

STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION
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October 22, 2013

The Honorable
Representative Max Tyler, Chair TLRC
Senator Rollie Heath, Vice-Chair TLRC
State Capitol
Denver, CO 80203

Dear Representative Tyler and Senator Heath:

I am submitting the enclosed Potential Rail Line Acquisition Report to the Transportation Legislative Review Committee (TLRC) pursuant to 43-1-1303 (3) C.R.S. The purpose of this report, dated October 2013, is to provide the TLRC with the Colorado Department of Transportation's recommendations relative to possible rail line acquisitions. This is the sixteenth report submitted by the Executive Director of the Department to the TLRC on the rail abandonment issue.

Please contact me if you should have any questions relating to this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Donald Hunt", is written over a light blue horizontal line.

Donald Hunt
Executive Director

Enclosures

**PRIORITIZATION OF RAILROAD CORRIDORS FOR
PRESERVATION**

**PREPARED BY THE COLORADO
DEPARTMENT OF TRANSPORTATION**

October 1, 2013

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Introduction

The purpose of this report is to provide the Transportation Legislative Review Committee (TLRC) with the Colorado Department of Transportation's report on rail abandonments and recommendations relative to possible rail line acquisitions. This is the sixteenth report submitted by the Executive Director of the Department to the TLRC on rail abandonment pursuant to 43-1-1303 (3) C.R.S.

During the last year there have been no new abandonment actions. However, during the past year there have been some other activities and initiatives by the Department and others that could potentially impact rail abandonments and rail acquisition in the future.

Part I provides **Background Information** on past and ongoing activities.

Part II describes **New Initiatives and Activities** which have been undertaken over the past year.

Part III lists the **Recommendations** of the Department.

Part I: Background

(A) Rail System in Colorado

The Colorado rail system currently includes both a freight rail network and a limited passenger rail network. The role of the railroads and rail transportation in the state is to provide efficient transportation choices for the movement of goods and people while connecting effectively to the other transportation modes. The rail system in the state is an interconnected component of much larger regional, national and global multimodal transportation systems and economies.

Currently 14 privately owned freight railroads operate in Colorado. These railroads own more than 2,800 miles of track in the state and currently operate on 2,684 miles of those tracks. This represents about 1.9 percent of the nation's 140,000 miles of network track. The extent of this network is also reflected in the fact that 48 of Colorado's 64 counties are directly served by the freight rail network. There are two Class I railroads in Colorado, BNSF Railways and Union Pacific (UP). Combined they operate over 80 percent of the miles of track and carry the majority of freight in the state. The freight rail network in the Front Range is currently near capacity and is forecast to be over capacity by 2035.

In addition, there are 12 short line railroads in Colorado comprising 20 percent of track miles in the state. They primarily provide localized service with connections to the Class I railroads. They principally serve the agricultural industry and are very valuable assets to both local and statewide economies.

Colorado has eight tourist railroad lines which showcase Colorado's history and offer trips through Colorado's scenic outdoors. These scenic & tourist lines are located in Cripple

