



Comparative Analysis

Presentation to West Virginia MARC Funding Committee

December 18, 2018



Presentation Overview

- General Observations
- MARC Discussion
- 6 Rail Systems Compared
 - SEPTA – Philadelphia to Newark DE
 - Connecticut DOT – MetroNorth Cost Sharing
 - RI DOT – MBTA Service
 - Metra
 - Southshore Line RR
 - Virginia Railway Express (VRE)
- Considerations Looking Forward
- Questions/Discussion



General Observations

- Agreements vary by railroad
- Generally pay for incremental operating costs
- Federal funds are generally not used in operating agreements
- Ridership is stable and/or growing

- 24 miles of service in WV
- Three Stations
 - Martinsburg
 - Duffields
 - Harpers Ferry
- Level of Service
 - 3 AM trains
 - 3 PM Trains
 - 2 PM connecting bus Services

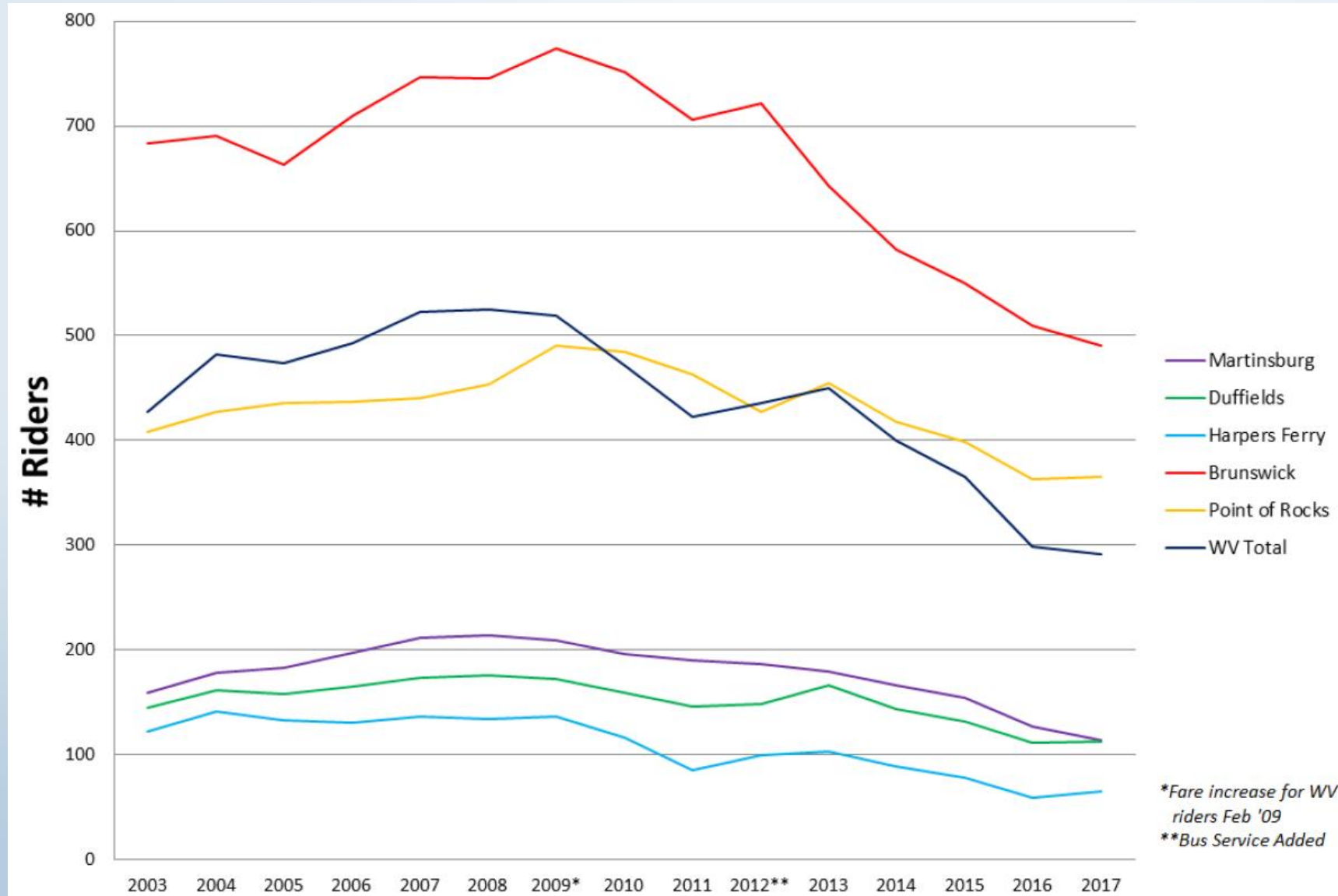


mta.maryland.gov
1-866-RIDE-MTA

MDOT MARYLAND DEPARTMENT OF TRANSPORTATION
MARYLAND TRANSIT ADMINISTRATION

MARC Riders 2003-2017

(data collected once a month, boardings; year is average of 12 collections)

