

Meeting of the Southern Rail Commission

September 8, 2017 9:00am-12:00pm

Bay Saint Louis Community Hall, 301 Blaize Avenue, Bay St Louis, MS

Commissioners in Attendance: Greg White; John Spain; Knox Ross; Wiley Blankenship; Larry Watts; Claire Austen; Kay Kell; Jack Norris; Roy Woodruff; Steve Carter; Tommy Clark; Shawn Wilson; Jerry Wall; Jerry Gehman; Ashley Edwards

Not in Attendance: Toby Bennington; Patrick Sullivan; Blake Wilson; Walt Leger

Others in Attendance: Lauren Knotts; Dan Dealy; Kelly Lyons; Betsy Nelson (NARP); Maggie Woodruff Catherine Sutton (MS museum); Tom Hunter AECOM; Todd Stennis

On Phone: John Robert Smith; Beth Osborne; Rachel DiResto; Janice Hamilton (AL Public Service Commission); Toby Bennington Commissioner

Pledge of Allegiance and Prayer and remembrance of Commissioner Angelia Mance.

Recognition of new Alabama Commissioner Wiley Blankenship.

Wiley Blankenship introduced himself and Coastal AL partnership. He was an AL rep on Gulf Coast Working Group.

REGULAR BUSINESS:

- I. Legislative Affairs Update - By Phone *Beth Osborne*
 - a. Last week was the end of the Federal fiscal year 9/30 and none of 12 proposed spending bills passed into law.
 - b. All transportation amendments were considered Weds and failed. A few that would have cut Amtrak funding significantly were included, but failed.
 - c. The House should finish work on this large omnibus bill, and it is expected to pass
 - d. It is anticipated that current funding levels will be extended through Dec. 18.
 - e. T4A is concerned transportation issues may get lost in consideration of other issues such as debt limit, immigration, healthcare, etc.
 - f. DOT recently released another TIGER round with applications due Oct 16. The funding criteria was NOT changed as expected and has an emphasis on rural mobility needs. Because it's a short turn around, any projects for TIGER consideration should have solid scope, budget, and collaborators in place. TIGER looks to be funded in Senate bill but is zeroed out in House bill. Senator Collins of ME has really kept TIGER alive. If he runs for governor we need another Republican champion in the Senate for TIGER and Shelby and Alexander are potential candidates.
 - g. T4 is monitoring how rules on sanctuary cities may affect transportation funding.
 - h. Knox is meeting with KCS about funding sources for bridgework etc and will follow up with Beth for more information & talking points.
 - i. Gehman – did Brooks HB amend to take Amtrak funding away from NE Corr - failed

- j. JRS – house votes failed along lines of those who have service in their districts or those who have heard they would have service in their district
- k. Despite growing support for passenger rail, we need to be aware of the pressure on congress to cut discretionary domestic spending will be strong. Where they pick to cut is where they hear the least rumbling – and it won't be health or environmental programs. Supporters of passenger rail need to be just as noisy and fight as hard as the other popular programs.
- l. SRC has been effective as getting grassroots to engage and show support to congressional leadership.

II. Station area grants report:

- a. The planning grantees have had their first kickoff call with FRA and have reporting deadline coming on 9/30. T4 will work with them on reporting requirements to ensure local jurisdictions are complying with federal rules.
- b. The capital projects are moving a little slower due to added proposed costs from CSX to review plans impacting tracks and potential charges for Amtrak. These issues have to be worked out prior to finalizing documentation.

III. CSX is having major internal issues and has laid off 1300 workers, shippers have complained about deteriorating services which has impacted communities and shippers along the Gulf and also impacts on-time-performance for passenger rail.

- a. The Surface Transportation Board (STB) has demanded that CSX explain weekly their efforts to improve relations with shippers. For example, Exxon simply cannot rely on CSX any more, moving to seagoing vessels. STB has written letters to various members of House to explain severity of situation with CSX.
- b. There may be an opportunity soon to convene meeting of AL, LA, MS and FL DOT reps to ask if they have contingency plan in place and what happens if they close off portions of ROW. Convening should include joint effort of those 4 states to see who would control that area along Gulf and to see how this impacts the recommendations in the GCWG report.
- c. White – there is speculation that CSX may sell off some assets, and if those happen to be in our part of the country, we want our state DOTs to be aware to move swiftly in the state's interest and the shippers' interest.
- d. There is some concern that Mexican Rai Company would purchase coastal stretch of CSX – Mexico to Gulf. If the states purchase ROW they can control development of freight and passenger rail.
- e. Spain: at what point do we engage grassroots supporters? And what's role of FRA who's paid for Gulf Coast study? JRS said that congress has been put on notice and is promising regular reporting. This is a national issue since CSX is large system. Need to hear stories from shippers about lost costs, etc. JRS – not sure it's time to alert communities about infra being closed yet.
- f. FRAs role in this issue will not be triggered until a specific action occurs – specific project asserting right to use freight track or safety issue. They're monitoring it – now in STB's arena to make sure it's not affecting shippers.