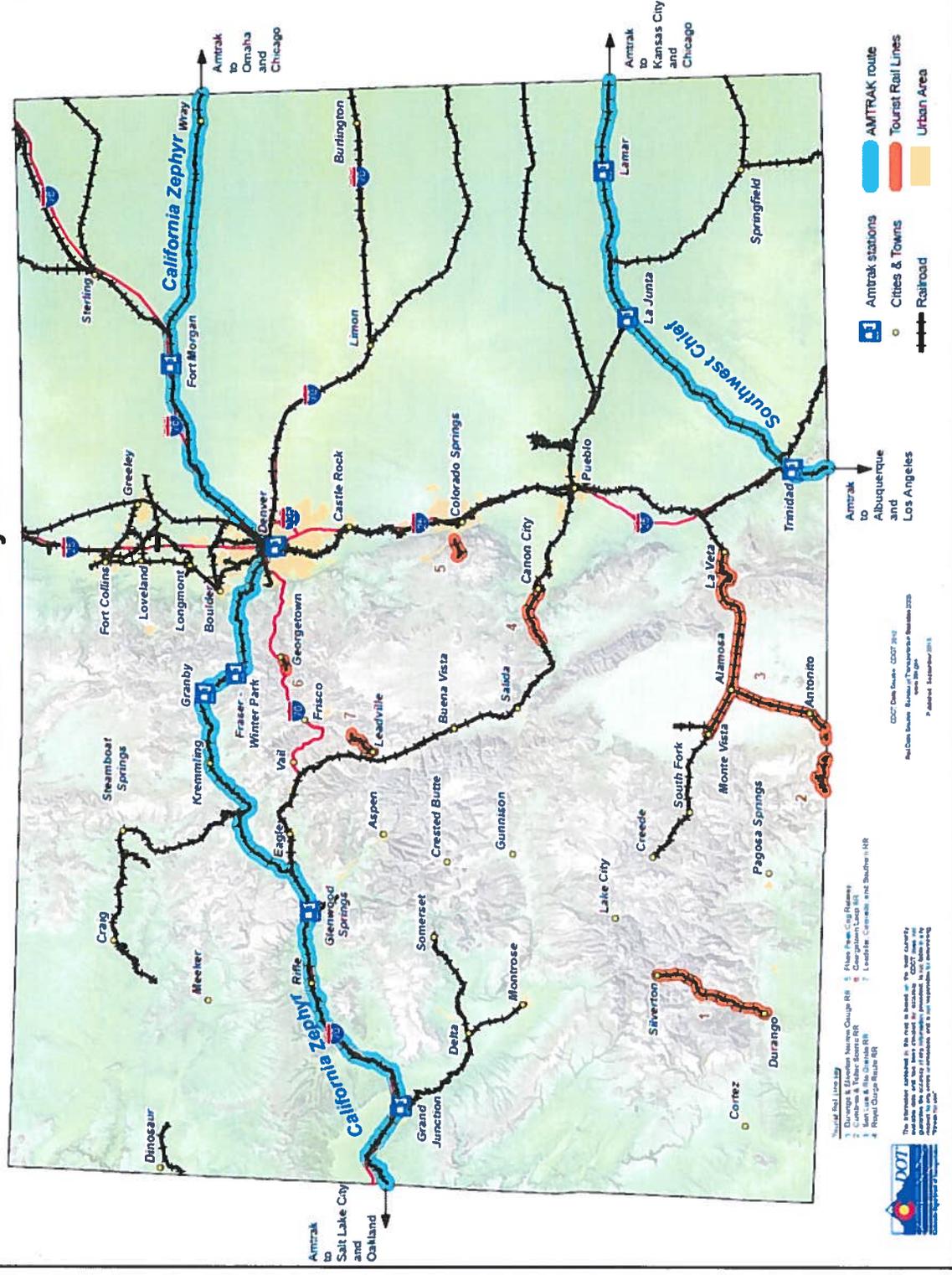
Creek/Victor, Durango/Silverton, Georgetown, Leadville, Manitou Springs/Colorado Springs, Cañon City, and two near Alamosa.

The passenger rail system in Colorado is presently very limited. Outside of the Denver Metro area's light rail and commuter rail lines, passenger rail service is provided by Amtrak with two routes that pass through the state. The Amtrak routes use existing freight tracks and rely on freight railroad infrastructure to be maintained and/or upgraded for efficient service. These two routes are:

- The California Zephyr which runs daily between Chicago and San Francisco. Colorado stops include: Fort Morgan, Denver, Fraser/Winter Park, Granby, Glenwood Springs and Grand Junction. .
- The Southwest Chief runs daily between Chicago and Los Angeles. Colorado stops include: Lamar, La Junta and Trinidad. The Southwest Chief is in jeopardy of re-routing out of Colorado subject to Amtrak and BNSF negotiations on renewing their operating agreement which is set to expire in 2015, including track maintenance and safe operating speeds through Kansas, Colorado and New Mexico. (see Section F below).

Colorado previously had two additional Amtrak routes that were discontinued in 1997 due to reductions in federal funds. These two trains were the Pioneer, operating between Denver and Seattle and the Desert Wind, operating between Denver and Los Angeles by way of Salt Lake City and Las Vegas.

Colorado Rail System



(B) Past Legislative actions

In 1997, the General Assembly enacted Senate Bill (SB) 37, concerning the disposition of abandoned freight and passenger railroad rights-of-way in Colorado. According to this legislation and resulting state statute (CRS Title 43, Part 13 – Acquisition of Abandoned Railroad Rights-of-Way, 43-1-1303 rev. 2013), an existing rail line, railroad right-of-way or an abandoned railroad right-of-way is eligible for acquisition by the Department, if the Executive Director determines it serves one or more of the following purposes:

- (1) Preservation of the rail line for freight or passenger service;
- (2) Maintenance of a rail corridor for future transportation purposes or interim recreational purposes;
- (3) Access to surrounding state manufacturing facilities, agricultural areas or other locales that may be adversely affected by the loss of rail service or loss of railroad corridor; or
- (4) Any public use of the rail line or railroad right-of-way that is compatible with the future use as a railroad or other transportation system.

The legislation also requires the Colorado Transportation Commission to review any property determined to be eligible for acquisition and approve the acquisition before the Executive Director submits the prioritized list of rail lines or rights-of-way to be acquired to the Transportation Legislation Review Committee (TLRC) (43-1-1303)(2)).

43-1-1308 C.R.S., states that “the members of the TLRC shall make a written report setting forth its recommendations, findings, and comments as to each recommendation for the acquisition of railroad rights-of-way and their uses and submit the report to the General Assembly.”

43-1-1301(3) C.R.S., stipulates that the “Executive Director shall submit a prioritized list with recommendations to the TLRC concerning the railroad rights-of-way or rail lines to be acquired by the state and their proposed use.”

