



# COMMONWEALTH of VIRGINIA

Office of the Governor

Aubrey L. Layne, Jr.  
Secretary of Transportation

December 27, 2017

Dear Ladies and Gentlemen,

Under the Virginia Secretary of Transportation, the Department of Rail and Public Transportation administers, expends, and commits Intercity Passenger Rail Operating and Capital (IPROC) funds subject to the approval of the Commonwealth Transportation Board per *Va. Code* § 33.2-1603. In accordance with Item 1 Subsection O of the 2017 Acts of Assembly, attached for your review is a report detailing the uses of IPROC funds.

If you have any questions or comments about this report, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aubrey L. Layne, Jr.", written over a light blue horizontal line.

Aubrey L. Layne, Jr.

Enclosure

c: Jennifer Mitchell, Director of the Department of Rail and Public Transportation  
The Honorable Charles W. Carrico  
The Honorable R. Creigh Deeds  
The Honorable Eileen Filler-Corn  
The Honorable Timothy Hugo  
The Honorable James LeMunyon  
The Honorable David R. Suetterlein  
The Honorable Ronald A. Villanueva  
The Honorable Frank Wagner  
The Honorable Vivian Watts  
The Honorable David E. Yancey

## Intercity Passenger Rail Operating and Capital Fund

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Under the office of the Virginia Secretary of Transportation, the Department of Rail and Public Transportation (DRPT) administers, expends, and commits Intercity Passenger Rail Operating and Capital funds subject to the approval of the Commonwealth Transportation Board per *Va. Code* § 33.2-1603. Pursuant to Item 1 Subsection O of the 2017 Acts of Assembly, DRPT is required to provide to the Joint Commission on Transportation Accountability an annual review of the usage of these funds.

### Overview

DRPT's mission is to facilitate and improve the mobility of the citizens of Virginia and promote the efficient transport of goods and people in a safe, reliable, and cost-effective manner.

DRPT and its partners:

- Improve access for the general public and businesses to transportation choices (public transportation, carpools, vanpools, human service transportation, passenger rail, freight rail and telecommuting);
- Provide access and improvements to Virginia's railways to encourage economic development and reduce traffic/congestion on Virginia's highways;
- Increase communications to the general public, businesses, and community decision makers on alternative transportation choices.

DRPT's Rail Division supports passenger and freight rail initiatives through funding options, expert advice, research, and advocacy. DRPT staff also represents the state's interests in interstate and national rail issues.

Improvements to Virginia's railways are implemented through four grant programs with dedicated state funding: (i) Intercity Passenger Rail Operating and Capital Fund (IPROC); (ii) Rail Enhancement Fund; (iii) Rail Preservation Fund; and (iv) Rail Industrial Access Program. Additional funds are received from private, discretionary and formula federal, and other state sources such as SMART SCALE.

DRPT administers and commits IPROC funds subject to the approval of the Commonwealth Transportation Board. The General Assembly passed House Bill 2313 in 2013 allocating 0.05 percent of the retail sales and use tax to IPROC. These funds support the cost of operating intercity passenger rail services as well as acquiring, leasing, or improving railways or railroad equipment. Since intercity passenger rail services are public initiatives, IPROC prioritizes projects with matching funds. However, the program enables DRPT to expand services throughout the Commonwealth with 100 percent state funds.

Over 90 percent of the \$208.8 million in IPROC funds during the next six years are allocated to several major rail projects located along the I-95 corridor. These improvements provide major passenger and freight rail capacity and reliability improvements to rail service throughout the Commonwealth.

## **Operating**

DRPT partners with Amtrak and freight rail providers, Norfolk Southern and CSX, to provide passenger rail operations along four routes in the Commonwealth. These routes, with a total of six round trip daily trains, provide Virginians with a vital connection to cities along the Northeast Corridor, including Washington, D.C., Philadelphia, New York, and Boston. More than 850,000 riders took advantage of this service in Federal Fiscal Year (FY) 2017.

As a complement to the Virginia highway network, as well as transit and transportation demand management services, passenger rail is major part of Virginia's traffic solution. For example, eight passenger rail cars remove 240 vehicles off of Virginia's crowded highways. However, passenger rail's benefits do not stop there. It also improves air quality and reduces spending on pavement maintenance. Passenger and freight rail save Virginia approximately \$123 million annually in pavement maintenance costs. Lastly, and most importantly, fewer miles driven leads to fewer crashes and more lives saved.

Passenger rail plays a significant role in Virginia's economy as well. Together, passenger and freight rail services drive six percent of Virginia's total economy; and passenger rail alone provides \$190 million in annual benefits. It also represents a key component of Virginia's tourism industry. Passenger rail facilitates travel to and within the Commonwealth, which saw a record-high of 45 million domestic visitors in 2016. It also has contributed to the \$2.2 billion increase in tourism revenue since 2014. Virginia's investment in passenger rail and the overall rail network is vital to meeting a growing demand, protecting the Commonwealth's economic interests, and providing Virginians with a variety of transportation options to meet their evolving needs.