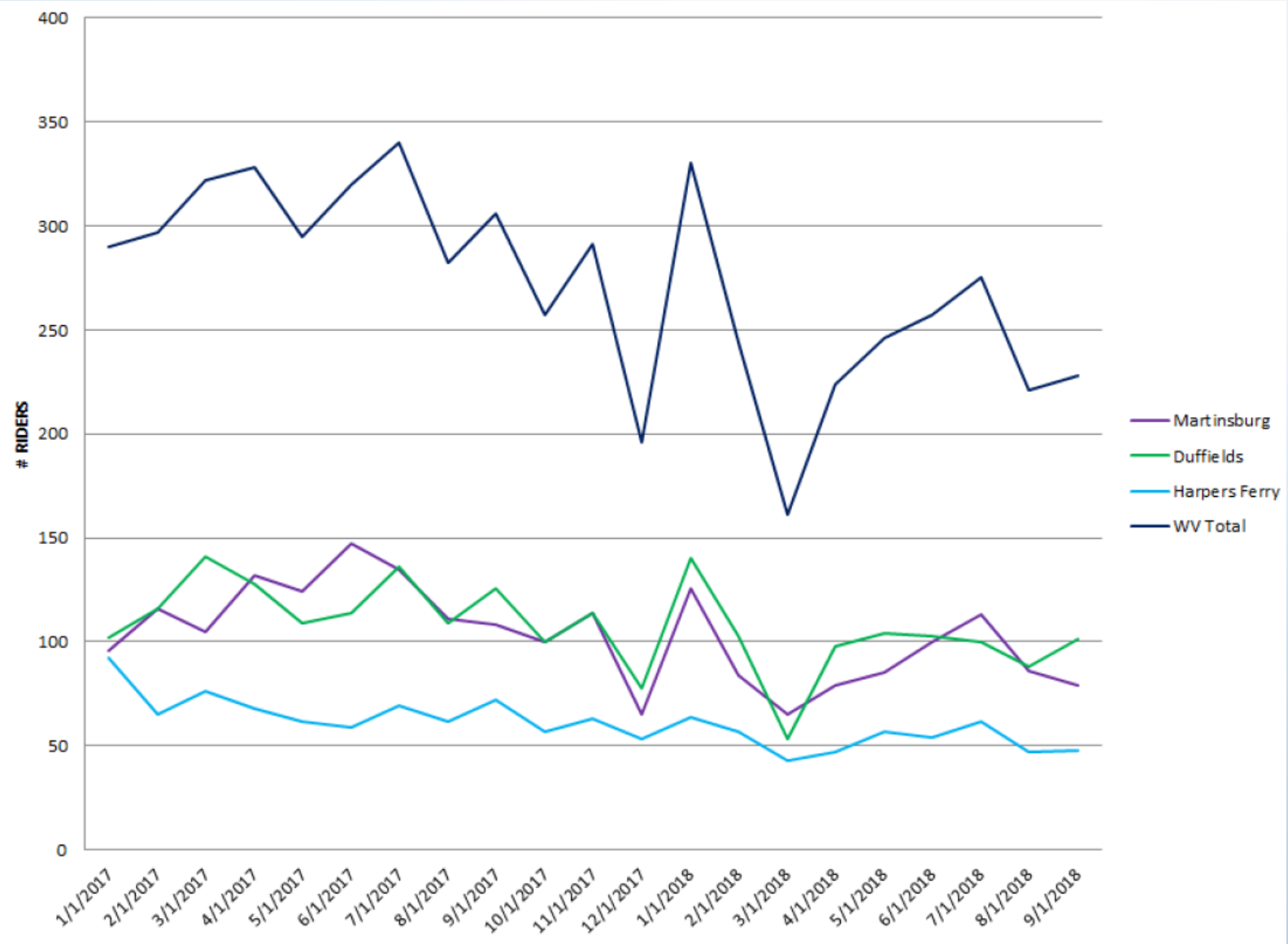


MARC Riders 2009-2017

Station	Ridership Growth 2009-2017	
	#	%
Martinsburg	-95	-45%
Duffields	-60	-35%
Harpers Ferry	-72	-53%
Brunswick	-284	-37%
Point of Rocks	-125	-26%