During the 1998 Legislative Session, HB-98-1395 was passed by the Legislature and signed by the Governor. That bill allocated \$10.4 million to the State Rail Bank Fund to purchase the NA Towner rail line from Union Pacific (UP) Railroad to subsequently lease or sell the line to a short line operator. The line was purchased from the UP in July 1998 and subsequently advertised for sale. Since that time the State has leased the line to short line operators. In October of 2011 the lease/purchase agreement with Victoria & Southern (V&S) was finalized, and ownership was transferred to V&S (See item G below.)

In 2009, legislation created the Division of Transit and Rail (DTR). The legislation gives DTR the responsibility for planning, development, operation, and integration of transit and rail into the statewide transportation system. In addition, the legislation requires the Division, in coordination with transit and rail providers, to plan, promote and implement investments in transit and rail services statewide. Furthermore, the Division has specific duties to promote, plan, design, build, finance, operate, maintain and contract for transit services, including, but not limited to, bus, passenger rail, and advanced guideway system services.

In addition, the legislation created a Transit and Rail Advisory Committee (TRAC) to advise the Transportation Commission and the Executive Director regarding the initial focus of the division and to recommend a long-term advisory structure, including the advisory structure's Division's purpose and role, in support of the transit and rail-related functions of the department. A permanent advisory structure has been created. The full TRAC meets quarterly with many sub-committee meetings between them.

(C) Past Transportation Commission Actions

The Transportation Commission believes that certain significant rail corridors represent an irreplaceable state transportation resource and that it is critical to preserve them. That is because once they are lost; the cost of recreating equivalent corridors in the future will be prohibitive.

In June 2000 the Colorado Transportation Commission approved a **Rail Corridor Preservation Policy, also known as Policy Directive 1607**, which states the following reasons why rail transportation is important to Colorado:

- Preserving rail corridors for future use may save money, since the cost to preserve a corridor for future transportation purposes is often far less than having to purchase an equivalent corridor in the future.
- Rail transportation may be needed in certain corridors to supplement the highway system and to provide adequate mobility and travel capacity.
- Rail transportation can be a cost-effective and environmentally preferable mode of transportation in certain situations.
- Preserving existing freight rail service by preventing a railroad from being abandoned can reduce the maintenance costs on state highways, since the transfer of displaced rail freight to trucks will increase deterioration of the state highway system.
- Freight rail service can serve as an economic lifeline to the economic health of a community when there are no other modes that adequately and economically serve the needs of the community.

The Rail Corridor Preservation Policy identified the following criteria to be used to prioritize corridors for funding:

- Magnitude of negative impacts upon adjacent highways.
- Immediacy of the possible abandonment of the rail line.
- Immediacy of possible encroachment on an existing rail corridor that may jeopardize the implementation of passenger rail service in the corridor.
- Estimated cost to acquire the rail corridor.
- Opportunity for public-private partnerships.

In order to facilitate a more comprehensive examination of which rail corridors are of interest to the State, the Transportation Commission directed CDOT staff to identify State Significant Rail Corridors. In November 2000, CDOT prepared a list of **State Significant Rail Corridors**, which were adopted by the Transportation Commission as part of the Statewide Transportation Plan. The criteria used to identify these State Significant Rail Corridors included existing and

potential future demand for passenger and freight services and local/regional support for the preservation of the corridor.

In March 2012, the Transportation Commission approved the Colorado State Freight and Passenger Rail Plan. The Plan serves as a framework for future freight and passenger rail planning in Colorado. In October 2012, the Federal Railroad Administration approved the plan, maintaining Colorado's eligibility for federal funding of passenger rail investments. The Plan identified the Towner Line and Tennessee Pass Line for preservation. The Plan will be integrated into the Statewide Transportation Plan.

(D) Abandonment Activity

On May 6, 2008 Great Western Railway (GRW) filed to abandon the Welty Branch, a 6.2 mile line, in Weld County, Colorado, with the Surface Transportation Board. No significant action has occurred in this process since March of 2009. GRW has been granted the authority to consummate the abandonment but states it is continuing to explore alternatives to abandonment. Authority to consummate the abandonment will expire May 6, 2014. GRW may apply for an extension if no action is taken prior to this date.

(E) Potential Rail Lines for Acquisition

When a rail line is not economically viable to operate, the result is often either (1) the sale of the line, usually from the two Class I national railroads (UP and/or Burlington Northern (BN)), to small, regional railroad companies; or, (2) a formal request for abandonment to the federal Surface Transportation Board (STB) by the owner of the rail line. Rather than abandon a line, a larger railroad company will usually solicit bidders for the purchase of the line by a short line operator or regional railroad in an effort to maintain rail service along the line. These smaller railroad companies usually have lower operating costs and do not need the same volume of business on the line as the larger railroads to be profitable.

The ability to respond quickly to a potential abandonment can be an important factor in ensuring corridor preservation: once a Request to Abandon has been formally filed with the STB, abandonment can take place in as little as 90 days.

