MESILLA VALLEY METROPOLITAN PLANNING ORGANIZATION
POLICY COMMITTEE
AGENDA

The following is the Agenda for a meeting of the Policy Committee of the Mesilla Valley Metropolitan Planning Organization (MPO) to be held December 11, 2013 at 5:00 p.m. in the Las Cruces Council Chambers, 700 N. Main Street, Las Cruces, New Mexico. Meeting packets are available on the Mesilla Valley MPO website.

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1. **CALL TO ORDER** _____________________________________________________________ Chair
2. **CONFLICT OF INTEREST INQUIRY** ___________________________________________ Chair
3. **PUBLIC COMMENT** __________________________________________________________ Chair
4. **CONSENT AGENDA*** _________________________________________________________ Chair
5. **APPROVAL OF MINUTES** ____________________________________________________ Chair
   5.1. *November 13, 2013 _________________________________________________________ Chair
6. **DISCUSSION ITEMS** _________________________________________________________
   6.1. NM State Rail Plan _______________________________________________________ NMDOT Transit and Rail staff
   6.2. NMDOT updates __________________________________________________________ NMDOT Staff
   6.3. Advisory Committee Updates ____________________________________________ MPO Staff
7. **COMMITTEE and STAFF COMMENTS** __________________________________________ Chair
8. **PUBLIC COMMENT** ________________________________________________________ Chair
9. **ADJOURNMENT** ____________________________________________________________ Chair

Publish December 1, 2013
MESILLA VALLEY METROPOLITAN PLANNING ORGANIZATION
POLICY COMMITTEE
DISCUSSION FORM FOR THE MEETING OF DECEMBER 11, 2013

AGENDA ITEM:
7.1 NM State Rail Plan

ACTION REQUESTED:
None

SUPPORT INFORMATION:
Executive Summary of the New Mexico State Rail Plan. Electronic copies of the full plan are available upon request to MPO staff.

DISCUSSION:
NMDOT Staff will present on the New Mexico State Rail Plan.
Executive Summary

Railroads have contributed to the development of New Mexico’s economy since the first rail line was extended into New Mexico, then a territory, in 1879. Today, the two largest freight railroads in the United States, the BNSF Railway (BNSF) and the Union Pacific (UP), operate in New Mexico, as well as five shortline railroads, two long-distance Amtrak routes, a commuter railroad (NMRX), and the narrow gauge Cumbres and Toltec Scenic Railroad (Figure ES.1). Collectively, this system is critical for the movement of goods on the national rail system, serves the needs of local businesses and industries, and provides a passenger rail alternative as part of New Mexico’s multimodal transportation system.

From a freight rail perspective, New Mexico’s position as a crossroads within the national freight rail network presents both opportunities and challenges for the State. On one hand, these rail lines generate significant revenues for the railroads, which means that the lines will attract capital spending for maintenance and expansion. On the other hand, the trains themselves are moving fast and bound for long-distance markets. This means that rail shippers in New Mexico will have to struggle harder to attract industrial development or initiate new or expanded local service within the State. On the passenger rail side, the amount of money invested in NMRX constituted a huge investment for the State that must still pay off its debt service. Priority has shifted from providing new and expanded passenger rail services and facilities to maintaining the existing state-owned infrastructure in a state of good repair.

The State of New Mexico’s vision for its rail network is a fully integrated and safe multimodal passenger rail system that provides efficient passenger services to, from, and within the State; provides a competitive option for New Mexico shippers; is a vital component of the national transportation network; and supports sustainable, inclusive economic development statewide. Helping the New Mexico Department of Transportation (NMDOT) realize this vision, this State Rail Plan defines goals and objectives for rail in New Mexico, articulates the existing and future role of freight and passenger rail within the State, identifies potential rail improvement projects, and prioritizes future investments as part of a long-range service and investment program. The Plan satisfies the requirements of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) necessary to make the State eligible for intercity passenger rail Federal funding.
KEY FINDINGS

The New Mexico Rail System Includes Freight and Passenger Lines of National, Statewide, and Regional Significance

The New Mexico rail system includes 2,055 miles of railroad right-of-way, including two major transcontinental rail corridors critical for the movement of goods on the national freight network (Figure 3.1). More than 127 million tons valued at $8.5 billion were hauled on the New Mexico rail system in 2009.¹ Through traffic – trains passing through New Mexico bound for long-distance markets – represents 88 percent of all rail traffic by weight and 95 percent of all rail traffic by value on New Mexico’s rail network.² The types and quantities of through rail freight traffic are indicative of national and even global economic activity, with New Mexico benefitting from jobs created to maintain the rail lines and to crew and service the trains.