DRPT provides grant funds for four intercity passenger routes on the Northeast Regional line through grant agreements with Amtrak. All four routes, with a total of six round trip daily trains, connect most of Virginia's eastern, central, and piedmont urban centers with Washington, D.C. and destinations in the Northeast Corridor (NEC).

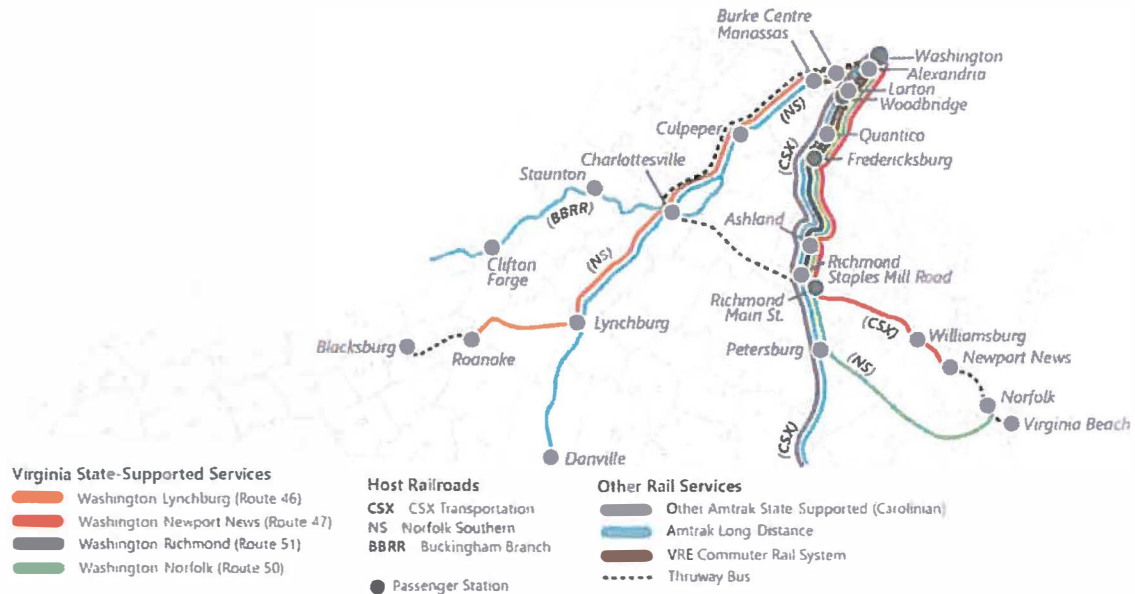
**Figure 1: Virginia State-Supported Services**

Route 46*	Lynchburg to DC & NEC	One daily round trip
Route 47	Newport News to DC & NEC	Two daily round trips
Route 50	Norfolk to DC & NEC	One daily round trip
Route 51	Richmond to DC & NEC	Two daily round trips

\*Starting on October 31, 2017, Route 46 originates and terminates in Roanoke.

Below is a map outlining Virginia's state-supported services and stations as well as other passenger rail services provided by North Carolina and the federal government.

**Figure 2: Passenger Routes in Virginia**



As congestion on Virginia’s highways continues to worsen, more travelers are turning to passenger rail service. Passenger volumes on state-supported Amtrak service totaled over 838,000 riders in Federal FY 2016 and 851,000 riders in Federal FY 2017. This represents a wide variety of passengers of all ages and income levels, supporting a range of business, leisure, and military travel.

**Figure 3: Ridership on Virginia State-Supported Routes for Federal FY 16-FY 17**

Ridership	FY 16	FY 17	Percent Change
Route 46: Lynchburg to DC	184,868	189,881	2.7%
Route 47: Newport News to DC	329,551	331,308	0.5%
Route 50: Norfolk to DC	146,605	155,389	6.0%
Route 51: Richmond to DC	177,305	174,935	-1.3%
<b>TOTAL</b>	<b>838,329</b>	<b>851,443</b>	<b>1.6%</b>

As it serves Virginia travelers and visitors, the passenger rail system creates many other benefits that extend across the Commonwealth. Together, passenger and freight rail increase safety, improve air quality, reduce maintenance spending, as well as provide a number of jobs and economic benefits.

## Capital

The following list contains all projects that have received IPROC funding in the previous year or will receive funding in the future.