The issue of rail lines being abandoned is of statewide importance due to the impact these abandonments may have on the remainder of the transportation system. As lines are lost, the freight that was being moved by rail must then be moved by truck, causing additional deterioration of the local roadways and/or state highways. In addition, some businesses cannot survive without access to a rail line, thereby causing these businesses to either relocate to another area in the state or to move out of state. Also, once a railroad corridor is abandoned, it is unlikely it will be returned to rail service or be available for any transportation purpose, especially if the rail tracks are salvaged and the Right-of Way (ROW) is sold or reverts to adjoining property owners.

The Department will continue to monitor short line railroads in the State to ascertain their current financial status and to examine the prospects for their continued survival because they continue to be an important part of Colorado's future.

There are two lines that continue to be considered at risk of future abandonment. A third line has received much attention in 2013 as having potential risk to passenger service cessation. All three are described below:

□ **Tennessee Pass Line (UP)**

The Tennessee Pass line runs 178 miles from near Gypsum, through Eagle, Edwards, Avon, and Minturn, over Tennessee Pass and along the Arkansas River via Leadville, Buena Vista, Salida, and Cañon City to Pueblo. The Tennessee Pass line has been identified as significant to CDOT because of its potential to carry both passengers and freight, and because it is the only existing trans-mountain alternative in Colorado to the Moffat Tunnel line, which often runs near capacity. The Tennessee Pass Line may be able to be used as an alternate route as trans-mountain rail demand grows due to increased development on the Western Slope or if the Moffat Tunnel were damaged or closed for any reason. Such an event would have a significant impact on Colorado, particularly on the Western Slope, since the railroads would be forced to move freight through Wyoming. The Royal Gorge Route Railroad currently offers scenic, tourist rail trips on 12 miles of the Tennessee Pass Line west of Cañon City. No freight has been shipped on the Tennessee Pass Line since 1996, but in recent (2011) conversations with the UP, there was no indication they will abandon this line in the near future.

□ **Fort Collins Branch Line (UP)**

The Fort Collins Branch line is a line that runs southeast from Fort Collins to Milliken and Dent, then east to La Salle. It is identified as a Rail Corridor of State Significance since it connects Greeley and Fort Collins to the North I-25 corridor, and was identified as part of the preferred alternative in the North Front Range Transportation Alternatives Feasibility Study (NFR TAFS, March 2000). This line does not appear to be at risk of abandonment at this time. However, it should be noted this branch line was not included in the Preferred Alternative of the North I-25 Environmental Impact Statement (December 2011). The North I-25 EIS does, though, recommend a new commuter rail line connecting the commuter rail line in Longmont and the north end of the RTD FasTracks North Metro Line.

□ **Raton Pass Line (BNSF Railways)**

In late 2007, BNSF Railways ceased most freight operations on the Raton Pass line through southeastern Colorado and northeastern New Mexico, rerouting freight trains on the parallel Transcontinental Line. As an indicator of the low freight usage of the line in 2008, the state of New Mexico, under then Governor Richardson, proposed to purchase the route from Lamy, N.M., 182 miles north to the Colorado border. However, newly in office in 2011, New Mexico Governor Martinez reversed position and contended the line "would have saddled New Mexico taxpayers with a legacy project from the previous administration...with very little, if any, return on investment."¹

¹ RailForum.com, April 29, 2011.

Amtrak has until 2015 to find a solution to maintenance needs along the route from Newton, Kan., to Lamy, N.M., about 650 miles of track. Diminished freight traffic on the BNSF Railway, Amtrak's host railroad for this segment, has made maintenance and especially repair and replacement of aging track, signals and bridges too costly for the railroad to justify without additional financial resources. Speed restrictions and an older signal system have meant slower, less reliable Amtrak service. Until recently, the Southwest Chief has been Amtrak's most reliable long distance train with a 90 percent on-time record. The line's track quality and operating speed will deteriorate further without upgrading and maintenance. Without additional resources BNSF and Amtrak will be faced with slowing or rerouting the train. The maintenance contract with BNSF Railway expires in 2015.²

CDOT will continue to monitor the three remaining Rail Corridors of State Significance with regard to possible abandonment actions. These items will remain on the priority list for continued monitoring by the Department.

(F) State Rail Bank Fund Activities

There were no expenditures from the State Rail Bank Fund in FY 2013. If monies are not available from the Fund, CDOT has no resources readily available to preserve a Rail Corridor of State Significance if a rail company owning it chose to initiate abandonment of that line. Absent available cash in the Fund, the department would likely be unable to request and obtain funding from the state Legislature to preserve such a corridor in a timely fashion, should abandonment occur when the Legislature is out of session. As noted earlier, abandonment can occur with as little as 90 days' notice.

One concept that deserves consideration is placement by the Legislature of significant funds in the Rail Account of the State Infrastructure Bank, which the Transportation Commission could draw upon should a Rail Corridor of State Significance need to be acquired. CDOT would then pursue repayment to the Rail Account of the State Infrastructure Bank for any acquisition expense from the Legislature during the following Legislative session. This would enable the Transportation Commission to be more responsive to any abandonment that may occur.

It should also be noted that while no expenditures are proposed from the State Rail Bank Fund, CDOT's State Freight and Passenger Rail Plan (see discussion below in II (A)) can aid the Division of Transit and Rail (DTR) to prioritize and pursue funding in rail projects in the future.