MARC Riders: Jan. 2017 – Sept. 2018

(data collected once a month, boardings)



MARC RIDERS: JAN'17-SEP'18

(data collected once a month, boardings)

MARTINSBURG

	2017	2018	+/-
Jan	96	126	30
Feb	116	84	-32
Mar	105	65	-40
Apr	132	79	-53
May	124	85	-39
Jun	147	100	-47
Jul	135	113	-22
Aug	111	86	-25
Sep	108	79	-29
Total	1,074	817	-257

DUFFIELDS

	2017	2018	+/-
Jan	102	140	38
Feb	116	103	-13
Mar	141	53	-88
Apr	128	98	-30
May	109	104	-5
Jun	114	103	-11
Jul	136	100	-36
Aug	109	88	-21
Sep	126	101	-25
Total	1,081	890	-191

HARPERS FERRY

	2017	2018	+/-
Jan	92	64	-28
Feb	65	57	-8
Mar	76	43	-33
Apr	68	47	-21
May	62	57	-5
Jun	59	54	-5
Jul	69	62	-7
Aug	62	47	-15
Sep	72	48	-24
Total	625	479	-146

WV TOTAL

	2017	2018	+/-
Jan	290	330	40
Feb	297	244	-53
Mar	322	161	-161
Apr	328	224	-104
May	295	246	-49
Jun	320	257	-63
Jul	340	275	-65
Aug	282	221	-61
Sep	306	228	-78
Total	2,780	2,186	-594

MARC Rider Ticket Costs

	Martinsburg to Union Station	Duffields to Union Station	Harpers Ferry to Union Station	Brunswick to Union Station
One Way (One Time)	\$13.00	\$12.00	\$12.00	\$9.00
Weekly (Mon-Fri - One Time)	\$102.50	\$95.00	\$95.00	\$67.50
Unlimited Weekly (One Time)	\$130.00	\$120.00	\$120.00	\$90.00
Unlimited Monthly (One Time)	\$377.00	\$350.00	\$350.00	\$243.00
One Way (One Time) vs. Brunswick	-\$4.00	-\$3.00	-\$3.00	-
Weekly (Mon-Fri - One Time) vs. Brunswick	-\$35.00	-\$27.50	-\$27.50	-
Unlimited Weekly (One Time) vs. Brunswick	-\$40.00	-\$30.00	-\$30.00	-
Unlimited Monthly (One Time) vs. Brunswick	-\$134.00	-\$107.00	-\$107.00	-

MARC -- Federal Funding

- 5337 Rail State of Good Repair
 - Used for Rolling Stock Repairs and Overhaul/Purchases
- 5307 Transit Capital -- Capital Projects Not used in operations
- No capital equipment or depreciation costs added to operating costs
- Expect in the Future that CSX implementation of Positive Train Control (PTC) will cause increase in operating costs. Per mile charge.



**Federal Transit
Administration**

CSX Access Charges

- CSX charges covers
 - CSX maintenance
 - Liability
 - Opportunity cost
- MARC maintains the MARC specific Equipment

SEPTA Service Cost Sharing

- SEPTA pays for the service to Marcus Hook in PA
- SEPTA charges DE for the incremental cost of operating service beyond Marcus Hook
- Delaware pays SEPTA the subsidy net of fare revenue for the service in Delaware
- Delaware has its own agreement with AMTRAK for access charges for service in DE
- SEPTA pays AMTRAK for access for the service in PA



SEPTA Service cont.