- g. Spain – Moorman was ready to impose change of service. Should Amtrak inform railroad they intend to start 3 days of service? Would that trigger this action?
- h. BO – That more likely falls under STB’s wheelhouse.
- i. Woodruff – if CSX starts selling off parts of line, how much aid might states expect from FRA in purchasing ROWs? JRS – FRA wouldn’t bring cash to table. It would be fully on the states and locals and other commercial operators. JRS – opportunity to squire up voices from shippers and suppliers along the gulf.
- j. Wall – does CSX current financial report reflect their potential instability? JRS -future raters have depreciated future value. CSX would say they’re enacting changes to have positive outcomes over the long run.

IV. Approval of the minutes from the meeting of June 9, 2017

- a. Carter moves, Gehman seconds to approve the minutes. Motion passes.

V. Financial and Administrative Report-*Kelli Lyons*

- a. As of 7/31 – SRC has a cash balance of \$660k. \$123k of that is unrestricted.
- b. In June, \$15k of restricted funds (LA funds) were used for intercity rail BR-NO which decreased deferred revenue liability.
- c. SRC received dues from all three states this year, but AL dues payment in late Oct was booked as receivable of prior year’s dues.
- d. White thanked Kelly and appreciates AVL’s responsiveness.
- e. Carter moves, Gehman seconds to approve the financials. Motion passes.

VI. Communications and Media Update-*Lauren Knotts and Dan Dealy*

- a. SRC is on national stage – communicating to a broad set of stakeholders.
- b. Team is coordinating across a variety of platforms and mediums. Stakeholders have high degree of trust in our product. Rigorous attention to consistency of our messaging and coordination with other message partners with a focus on current projects.
- c. We have leveraged the importance of the Gulf Coast rail project to the nation in our messages and content delivery.
- d. We are coordinating with various rail partners as well – providing consistency across SRC as well as other PR advocate groups, such as NARP.
- e. We send email updates to Mayors across the gulf coast– strategic, focused, conversational, on an as needed basis (usually quarterly).
- f. Grown key relationships in charter states and elsewhere, neighbor states, and great reputation on the hill thanks to work of Executive Commissioners and T4A.
- g. Relationships with Amtrak, NARP, etc. For I-20 inspection train, working with ARKLATEX council, other advocacy groups to maintain key regional leadership on GCWG, which is key. Our material has to be very credible with that group.
- h. AS GCWG was working with congress and prepping reports with FRA we ensured we stayed focused as well as accurate – lots of substantial info on prospective impact of economic benefit of PR.
- i. When FRA report was released we organized a rapid deployment of SRC response / media release across various platforms.

- j. When FY 18 budget was released – we mobilized a grassroots letter campaign from Mayors in partnership with T4 targeting key members of House/Senate Appropriations Committees.
- k. Earned Media/Press Coverage (March-August): 56 stories in 42 publications – peaks during SRC/Amtrak “roadshow” meetings early April; mid-July when GCWG report released (15-20 stories)
- l. Owned Media/Website traffic (March-August): performing well – same or better as March report. Approx 11,000 total page views; approx. 1:37 spent on site; ~70% of users are new, 30% returning; home and news most commonly visited pages.
- m. Social media - Facebook (March-August): Dan does a great job keeping our page engaging and relevant to our audience, who have high engagement rate with our page. Page likes up from 585 to 663 since March. Organic reach stays around 1,000 per post, which is great, with almost 2,800 on July 18 (GCWG report release). Numbers continuing to increase. Average user male age 35-46. Highest concentration of users in Baton Rouge, New Orleans, Mobile.
- n. Clark – as we evolve in our conversation with freight railroads, we need to manage messages and be sensitive to managing those expectations and crafting our wording around those meetings and those relationships.
- o. White – agreed we want to walk carefully and show wisdom in that regard.
- p. White invited Commissioners to communicate directly with those who manage communications – if you have a concern or a question – we definitely want to be careful that nothing we do hinders our opportunity to succeed. Reach out any time you see any issue of concern. Also reach out for opportunity for a positive message as well.