(G) Status of Towner Line

During the 1998 Legislative Session, HB-98-1395 was passed by the Legislature and signed by Governor Romer, allocating \$10.4 million to the State Rail Bank to purchase the Towner Rail

² La Junta Tribune Democrat, September 7, 2013.

Line, which runs from NA Junction to Towner, from the UP and to subsequently lease or sell the line to a short line operator. The line was purchased from the UP in July 1998 and subsequently advertised for sale. In March 2000, CDOT leased the Towner Line to the Colorado Kansas and Pacific Railway Company (CKP) for five years with an option to buy. CKP operated rail service on the line from April 2000 until June 2004.

In 2005 CDOT signed a lease-purchase agreement with Victoria & Southern Railway (V&S). Details of the purchase agreement specify that V&S Railway would operate the line for six years in adherence with State and Federal regulations. The lease specifies that CDOT has the first right to repurchase should V&S Railway be unwilling or unable to continue to operate the line post-purchase agreement.

In January 2006, the V&S (operating as VST) began rehabilitation and improvements of the Line which included: track repair, track replacement, repair of active crossing equipment, and returning the track to Class II operating standards. The first train returning the Line to moving grain was conducted in September 2006. In April 2008, the Line experienced the loss of two bridges and roadbed damage due to fires in the Ordway area. The VST repaired the Line, and was able to provide full service. The two locomotives used on the line were moved to Mississippi for other V&S operations. V&S has a standing agreement with WATCO, an independent rail operator, to transport freight along the line when required under the VST name.

V&S exercised its right to purchase the line on October 4, 2011. On this date, V&S presented CDOT with certified funds of \$9,356,000. This money was deposited into the State Rail Bank. These funds were transferred by the legislature into the general fund.

On December 1, 2011, CDOT received formal notice of intent from V&S to abandon 79.5 miles of the Towner Line, from N.A. Junction to Eads, Colorado. As required by 43-1 Part 13, CDOT notified the legislature of the availability of the line. The legislature chose not to exercise the State's right of first refusal. On June 8, 2012, V&S filed a Discontinuance of Service Exemption with the STB. The board approved the petition on June 20 2012, with an effective date of July 28, 2012. Consummation of the abandonment has not occurred.

In December 2012, V&S notified CDOT of its intent to abandon the remaining 39.5 miles of the line from Eads, Colorado to Towner, Colorado. To date, V&S has not yet filed the appropriate formal request with STB to begin this process.

CDOT will continue to monitor the abandonment of the western portion of the line and the intended abandonment of the eastern portion of the line.

CDOT will continue to also monitor the related roadway underpass of US 287 with the V&S rail line in the town of Eads, Colorado. This is a location where over-sized trucks cannot now travel. Improvement to this underpass would allow oversize trucks, and reduce the need for current traffic enforcement activities.

Part II: New Initiatives and Activities

Since its creation in 2009, the Division of Transit and Rail has undertaken several initiatives. These include the State Freight and Passenger Rail Plan, the Interregional Connectivity Study, the Advanced Guideway Feasibility Study, A Framework for Transit and Rail Performance Measures, Transit Guiding Principles, and a Statewide Transit Plan.

(A) The State Freight and Passenger Rail Plan

The Federal Railroad Administration awarded a \$400,000 PRIIA grant to CDOT to develop a state rail plan. The grant required a \$400,000 match from CDOT. CDOT completed the State Freight and Passenger Rail Plan in March 2012. The Federal Railroad Administration approved the plan in the beginning of October 2012.

The SFPRP provides direction on how to integrate passenger and freight rail elements into the larger statewide multi-modal transportation framework. It also provides important guidance to the Division of Transit and Rail. The Plan enables Colorado to be eligible for future rail infrastructure investment funds, as states must have a state rail plan in order to qualify for such funds. The Plan will have periodic updates through 2015 and go through a full update in 2016/2017.

(B) Denver Union Station

CDOT continues to participate as a partner in the development of Denver Union Station (DUS). The City and County of Denver, RTD, DRCOG and CDOT jointly purchased the 19.5-acre Denver Union Station (DUS) site and agreed to fund the development of a master plan, a rezoning of the property, and an Environmental Impact Statement. The master plan and zoning application were completed, the EIS was completed and a Record of Decision was signed by the Federal Transit Administration on October 17, 2008.

The Denver Union Station Project Authority (DUSPA) is the non-profit, public benefit entity formed by the city in July 2008 along with its public partners. DUSPA is responsible for the financing, acquiring, owning, equipping, designing, constructing, renovating, operating and maintaining the Denver Union Station redevelopment project.

Federal loans constitute approximately 58 percent of all funding sources for the project; under the financing plan, an RTD bond as well as tax increment revenues pledged to DUSPA will be used to repay the debt. The remainder of the project funding comes from the RTD FasTracks tax initiative, SAFETEA-LU, the Senate Bill 1 Strategic Transit Program, and the master developer. RTD will assist with the construction management of the transportation improvements and will own and operate the facilities after the construction period.

