Agenda Item 9-A
Action Item

To: Chairman Cook and the VRE Operations Board

From: Doug Allen

Date: October 16, 2015

Re: Recommend Authorization to Amend Agreements with CSX to Add the Spotsylvania Station to VRE’s Service Corridor, Add Train Service and Enter Into a Completion Agreement for the Third Track Improvements

Recommendation:

The VRE Operations Board is asked to recommend the Commissions authorize the Chief Executive Officer to execute Amendments to the CSX Operating Access Agreement and the Master Facilities Lease Agreement required to add the Spotsylvania station and an additional train on the CSX line and to execute a Completion Agreement with CSX regarding completion of the third track project.

Background:

The VRE has an Operating/Access Agreement with CSX Transportation permitting VRE operations in the Fredericksburg to Washington Corridor. This agreement, in part, establishes several train operating criteria. The recommended amendment would incorporate into the existing Agreement the following changes:

1) Add scheduled train stops at the Spotsylvania Station and revise the current train schedules to accommodate the additional round trip Fredericksburg line train
2) Add track maintenance and inspection responsibilities as a result of the new Spotsylvania Station and Crossroads lead.

3) Update the physical characteristics of the corridor to include the new third track currently under construction between Hamilton and Crossroads Interlocks.

4) The VRE also has a Master Facilities Lease Agreement with CSX Transportation for the lease of right of way primarily for property where current station platforms and access roads exist. The recommended amendment would incorporate the addition of the Spotsylvania station platform located in the CSX right of way and update the lease of a segment of track south of the Spotsylvania station known as the VRE Crossroads lead.

Finally, VRE is working to complete the Hamilton to Crossroads third track project. Substantial completion is expected by the end of December 2015. CSX requires a Completion Agreement prior to the opening of the Spotsylvania Station that outlines contingency plans in the event the Hamilton to Crossroads third track project is not completed within a reasonable time frame beyond December 2015. The Completion Agreement provides CSX with the right to complete the third track project at VRE’s cost in the unlikely event VRE fails to diligently pursue completion of the project.

**Fiscal Impact:**

Funding for track access fees for the additional Fredericksburg line train and additional lease of right of way and maintenance has been included in the FY 2016 budget. Funding beyond FY 2016 will be provided for in subsequent budgets.
Virginia Railway Express
Operations Board

Resolution
9A-10-2015

Recommend Authorization to Amend Agreements with CSX to Add the Spotsylvania Station to VRE’s Service Corridor, Add Train Service and Enter Into a Completion Agreement for the Third Track Improvements

WHEREAS, VRE’s current Operating Access Agreement with CSX was executed in July of 2011; and,

WHEREAS, the current Operating Access Agreement defines the train schedules and physical characteristics of the rail corridor in which VRE operations; and,

WHEREAS, the current train schedules and physical characteristics of the rail corridor need to be modified to include revised train schedules, the addition of a roundtrip train and update the physical characteristics due to adding the Spotsylvania station to VRE’s service corridor; and,

WHEREAS, VRE has a Master Facilities Lease Agreement with CSX for all Stations on the CSX right of way; and,

WHEREAS, the Master Facilities Lease Agreement needs to be updated to include the Spotsylvania station platform located in the CSX right of way and update the VRE Crossroads lead track lease; and,

WHEREAS, VRE is currently constructing a third track between Hamilton and Crossroads interlocks; and,

WHEREAS, VRE anticipates the third track project to be substantially completed by December 31, 2015; and,

WHEREAS, before service to the Spotsylvania station begins, CSX requires a Completion Agreement to outline a contingency plan if the third track project is not completed within a reasonable time after December 31, 2015;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer to execute an Amendment to the current CSX Operating Access Agreement in a form approved by legal counsel to 1) revise the current train schedules; 2) add track maintenance responsibilities and; 3) update the physical characteristics of the rail corridor; and,
BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer to execute an Amendment to the current Master Facilities Lease Agreement to 1) include the Spotsylvania station platform and; 2) update the lease of the VRE Crossroads lead track in a form approved by legal counsel; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer to execute a Completion Agreement with CSX outlining a contingency plan if the Hamilton to Crossroads third track improvements are not completed within a reasonable time beyond December 31, 2015, in a form approved by legal counsel.

Approved this 16th day of October 2015

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John C. Cook
Chairman

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Paul Smedberg
Secretary