OLD BUSINESS:

- a. Report on Executive Committee activities (*Spain, White, Ross*)
 - i. Knox has been working across Florida with Amtrak there there is bipartisan support.
 - ii. SRC is keeping federal delegation informed on what’s going on – JRS and Ashely Edwards gave a report to Dick Hall.
 - iii. Spain reported on positive meeting with leadership of Amtrak which included Moorman’s willingness to engage in conversations with CSX about GC train start up, agreement to provide private train car in Jackson for meeting with 3 Governors, and ongoing planning for I-20 inspection train.
 - iv. Transition in leadership at Amtrak has put all 3 of those initiatives on pause. Asked Todd and JRS to get meeting before end of year with co-chairs and Amtrak – to get new CEO engaged.
 - v. Knox joined Amtrak on inspection train to OKC to Newton, KS about expanding Heartland Flier – I-20 train. Talked to folks there about their efforts to expand service. Spoke to BNSF host RR – very different from our conversation – very helpful, finding ways to make it work.
 - vi. Spain expressed desire to form relationship with new FRA administrator. Work of GCWG has given SRC great relationships with senior staff at FRA/in DC. Despite leadership changes, we still have great working relationships with some of those staffers, which is important.

- b. Approval of 2018 budget and States Dues-*Greg White*
 - i. The proposed budget follows accounting report and guidelines.
 - ii. Spain suggested I-20 train tour should be included as part of budget. Greg said gulf coast inspection train cost around \$30k. Knox – our response was so much more robust than the Kansas City effort and that’s a result of the work that we put in and that CPEX did administratively. 1200 invitations, etc. Box lunches. Amtrak invested so much too.
 - iii. Austin – we may want to get a full accounting of GC train tour costs in case we need that for auditing reasons – budget categories, expenses, etc. White – Certainly, Vignes can pull that – it spanned 2015 and 2016 but we can certainly pull that.
 - iv. Watts suggested reclassify surplus funds as “contingency” to balance the budget.
 - v. Wiley moves, Steve Carter seconds to approve budget. Motion passes.

- c. Update on Gulf Coast Working Group and next steps including a possible visit to cities across the route.
 - i. Knox – we may plan for another set of update meetings with stakeholders across the Gulf Coast soon. Last time, we hosted a very successful meeting in Live Oak led by Sen. Nelson’s staff. The Senate race coming up btw Gov Scott and Sen. Nelson will be decided in the panhandle, and the train ties all those groups together. All these engaged stakeholders have elevated this topic to an important area of opportunity.
 - ii. Knox invited other SRC commissioner to be a part of the grassroots effort being done on the ground.
 - iii. Extensive and detailed discussion was held about strategies for re-starting the Gulf Coast passenger rail service – whether reinstating the three-times per week round-trip service that previously existed, or holding out for the desired daily round-trip services between New Orleans and Orlando and New Orleans and Mobile – would provide the best leverage and outcome. No action was taken, and the consensus is to allow the Executive Committee to continue working this issue with our partners.

- d. Update on Montgomery to Mobile rail study
 - i. The HNTB contract for this study has to be rewritten. The SRC put \$20k into this feasibility study a few years ago so we’re tracking our investment and will be meeting with ADECA soon about oversight.
 - ii. Amtrak doesn’t have any involvement in this study.

- e. Dr. Alvin Jackson Sewanee county –FL Governor hasn’t had chance to discuss w/ Sec Chao about passenger rail yet. SRC appreciates his efforts in Florida.

NEW BUSINESS: Update on Station Planning Grants

- I. *Amtrak Update-Todd Stennis*
 - a. Amtrak is coordinating with FRA on station planning underway - looking for each community to submit scope to Amtrak – there are things Amtrak needs to review. We don’t think at this time Amtrak will charge for different engineering evaluations related to GC station projects.
 - b. Amtrak will move into new facility in October at Birmingham station project.