The total cost of the project is \$489M. The project now is approximately 90% complete as of August 2013, with an expected completion date of Spring 2014.

(C) Rail Relocation Discussions

Over a number of years, CDOT, UP, BNSF and RTD had been discussing possible rail infrastructure relocation and freight line consolidation. These exchanges focused on the development of a long-term plan to ease rail traffic congestion and improve freight and passenger mobility along the Front Range without impacting the competitive balance between the railroads or economic health of businesses within the state. This is a list of prior studies which have been summarized in previous reports to the TLRC:

- 2003 Railroad discussions, resulting in recommendation to do a study.
- 2005 Public Benefits Study concluded eastern Colorado plains facilities were of interest
- 2007 Rail Relocation for Colorado Communities (R2C2) Study advanced the development of eastern plains concepts. Those concepts met with public opposition and identified a need for more detailed evaluation of benefits and impacts of a new rail line.

In May, 2010 CDOT suspended the on-going analysis as the Department was establishing the new Division of Transit and Rail and had received a grant from the FRA to conduct a State Freight and Passenger Rail Plan (SFPRP).

In June 2012, CDOT issued a letter to note that the SFPRP gave a low-priority ranking to the development of an eastern plains freight railroad bypass by CDOT, and designated the project inactive. If a future rail relocation effort is initiated by another party, *Colorado Rail Relocation Implementation Study* findings would require re-evaluation and CDOT would work to ensure all applicable state and federal regulations are adhered to, including, but not limited to, the National Environmental Policy Act (NEPA).

(D) Colorado Interregional Connectivity Study (ICS)

CDOT was also awarded FRA funds for conducting an Interregional Connectivity Study. The FRA awarded \$1 million for this study, with a required \$1 million match from CDOT. An additional match of \$500,000 was transferred to the study from the Advanced Guideway System budget (see Section E below) to produce ridership estimates for both studies.

This study is the result of findings from the Rocky Mountain Rail Authority (RMRA) High Speed Rail Feasibility Study, which indicated that good connections in Denver, particularly with RTD's FasTracks rail lines, are crucial to the success of any potential future high speed rail line. The RMRA study indicated that a very limited number of stations should be located in the Denver metropolitan region and that those stations would ideally also serve Regional Transit District (RTD) FasTracks stations. The study also pointed out that alignment choices were limited in the Denver area due to existing rail traffic and an already heavily built environment. The RTD is currently engaged in various stages of planning for the locations of stations and alignments for its FasTracks rail system expansion. This study, the Colorado Interregional Connectivity Study, is examining the feasibility of also using those stations and alignments for HSR, based on available and potential HSR alignments and ridership.

The initial study purpose, goals, and critical success factors were defined at the internal project kickoff and chartering meeting in May 2012 and were subsequently reviewed at the first Project Leadership Team (PLT) Meeting in June 2012, which was attended by the project's 60+ stakeholders. Since then, the following actions have been taken:

- Level 1, Initial Evaluation, was completed in September 2012. It defined evaluation criteria, identified candidate alternative scenarios and recommended the best scenarios for ridership modeling. Public meetings for Level 1 were held in July 2012.
- Level 2, Conceptual Evaluation, was completed in July 2013. It completed engineering and planning efforts to assess track requirements to make the system operate as well as evaluating physical needs in terms of footprint, right-of-way, and community/environmental impacts. It also calculated ridership, fare revenues, capital costs, and arrived at a preliminary benefit/cost determination that benefits would exceed costs. Public meetings for Level 2 were held in late May and early June 2013.

Level 3, Detailed Evaluation and Recommendations, is currently underway. It will complete refinements and add detail to prior work, define cost-effective Minimal Operable Segments (MOS), and provide preliminary recommendations with a supporting financial plan. Public meetings are planned for late October.

Subsequently, in November and December, the recommendations will be finalized, and the study completed. Recommendations from the ICS study are then forwarded for inclusion in both the State Transit Plan (estimated completion June 2014) and the Statewide Transportation Plan (estimated completion March 2015) where these recommendations can be evaluated with, and prioritized among all other identified state transportation projects through 2040.

(E) Advanced Guideway System (AGS) Feasibility Study

The charge of this study, per the 2011 Programmatic Environmental Impact Statement (PEIS) and Record of Decision (ROD), was to determine if a High Speed Transit System on a fixed guideway was possible to serve the recreational, business and freight needs of communities along the I-70 Mountain Corridor, from the general vicinity of the I-70/C-470 interchange to Eagle County Regional Airport. Specifically, the study was to determine if the AGS was feasible in relation to the following key elements: technology, alignment/land use, and funding/governance.

In late 2012, a Request for Statements of Technical Information (RFSOTI) was released to answer the question whether there were feasible technologies that could meet the desired system performance and operational criteria. A total of 18 Statements of Technical Information (SOTI) were received. Using screening based on six key system performance and operational criteria, 11 of these were found to be able to substantially meet the criteria. Following the review of the SOTI's, CDOT DTR declared that technologies exist, two commercially available today, that can meet performance & operational requirements, and that the AGS is technologically feasible.

