Railroad Passenger Corporation (“Amtrak”) to add six additional daily state-supported Amtrak roundtrip, resulting in nearly hourly Amtrak service between Richmond and Washington, D.C.; and

WHEREAS, DRPT and Amtrak have negotiated a passenger rail improvement funding and partnership agreement under which Amtrak will provide \$944,000,000 to DRPT in support of DRPT’s program of rail infrastructure improvements, and under which Amtrak may obtain certain rights, including among other rights, train dispatching rights over certain sections of Segment 1; and

WHEREAS, DRPT has updated and briefed the Commonwealth Transportation Board (“CTB”) during the negotiation period with respect to the major business terms of the passenger rail improvement funding and partnership agreement, sometimes in closed session, including updates and briefings on the following dates: September 16, 2020; October 20, 2020; November 24, 2020; and February 17, 2021; and

WHEREAS, as of February 17, 2021, DRPT has briefed the CTB with respect to the final, major business terms of the passenger rail improvement funding and partnership agreement; and

WHEREAS, pursuant to Va. Code § 33.2-284(1) and (2), DRPT is empowered to, among other things, accept grants from any source and to execute agreements as necessary, convenient, or desirable in connection with such funding; and

WHEREAS, pursuant to Va. Code § 33.2-209(A), the Commonwealth Transportation Board (“CTB”) has the power and duty to let all contracts to be administered by DRPT for all activities related to passenger and freight rail in excess of \$5,000,000.

NOW, THEREFORE, BE IT RESOLVED: that the CTB hereby authorizes the Director of DRPT to execute a passenger rail improvement funding and partnership agreement between DRPT and Amtrak, including ancillary agreements required to implement the passenger rail improvement funding and partnership agreement, which passenger rail improvement funding and partnership agreement is consistent with the final major business terms presented by DRPT to the CTB on February 17, 2021.

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CTB Decision Brief

Title: Authorization for the Director of DRPT to Enter into a Passenger Rail Improvement Funding and Partnership Agreement Between the Virginia Department of Rail and Public Transportation and Amtrak

Issue: As part of the Transforming Rail in Virginia initiative, the Department of Rail and Public Transportation (DRPT) plans to acquire the following three rail corridors now owned by CSX Transportation (CSXT) to improve and expand intercity and commuter passenger rail services operating in the Commonwealth:

- **Segment 1:** approximately half of the rail corridor (divided longitudinally) extending approximately 144.8 miles between milepost CFP 112.4 in Washington, D.C. and milepost CFP A 29.04 in the County of Dinwiddie, Virginia; and
- **Segment 2:** an abandoned rail corridor extending approximately 75.13 miles between milepost CFP A 29.04 in the County of Dinwiddie, Virginia and milepost CFP S 100.1 at Ridgeway, North Carolina; and
- **Segment 3:** a rail corridor extending approximately 164.3 miles between milepost CFP 276.0 in Clifton Forge, Virginia and milepost CFP 111.7 at Doswell, Virginia.

Acquiring Segment 1 will also require a program of rail infrastructure improvements to increase rail capacity for both freight and passenger operations. The additional capacity will enable DRPT to add six additional daily state-sponsored intercity passenger rail roundtrips. To secure funding from Amtrak towards the planned capacity improvements, DRPT and Amtrak have negotiated a funding and partnership agreement under which Amtrak will provide \$944,000,000 to DRPT in support of the program of rail infrastructure improvements in return for certain Amtrak rights in the Segment 1 corridor.

Facts: The funding and partnership agreement for will:

- provide DRPT with \$944,000,000 in support of its overall \$3.2 billion program of rail infrastructure improvements on Segment 1;
- provide Amtrak train dispatching rights over certain sections of Segment 1 upon completion of defined infrastructure projects that enables maximum feasible separation of passenger from freight operations;
- provide Amtrak the right to operate six additional daily state-supported intercity passenger rail round trips enabled by the additional rail capacity;
- secure for Amtrak certain partnership rights in the construction of infrastructure in Segment 1.

Recommendation: DRPT recommends that the Commonwealth Transportation Board (CTB) authorize the Director of DRPT to execute a funding and partnership agreement between DRPT and Amtrak, including ancillary agreements required to implement the passenger rail improvement funding and partnership agreement, which is consistent with the final major business terms presented by DRPT to the CTB on February 17, 2021.

Action Required by CTB: Approval of the attached resolution to authorize the DRPT Director to enter into the funding and partnership agreement with Amtrak for \$944,000,000 towards Segment 1 improvements.

Options: Approve, Deny or Defer.