- c. Todd participated in house transportation panel – support from every mayor from OKC to Newton KS represented to expand Heartland Flier up to Newton KS – direct connection in Fort Worth to I-20 line.
- d. Amtrak is very supportive of going back across GC to meet with Mayors/ city leaders to follow up on GCWG report release. New information to share, need to identify next steps for state and Fed delegations.
- e. CSX has legal obligation to agree to allow 3 day service along gulf coast since it was never terminated. We all want daily service, but tri-weekly is an option to move forward now.
- f. Amtrak played important role in evacuation for hurricanes Harvey, Irma. Trains were sold out within 30 mins.
- g. Gehman – how quickly would it take Amtrak to get 3 days/ week. Stennis – about 6-9 months – employees, equipment, training, operations software, etc.

II. Report from NARP-*Betsy Nelson*

- a. Partnership between SRC and NARP is important – we can leverage NARP’s 30k members to get engaged in upcoming budget battles.
- b. Gulf coast – NARP’s #1 long distance priority.
- c. In 25 years NARP wants 85% of Americans within 25 miles of rail station.
- d. Summer by Rail program – Kay was instrumental in making this a success. Met with Kay and Todd on City of New Orleans. Thankful for that. Knox integral in developing itinerary.
- e. 2 students - Incredible media and support along the gulf coast.
- f. Media – 6 media hits from 1.5 days just in Gulf Coast portion of their trip. Tues-Fri. Because of SRC efforts that they’re picking this up. Media value over \$16k – over 600k impressions.
- g. We’re going to keep engaging in the gulf coast – rail focused events; locally focused summer by rail; tie in military bases; tie in the Blues trail on the City of New Orleans. Gov. Bryant – “we’re going to be bigger and better because of this.”
- h. NARP is REBRANDING – will be named Rail Passengers Association. Rollout will be full time in Nov. at Chicago meeting.
- i. Louisiana is not currently in Betsy’s NARP’s gulf coast region but she’s working on adding this.

III. Approval of contracts for T4A, CPEX and Dan Dealy

- a. Consultants will be submitting proposals and budget should cover expenses amply.
- b. Pending further review, approvals are postponed to next meeting.

IV. Election of Officers-*Greg White*

- a. Greg expressed appreciation for efforts of the Executive Committee. It has been a rewarding, demanding experience.
- b. Larry Watts recommended keeping current leadership in place on Exec and nominated John Spain to Chairman, Knox to Vice Chairman, Greg to Secretary Treasurer.
- c. Steve Carter agrees and seconds motion and expresses thanks to great work of Exec.
- d. Motion passes, new offices in effect as of Oct. 1, 2017.
- e. John Spain presented plaques to honor Greg and Knox in appreciation of their contributions.

V. State Reports:

- a. Louisiana

- i. Shawn Wilson –congratulations and thanks to John who represent LA very well.
 - ii. Tommy Clark – DOTD engaged T4A to create a business plan for BR-NO project. FRA greenlighted LA moving forward with Environmental Assessment for the corridor - not a full blown EIS - using 3 studies we have in hand. Bonne Carre spillway section may require full EIS.
 - iii. Moving forward the gap between those 3 studies requires revisit who will be the operator and what is the appetite from communities along corridor to contribute funding to the process.
 - iv. Shawn and Tommy will go meet with KC in next few weeks to start the conversation about optimizing value from their ROW. Will discuss I-20 corridor as well.
 - v. Shawn – Governor has great interest in moving this project forward and is excited to put \$30M in improvements in the mix. We see on a regular basis that businesses looking for site placement, look for the benefits passenger rail can provide.
- b. Mississippi
- i. Although there were concerns with mayoral changeovers along coast, station projects are all moving forward.
 - ii. We continue to work on CSX line and support on Coast is still very strong.
- c. Alabama
- i. Austin –offered to request that the Governor get state dues out of contingency fund which may be quicker than waiting until next year. She offered to reach out to Adeca on Montgomery to Mobile study.
 - ii. Dan – we have Governor’s election coming up which may provide opportunity for briefing book/talking points for those candidates. White – we all agree that LA effort was successful and had significant impact and agree to replicate that in AL.

SUMMARY AND SCHEDULE OF UPCOMING MEETINGS:

- December 8, 2017 Louisiana – location TBD
- March 9, 2018 Alabama
- June 8, 2018 Mississippi
- September 7, 2018 Louisiana
- December 7, 2018 Alabama

ADJOURNMENT at 11:57