Once the determination was made that the AGS was technically feasible, DTR then directed that the study examine alignment locations, costs, and potential stations. The AGS Consultant Team

developed representative alignments that could serve one or more of the feasible technologies. Based on review of the alignments and potential station locations, it appears that the AGS alignments are feasible. Based on the analysis, the following capital costs were determined for both the full corridor and minimum operating segments (MOS) with different design speeds:

Technology & Design Speed	Cost – Full Corridor Golden C-470/I-70 to Eagle County Regional Airport	Cost – MOS Golden C-470/I-70 to Breckenridge
High Speed Steel Wheel/Rail (180 mph)	\$32.39 Billion	\$19.01 Billion
High Speed Maglev (180 mph)	\$25.31 Billion	\$14.14 Billion
Medium Speed Maglev (120 mph)	\$10.87 Billion	\$5.54 Billion

In May 2013, CDOT DTR issued a Request for Financial Information (RFFI). The goal of the RFFI was to gather information to inform an initial assessment of the overall financial feasibility of providing an AGS and to establish if there are one or more feasible financial alternatives to fund or implement an AGS by the year 2025 as prescribed by the PEIS & Record of Decision.

On June 28, 2013, CDOT DTR received six (6) Statements of Financial Information (SOFI). Additional work was done to contact other finance industry representatives on bonds/bond ratings, and to gather a broader set of opinions. Concessionaires and financiers indicated that it would not be possible to obtain more than \$3 billion in financing for a single project, and that it was more common for financing of \$0.5 to \$1.0 Billion to be available for transportation projects.

Based on finance industry input and analysis of existing funding, an AGS is not financially feasible at this time. If new funding were identified and dedicated to an AGS in the I-70 Mountain Corridor, then it could become financially feasible within the 2025 commitment dates set out by the PEIS and ROD. A Draft Report will be available by October 2013, and a Final Report by December 2013. Recommendations from the AGS study, like the ICS, will be forwarded for inclusion in both the State Transit Plan (estimated completion June 2014) and the Statewide Transportation Plan (estimated completion March 2015) where these recommendations can be evaluated with, and prioritized among all other identified state transportation projects through 2040.

(F) Amtrak Examination of Service in Colorado

Amtrak is engaged in a number of activities in Colorado. Following is a summary:

1. Congress required Amtrak to perform a feasibility study to explore restoration of the Pioneer Line from Denver to Seattle, a service that was abandoned in 1997. Amtrak submitted its study to Congress in October 2009, outlining the feasibility of restoring the Pioneer, or portions of it. The study assessed the ridership, revenue, and mobility implications resulting from various scheduling options and the associated capital and operating requirements. The study included a projected timeline and estimated costs associated with restoring the service. Amtrak provided opportunities to the state DOTs along the route to submit comments.

The study reached no conclusions about whether the Pioneer Line should be restored. Rather, Amtrak indicated it cannot restore the Line within its current budget, leaving it to Congress to decide whether to provide funding for the Line. It is possible that states along the line would be asked to contribute to the cost of operating the service. There are no changes to these conclusions as of September 2013.

2. The Amtrak station in Trinidad was demolished as part of the rebuilding of the I-25 viaduct through the city. CDOT, Amtrak, Trinidad, the South Central Council of Governments, Greyhound and BNSF Railway have been working together to replace the station with a multimodal station that will serve both Amtrak and Greyhound riders, as well as local transit riders.

3. Amtrak and the BNSF have expressed concern to the states of Kansas, New Mexico and Colorado about the future of the Amtrak Southwest Chief line, which traverses southern Colorado, including stops in Lamar, La Junta and Trinidad. BNSF traffic has decreased significantly on portions of the line through the three states. BNSF has stated that there is not a business reason for the line to be maintained at a higher level, and that if faster passenger service is desired, it is the responsibility of Amtrak, state governments, or the U.S. government to pay for the difference in track maintenance levels. BNSF has offered a re-route solution which would remove the Southwest Chief service from Colorado if no action is taken prior to the end of 2013. Southwest Chief service would still operate through parts of Kansas and New Mexico. "Action" to keep the Southwest Chief in Colorado is now estimated to cost \$200 Million total: \$100 Million in up-front capital across segments of track in three states (KS, CO, and NM), plus an on-going commitment of \$10 Million per year for ten years maintenance.

Various ideas have been reported to be in conversations among Amtrak, BNSF, the three states and local community representatives. One idea is to divide the \$200 Million among the three states, roughly in thirds, adjusted proportionally to track miles in each state. This would mean roughly \$33 Million in up-front capital, and \$3.3 Million per year for 10 years, for each state. Each state would pay roughly a total of \$66 Million in constant dollars. Other ideas suggest the possibility of dividing the \$200 Million among the three states, Amtrak, and BNSF.