Figure ES.2 Current Corridor Volumes by Primary Rail Freight Corridors

2005 Freight Train Volumes

Source: Association of American Railroads, National Rail Freight Infrastructure and Capacity Study, 2007

¹ 2009 Surface Transportation Board (STB) Carload Waybill Sample Data.
² Ibid.
In addition, many of New Mexico’s industries are dependent on freight rail transportation to some degree. Rail is particularly important for the State’s mining and utilities sectors, with coal accounting for nearly 60 percent of all New Mexico rail tonnage. Rail also supports the State’s oil and gas extraction and agriculture industries.

While the predominant use of New Mexico’s rail system is for the handling of freight, the State also hosts two long-distance intercity passenger rail routes and commuter rail service in the Albuquerque and Santa Fe regions. Boardings and alightings at the five New Mexico stations served by Amtrak’s *Southwest Chief* accounted for approximately one-third of the long-distance route’s 355,000 passengers in Fiscal Year (FY) 2012. An additional 1,600 passengers were served by the *Sunset Limited’s* two New Mexico stations. The 97-mile Rail Runner commuter rail line, serving the Cities of Belen, Albuquerque, and Santa Fe, carried more than 1.1 million riders in 2012, averaging approximately 3,800 passengers per weekday.

**The System Supports the Needs of a Growing Population and Rail-Dependent Industry Base**

Population growth in New Mexico has been steady over the past 100 years, a trend that is expected to continue in the coming decades (Figure 3.7). Today, just under one-half of the State’s population lives in the four counties served by Rail Runner (Bernalillo, Sandoval, Santa Fe, and Valencia); and population growth rates in these counties are expected to outpace the statewide average over the planning horizon.

**Figure ES.3 New Mexico Population, 1910 to 2030**

![Population Chart]

Source: Bureau of Business and Economic Research (BBER), University of New Mexico data.
Many of the industries that currently rely on rail are expected to grow throughout the plan horizon as well. Coal is expected to remain the single most dominant rail commodity by weight in New Mexico with an average annual growth rate of 3.2 percent. At the same time, growth in New Mexico rail movements by weight is forecasted to outpace the growth in truck tonnage between 2007 and 2020.

In addition, growth in oil production in the Permian Basin has resulted in booming business for the Texas-New Mexico Railroad (TNMR), both in shipping in oilfield supplies and shipping out crude oil by rail, with TNMR now shipping unit trains of crude oil from Lea County. The Southwestern Railroad’s Carlsbad Division is also benefiting from this boom and has begun shipping oil by rail as well. The State’s northwest corner appears ready to experience major growth in crude oil extraction, and major new transshipment facilities are expected to open in Thoreau and Gallup over the next two to three years.

**Geographic Constraints and Physical Chokepoints Affect the Capacity of Both Freight and Passenger Rail Service**

New Mexico’s terrain exercised considerable influence on where railroads were built and also limits where potential new lines may be constructed. Mountain ranges and steep-walled valleys are formidable barriers to railroad construction, which requires more gradual grades than are acceptable for highways. Steeper grades, in addition to adding to construction costs, require trains to operate at lower speeds and may also require the addition of locomotives to freight trains. Thus, connecting cities by rail that are close and that are connected by highway may not be practical due to the grades that would need to be negotiated. For example, the BNSF rail line from Lamy to the Colorado state line is no longer used by BNSF for freight service due to the slow speeds necessitated by the track grade and curvature.

Physical chokepoints also affect the capacity of the State’s freight and passenger rail system:

- **Sidings** – The limited number and length of sidings on the NMRX Albuquerque subdivision causes meet delays and prevents significant expansion of Rail Runner service. With the existing sidings, it is impossible to adjust the schedule of any of Rail Runner trains without affecting all of the scheduled trains, and if any one train gets behind schedule, it has a ripple effect on all the other trains. UP has also expressed the need for additional sidings on its network in New Mexico as a way to increase capacity and reduce travel time.

