

Rail Enhancement Fund: Potential Policy & Prioritization Recommendations

June 16, 2015

CTB Rail Subcommittee

Legislative Directive

HB 1887

“That the Commonwealth Transportation Board shall develop no later than December 1, 2015, a legislative proposal to revise the public benefit requirements of the Rail Enhancement Fund...”

Guiding Principles

- Transparency and simplicity should guide any proposed revisions
- Rail Enhancement Fund requests will soon exceed available resources
 - Project prioritization
 - Firm project completion dates
 - Matching requirements
- Public/private and state/local partnerships are cornerstones of the program
- Prioritization should be based on scoring against adopted policy goals

Statutory Requirements

Policy	Options	Recommendation
Public benefits exceed public investment costs	Possible legislative changes.	Revise/update BCA with current & enhanced measures
Economic growth	Possible legislative changes.	Retain/update, including targeted industries policy goal, supply chain and labor market competitiveness
Grants must support entire multimodal system	Possible legislative changes.	Revise/update BCA, including value of intermodal freight and passenger facilities
Project cost—REF grant amount	Evaluate total project cost	Evaluate and prioritize benefits based on REF requested grant amount.
Match Requirement – 30%	Allow federal funds	Keep current code language allowing private or local match only.

Policy Goals

Policy	Options	Recommendations
Quick turnaround projects and achievable project schedules	Delete or substantially revise	Substantially revise w/ firm completion date in prioritization process
Leverage other funds	Delete or revise	Revise to minimize long term impact on REF, including future O&M
Protect the public interest	Retain ownership or revise incentive structure	Revise metrics and replace clawback with restriction on <i>future</i> DRPT grants
State, regional or local plan	Consider Private plans	Retain/update requirement for public sector plans
Multimodal and dual freight rail access where feasible	Eliminate	Retain/update, including intercity and high speed rail

Policy Goals

Policy	Options	Recommendations
Up to 10% Planning/Preliminary Engineering	Eliminate, retain, or revise	Revise to require a <i>minimum 10%</i> for planning and PE, consistent with firm completion date policy
State of Good Repair (SoGR)	Add new category to grant eligibility—may require change to REF statute	Must significantly improve reliability of facility & reduce risk of breakdown/system failure. Do not make stand-alone maintenance projects eligible for REF. Maximum (\$3M) amount allowable for RPF projects.
Rail Operations	Add passenger and freight rail operations to REF statute	Do not seek such amendments to REF statute or policies