### Atlantic Gateway

This project is a \$1.4 billion program of multimodal projects designed to provide essential travel options and reliability to the heavily congested I-95 corridor. It contains over \$495 million in rail projects. These construction projects include: (i) construction of approximately six miles of a fourth main track from the south bank of the Potomac River to Alexandria allowing for additional Virginia Railway Express and Amtrak service; (ii) construction of approximately eight miles of new third main line track on CSX's freight corridor between the Franconia/Springfield VRE station to the Occoquan River in Fairfax County allowing for additional VRE service; and (iii) design and installation of two universal track crossovers in Caroline County to increase the flexibility of Amtrak train to pass freight traffic. Dedicated funding in the SYIP to complete Atlantic Gateway includes approximately \$170 million in IPROC funds.

There are also two additional components to the rail portion of the Atlantic Gateway project. First, CSX is dedicating the abandoned rail line between Petersburg and the North Carolina/Virginia border which is an integral part of the Southeast High Speed rail project. Lastly, and most importantly, the Atlantic Gateway project advances the design and engineering to accelerate the permitting and construction of the full Long Bridge project. Long Bridge is a CSX rail bridge over the Potomac River between Arlington and Washington, D.C. which is in need of future widening. The Long Bridge EIS is currently underway and being led by the Washington, D.C. Department of Transportation and is expected to be completed in late 2019. Until the Long Bridge expansion is complete, any possible infrastructure investments made for higher speed rail throughout the Commonwealth would not generate any additional passenger rail service beyond the amount that has already been funded.

### Arkendale to Powell's Creek

The Arkendale project provides a third track along the heavily congested nine-mile stretch of CSX's main line from Powell's Creek to Arkendale in Northern Virginia. In 2010, the project received a \$75 million grant from the federal High Speed Intercity Passenger Rail Program. Dedicated funding in the SYIP to complete the Arkendale project includes \$16.5 million in IPROC funds. The 3rd track segment will be used to meet, pass, and overtake trains to enhance the performance schedule for intercity passenger service, high speed passenger rail service, and Virginia Railway Express commuter service while preserving freight operations. This is a critical section of third track needed between Washington, D.C. and Fredericksburg.

### Acca Yard and Richmond-Area Improvements

The Acca Yard improvement project is a \$132 million public-private investment in CSX's heavily congested rail yard near Richmond. Included in this project were improvements made for a second mainline track between Carsons and Reams as well as the construction of three

universal crossovers south of Richmond. This project significantly increases freight fluidity for CSX and increases passenger rail travel time reliability for the Newport News-Washington passenger rail service. Additionally, it includes a commitment from CSX to provide slots for two additional Norfolk passenger rail services, beginning in 2019 and 2022 respectively, and an additional slot for a future Lynchburg bound train over the Long Bridge. Dedicated funding in the SYIP to complete the Acca Yard project includes \$26.4 million in IPROC funds.

#### Staples Mill Station Parking Lot Expansion

With over 350,000 boardings and alightings annually, Staples Mill is Virginia's busiest rail station, and current parking is inadequate to handle the volume of passengers. DRPT purchased seven parcels of land around the station to more than double the number of parking spaces, improve Amtrak thruway bus operations, add an additional ingress/egress at a signaled intersection, update the parking lot to current ADA standards, and allow for more taxis. Construction is anticipated to be completed in 2018. \$3.3 million from IPROC is obligated toward construction for these improvements, and a portion of parking revenues will be provided to DRPT to offset the Commonwealth's investment.

#### Amtrak Extension to Roanoke

DRPT entered into capital funding agreements with the City of Roanoke and Norfolk Southern for the improvements necessary to extend Amtrak service to downtown Roanoke. Approximately \$78 million in IPROC funds were obligated to construct track capacity improvements between Lynchburg and Roanoke as well as a train servicing facility and a platform in downtown Roanoke. Service to Roanoke began on October 31, 2017. This marked the return of passenger service to Roanoke for the first time since 1979.

#### Second Lynchburg Round Trip Amtrak Service Capital Improvements

DRPT is working with Norfolk Southern to identify network improvements necessary to accommodate an additional intercity passenger rail slot between Lynchburg and the NEC via Washington, D.C. Approximately \$13.3 million in IPROC funds has been set aside for this effort. The existing route is currently the most successful state-sponsored route in Virginia.