The three state DOT's have signed a joint letter supporting the Amtrak service on the existing track, but indicating no current availability of funding. In 2012, the Colorado Legislature passed a resolution calling on upon the National Railroad Passenger Corporation to continue routing the Amtrak Southwest Chief through its current southeastern Colorado route.³ The U.S. Congress continues to look at reauthorization of the 2008 Passenger Rail Investment and Improvement Act of 2008 (PRIIA), which currently funds Amtrak at \$1.2 Billion / year.

(G) Transit and Rail Performance Measures Program

Grantee Performance: Working with the Transit and Rail Advisory Committee (TRAC), DTR established a framework for transit and rail performance measures. Seven categories were identified that provide a broad basis for a performance-based planning process and serve as the

³ Senate Joint Resolution, SJR 12-025.

primary tenets of the performance measures framework. The categories are: accessibility, mobility, safety, economic development, environmental and resource conservation, efficiency, and system preservation and expansion. Within each category values were identified to provide a general statement of a desired state or ideal function of a transportation system. Candidate performance measures were identified for each value, by mode (freight and passenger). These are high level and focus on those measures that would be most useful in establishing the existing condition of the transit and rail systems at a statewide level and in assessing improvement in the state over time.

CDOT/DTR Performance: CDOT is currently updating its long range Statewide Transportation Plan. As part of this process, CDOT is reviewing policy documents (Policy Directives) that guide the development of the plan. One such Policy Directive being reviewed is P.D. 14 – which sets goals and objectives in several areas, including Asset Management and System Performance.

As part of the PD 14 update, DTR, in conjunction with Division of Transportation Development staff, have set Asset Management goals for maintaining the condition of the rural transit fleet and the completion of asset plans at the grantee level. With respect to System Performance, DTR has set goals aimed at increasing transit ridership across the state and maintaining or increasing transit connectivity around the state, as measured by the number of revenue services hours of regional and interregional transit services on an annual basis.

(H) Transit Guiding Principles

CDOT/DTR in partnership with the TRAC developed guiding principles specific to the role of transit and rail in the overall statewide multimodal transportation system. These principles will help guide the development of the Statewide Transit Plan and are consistent with CDOT's broader operating principles, performance areas, and state and federal planning regulations. They represent the transit element of the statewide transportation system and support CDOT's Vision and Mission. The Transit Guiding Principles are as follows:

- When planning and designing for future transportation improvements, CDOT will consider the role of transit in meeting the mobility needs of the multimodal transportation system.
- CDOT will facilitate increased modal options and interface to facilities for all transportation system users.
- CDOT will consider the role of transit in maintaining, maximizing and expanding system capacity and extending the useful life of existing transportation facilities, networks and right-of-way.
- CDOT will promote system connectivity and transit mobility by linking networks of local, regional and interstate transportation services.
- CDOT will work towards integrating transit to support economic growth and development, and the state's economic vitality.
- CDOT will pursue transit investments that support economic goals in an environmentally responsible manner.

- CDOT will establish collaborative partnerships with local agencies, transit providers, the private sector and other stakeholders to meet the state’s transit needs through open and transparent processes.
- CDOT will advocate for state and federal support of transit in Colorado including dedicated, stable and reliable funding sources for transit. Through partnerships, CDOT will leverage the limited transit funds available and seek new dollars for transit in Colorado.

(I) Statewide Transit Plan

In April 2013, DTR began development of CDOT’s first Statewide Transit Plan. The Plan is required by state statute and will “identify local, interregional, and statewide transit and passenger rail needs and priorities.” The Plan will create a vision for transit in Colorado and provide strategic direction, policies, goals, objectives and strategies for meeting identified statewide transit needs. The Statewide Transit Plan will integrate the local transit and coordinated human services plan for the 15 Colorado Transportation Planning Regions, the passenger rail elements of the State Rail Plan, and results of other DTR studies. The Statewide Transit Plan will then be integrated into the long-range Statewide Transportation Plan. The Plan is anticipated to be adopted by the Colorado Transportation Commission in June 2014.

Part III: Recommendations

There are no major rail lines in Colorado which have been abandoned in the past year that impact the state’s transportation system, nor are there any which are considered to be at high risk of abandonment at the current time. Consequently, at this time the Department is not recommending to the TLRC that any railroad rights-of-way or rail lines be acquired by the State. However, the Department is recommending the following actions:

The **first priority** is to monitor the status of the Raton Pass line. Recent history suggests risk of the New Mexico segment being abandoned, but not the Colorado segment. The Colorado segment may experience a decline in track quality and track speed, and should be monitored. If this line is abandoned, the State should evaluate the likelihood that it would be purchased by a short-line railroad, and if not purchased by a short-line railroad, purchase it to preserve it for freight service in the future.

The **second priority** is to monitor the status of the Tennessee Pass line. While there is no indication that the UP will abandon this line in the near future, the line has not been used for over fifteen years. If this line is abandoned, the State should purchase it to preserve it for freight service in the future.

The **third priority** is to monitor the status of the Fort Collins Branch line. While this line does not appear to be at risk of abandonment at this time, it is identified as a Rail Corridor of State Significance since it connects Greeley and Fort Collins to the North I-25 corridor.