- Federal 5307 and 5337 funds are split at the region level and go to DELDOT for the Delaware service
- The federal funds in DE are used to pay for capital:
 - Stations
 - NEC projects with Amtrak
 - Rail cars and equipment
- SEPTA and DE have a contract that is renewed annually for service
- SEPTA provides the engines and most of the rail cars.
- DE owns some cars



Connecticut DOT

- MetroNorth operates rail service into Connecticut under a cost sharing agreement with CTDOT
- CT owns the rail lines and the platforms and most station buildings
- Some station buildings are owned by local governments
- CT owns about half of the parking spaces in CT; The remainder are owned and run by locals



Metro-North Railroad

Connecticut DOT Rail service

- There is the mainline and three branch lines that service is provided on with a combination of electrified and diesel service
- CT owns about 65% of the rail cars with the rest being provided by MetroNorth for service on the mainline
- CT owns all the rail cars for the service on the branch lines
- Across all the services they carry about 40 million passengers per year
- Most of the service in inbound commute to Grand Central Station in NYC but there is a limited reverse commute to Stamford and New Haven



Connecticut DOT Rail service

- CT pays 65% of mainline costs and receives 65% of the revenue from the mainline.
- CT pays 100% of the branch line costs and receives 100% of the branch line revenue
- CT pays 100% of capital costs in CT
- There are some shared systems costs that CT has to pay for example CT pays 20% of the ticket vending machine costs in Grand Central Station



Connecticut DOT Rail service

- CT pays 65% of the station operating costs and MetroNorth pays the remainder in both CT and NY
- Been shifting smaller station responsibility to municipalities
- On NY side, there is a law that requires municipalities to pay for station expenses so 100% of station expenses are paid for in NY by municipalities, however, CT still is charged for 65% of the station expenses in NY as well.
- The service is provided under contract. The contracts are renewed every 5 years but it is basically perpetual with limited to no changes.



RI DOT

- The service is provided by MBTA going back to 1988 and is operated on the Northeast Corridor owned by Amtrak
- RIDOT in 1986 paid about \$10 million for track and platform improvements at New Providence
- MBTA began service in 1988 with 5 round trips per weekday
- Since then have added service
- Commute pattern is primarily outbound from RI with limited reverse commute



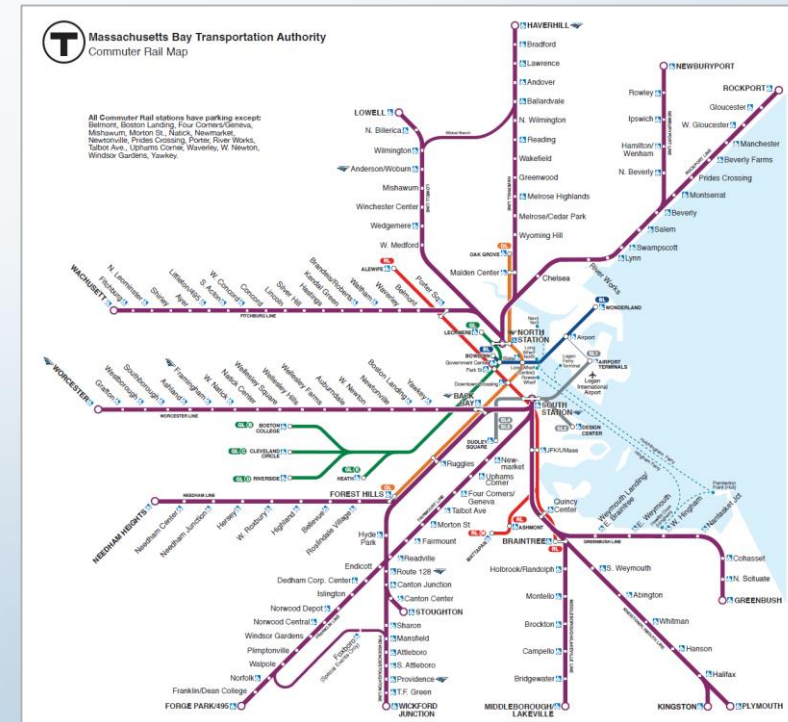
RI DOT

- RIDOT has an annual contract with MBTA
- RIDOT does not pay for operating expenses of the service
- RIDOT contributes to capital but not on a formula basis. They do have a contract with MBTA but it is based upon funding projects from MBTA's capital plan in RI
- RIDOT receives the FTA 5337 funds and then MBTA is a subrecipient under RIDOT for projects in RI.
- RI does not provide any State funds for capital. RI does provide some soft match through toll credits or MBTA matches the federal funds with MBTA dollars



RI DOT

- RIDOT federal capital contributions have gone to help pay for rail cars and rail yard improvements as well as stations.
- The 5307 funds generated from the service are retained by the local transit agency in RI to support bus purchases.
- RI pays for insurance required to operate on the Amtrak line directly to Amtrak south of Wickford Junction station.
- The Wickford Junction Station is owned by RIDOT
- TF Greene Airport Station is owned by the Airport Authority.