#### Extension of Amtrak Service to the New River Valley Study

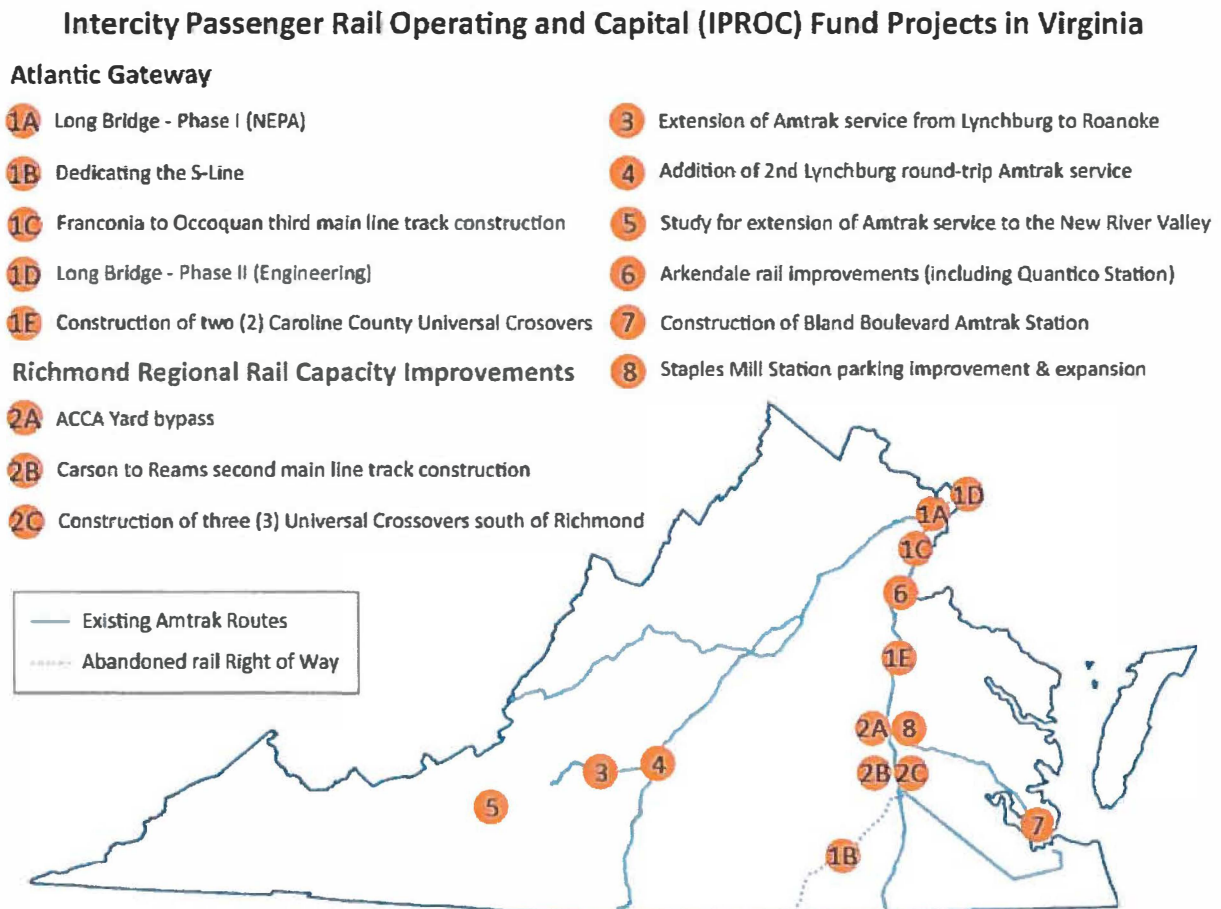
DRPT has programmed \$350,000 in IPROC funds in FY 2019 for a study of future network requirements to accommodate the extension of Amtrak service from Roanoke to Christiansburg. It is expected that this study would be performed with Norfolk Southern and serve as the basis to negotiate necessary infrastructure improvements as well as a possible extension, if the budget allows, to the New River Valley.

#### Newport News Bland Boulevard Amtrak Station

This new location located at the intersection of Bland Boulevard and Interstate 64 will be more energy efficient and will allow the existing Amtrak trains to avoid entering a CSX coal yard for

turning and servicing. DRPT has allocated \$20 million of IPROC funds toward construction of a platform, servicing facility, and associated turning and storage facilities. The City of Newport News is funding approximately \$20 million for the station and associated costs. Additionally, this station will be multi-modal and will increase transportation options through new inter-city bus service with local connections including Hampton Roads Transit, shuttles to the airport, and taxi service. Construction is scheduled to begin in 2018 and will be completed by 2019.

**Figure 4: Overview of IPROC-funded projects**



**Conclusion**

Virginians need a sustainable and reliable transportation system that advances Virginia businesses, attracts a 21st century workforce, and promotes healthy communities where Virginians of all ages and abilities can thrive. The rail network is instrumental to Virginia’s multimodal transportation approach, and DRPT will continue serving as an advocate and administrator for passenger rail initiatives. As the role of passenger rail continues to grow and evolve, the Commonwealth through its IPROC program must provide a commensurate level of investment to ensure long-term success.

**Figure 5: Usage of IPROC Funding in the FY 18-23 SYIP**

<b>\$ Millions</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>TOTA L</b>
IPROC Sources	\$86.7	\$51.3	\$52.4	\$53.4	\$56.6	\$57.8	\$358.2
IPROC Commitments	\$86.7	\$51.3	\$52.4	\$53.4	\$56.6	\$57.8	\$358.2