Metra Service to Wisconsin

- Metra operates 11 rail lines
- Experiencing funding difficulties
- Serves one station in Wisconsin adjacent to Kenosha Railyard
- It is incidental service
- Currently no contribution required from Wisconsin or local government
- Metra is funded about 50% from the farebox and the remainder from sales tax.
- Metra is considering charging communities outside its sales tax district for service due to funding challenges.

Metra continued

- The state of Indiana charges Metra station access fees so Metra can serve Egewisch station in the state of Indiana on the Southshore RR
- In another location Southshore RR operates on Metra owned railroad and Southshore pays Metra for trackage rights.

Southshore Line Rail Service

- Fare box is 40% to 50% recovery
- State of Indiana pays from the following sources:
 - \$18 million per year from sales tax and another \$5 million per year from their public transportation fund
 - A tax on rail cars pays bonds
 - An electric rail service fund pays several hundred thousand per year

Virginia Railway Express

- VRE operates service on two lines
 - The Fredericksburg line operates from Spotsylvania, VA to Union station in Washington DC
 - The Manassas Line operates from Broad Run VA to Union Station
- Washington DC is a destination station, Washington DC does not contribute to VRE service costs



VRE cont.

- VRE operates on tracks owned by Amtrak, Norfolk Southern and CSX railroads
- They pay access fees to each as follows:

Railroad	Description	Fees paid
Amtrak	Access to Union Station and use of Union yards	\$6.6 M
Norfolk Southern	Access to use railroad	\$2.94 M
CSX	Access to use railroad	\$7.3 M

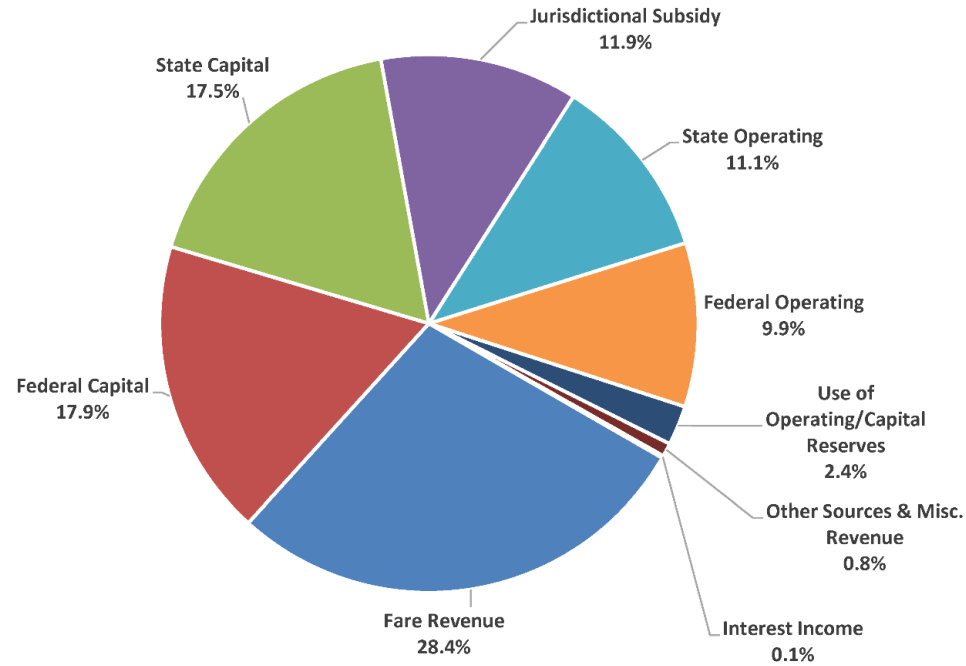
- They also buy maintenance services from Amtrak for \$4.4 m

VRE cont.

- VRE has a unique operating revenue support
- They use federal 5307 to cover some preventative maintenance/capital cost of contracting
- Some STP/Flex funds are used to pay access fees
- They receive funds from Virginia Department of Rail and Public Transportation to contribute to the operating budget
- By their master agreement they must have 50% fare box recovery so they adjust fares every other year to maintain fare revenue growth
- The remainder of their deficit is split between their local funding partners by a ridership formula. The ridership of each station is estimated. VRE performs ridership surveys several annually at each station to verify the ridership estimates. The ridership by station is converted to a percentage of total ridership and is then multiplied by the remaining deficit.
- The local funding contribution part of VRE's charter. Each of the local funding partners are part of VRE's governance structure.

VRE cont.

FY 2019 - Sources of Funds



Revenue Source	FY 2019 Amount	% of Total
Fare Revenue	\$ 42,400,000	28.4%
Federal Capital	\$ 26,773,570	17.9%
State Capital	\$ 26,187,824	17.5%
Jurisdictional Subsidy	\$ 17,767,748	11.9%
State Operating	\$ 16,632,508	11.1%
Federal Operating	\$ 14,738,543	9.9%
Use of Operating/Capital Reserves	\$ 3,550,000	2.4%
Other Sources & Misc. Revenue	\$ 1,215,000	0.8%
Interest Income	\$ 200,000	0.1%
Total Sources of Funds	\$ 149,465,194	100.0%

VRE cont.

Jurisdiction	FY 2017		FY 2018		FY 2019		Change FY17 to FY19		Change FY18 to FY19	
	Subsidy	Percent	Subsidy	Percent	Subsidy	Percent	Net +/-	% Change	Net +/-	% Change
Fairfax County	\$5,160,910	30%	\$6,099,300	35%	\$5,385,794	30%	\$224,884	4.36%	(\$713,506)	-11.70%
Prince William County	5,968,406	35%	5,363,372	31%	6,183,745	35%	215,339	3.61%	820,373	15.30%
Stafford County	2,647,222	15%	2,344,514	14%	2,475,127	14%	(172,095)	-6.50%	130,613	5.57%
Spotsylvania County	1,382,749	8%	1,520,191	9%	1,632,635	9%	249,886	18.07%	112,444	7.40%
Manassas	749,371	4%	684,586	4%	785,898	4%	36,527	4.87%	101,312	14.80%
Manassas Park	511,777	3%	474,718	3%	511,311	3%	(466)	-0.09%	36,593	7.71%
Fredericksburg	483,524	3%	417,278	2%	436,568	2%	(46,956)	-9.71%	19,290	4.62%
Arlington	205,692	1%	205,692	1%	211,863	1%	6,171	3.00%	6,171	3.00%
Alexandria	140,589	1%	140,589	1%	144,807	1%	4,218	3.00%	4,218	3.00%
	\$17,250,240	100%	\$17,250,240	100%	\$17,767,748	100%	\$517,508	3.00%	\$517,508	3.00%

Jurisdiction	October 2015		October 2016		October 2017		Change Oct. 15 to Oct. 17		Change Oct. 16 to Oct. 17	
	Riders	Percent	Riders	Percent	Riders	Percent	Net +/-	% Change	Net +/-	% Change
Fairfax County	2,163	22%	2,777	27%	2,122	22%	(41)	-1.90%	(655)	-23.60%
Prince William County	3,095	32%	3,061	29%	2,995	31%	(100)	-3.24%	(66)	-2.15%
Stafford County	1,603	17%	1,610	15%	1,517	16%	(86)	-5.36%	(93)	-5.77%
Spotsylvania County	990	10%	1,183	11%	1,159	12%	169	17.09%	(24)	-2.06%
Manassas	428	4%	418	4%	416	4%	(12)	-2.79%	(2)	-0.41%
Manassas Park	280	3%	294	3%	264	3%	(16)	-5.67%	(30)	-10.15%
Fredericksburg	359	4%	337	3%	359	4%	(0)	-0.09%	22	6.44%
Other	777	8%	778	7%	759	8%	(18)	-2.32%	(19)	-2.44%
	9,695	100%	10,458	100%	9,591	100%	(104)	-1.08%	(867)	-8.29%

VRE cont.

- Station improvements are the responsibility of the local jurisdiction
 - Locals may pay to cover costs
 - Locals may take responsibility to construct projects
- VRE does take lead to apply for grants for those projects on behalf of local jurisdictions

Considerations Looking Forward

- Need to pursue understanding the level of federal funding generated by service in WV as part of negotiating agreement with MARC
- Need to understand why ridership has dropped and pursue ridership growth strategies – consider dropping fare surcharge for WV to grow ridership and revenue
- Actively participate with MARC on Capital Improvement Plan for service in WV including stations.
- Consider use of other federal funds to pay CSX access fees directly or as part of MARC contract
- May be able to negotiate entire contribution as federal funds (FTA/STP/CMAQ) for capital in lieu of operating to MARC or MTA



Questions/Discussion