- **Track Capacity** – In New Mexico, lack of 286,000-pound-capable track limits access to the transcontinental rail network for shippers located in areas not served by a Class I railroad, forcing them to use trucks to access markets. Only a fraction of shortline track in New Mexico is 286,000-pound capable. In the longer term, some shortlines may not remain viable without upgrading...
to 286,000-pound capacity, further limiting options for the State’s rail shippers.

- **Double-Tracking** – With the completion of BNSF’s double-tracking project through Abo Canyon, only 38 miles remain for the Transcon’s primary route between Los Angeles and Chicago to be completely double-tracked. Two remaining segments are located in New Mexico: a 9.3-mile segment west of Vaughn and a 2.3-mile segment west of Fort Sumner.

### Complying with Federal Safety Mandates and Maintaining the State’s Existing Rail Infrastructure Remain a Top Priority

Although the State Rail Plan identifies a wide range of potential rail improvement projects, complying with Federal safety mandates and maintaining the State’s existing rail infrastructure remain a top priority for NMDOT. The Rail Safety Improvement Act of 2008 (RSIA) requires railroads to install Positive Train Control (PTC) technology on all lines that carry passengers and/or certain hazardous materials (toxic-by-inhalation commodities) by 2015. PTC will improve safety by helping to prevent train to train collisions, over speed derailments, incursions into work zones, and movement of trains through improperly positioned switches. NMDOT has developed a detailed PTC Implementation Plan for NMRX that prioritizes track segments, outlines interoperability issues, and describes the planned PTC technology to be installed. However, NMDOT is concerned that the costs of the upgrades – estimated at be at least $30 million – will cut into funds available for other transportation projects in the State. The other top priority for NMDOT is maintaining the State’s existing rail infrastructure in a state of good repair to protect the State’s investment long term.

### Funding Uncertainties Limit the NMDOT’s Ability to Develop Effective Long-Term Capital Maintenance Plans for its Rail Assets

There is continued uncertainty in the future of both the Federal and State transportation funding streams that could be used to support rail. On the Federal side, the current surface transportation program (Moving Ahead for Progress in the 21st Century (MAP-21)), which includes a number of program elements that can be used to fund rail projects, expires in September 2014. The future timing and content of subsequent reauthorization is uncertain. NMDOT receives between $1 million and $2 million annually from the Section 130 program, which is not enough to meet existing needs. The Rio Metro Regional Transit District (Rio Metro), the entity that operates NMRX, will receive $7.8 million from Section 5307 Urbanized Area Formula grants in FY 2013 and will become eligible for Section 5337 State of Good Repair grants in FY 2014.

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Other Federal funding may continue to be available through the passenger rail investment programs created by PRIIA (Intercity Passenger Rail Service Corridor Capital Assistance, Congestion Grants, and High-Speed Rail Corridor Program). However, the process for obtaining this funding is highly competitive and no funding has been included since the FY 2010 budget for intercity passenger rail. PRIIA expires September 30, 2013, and is expected to be extended via short-term authorizations until Congress agrees on a long-term extension. Additionally, no existing Federal programs exist to provide funds to implement Federally-mandated PTC systems on passenger rail corridors. Current congressional discussions regarding future Federal funding for all areas, including transportation, are focused on reductions in appropriations to reduce Federal budget deficits.

At the state level, there are no dedicated funding sources for rail projects or programs, including Rail Runner capital and operating expenses or for capital maintenance on the NMRX rail network. As a result, funding for NMRX and Rail Runner is subject to annual approval in the state budget approved by the Legislature, or in project-specific outlays. Without a dedicated funding stream, the State’s rail program must compete with a broad array of annual state priorities, further limiting the ability of NMDOT to develop effective long-term capital maintenance plans for its rail assets.

Additionally, New Mexico has experienced significant revenue declines over the past few years as a result of the economic downturn and is not expecting revenues to rebound to prerecession levels for several more years. Gross receipts taxes from two regional transit districts (Rio Metro and North Central), which are the primary sources of Rail Runner operational funding, have been lower than expected.

Layered on top of the Federal and state funding uncertainties, New Mexico faces unique restraints for the funding of private railroad projects. The New Mexico constitutional Anti-Donation Clause severely restricts the ability of the State or its political subdivisions to invest in privately-owned railroads.

**LONG-RANGE SERVICE AND INVESTMENT PROGRAM**

As summarized in Figure 4.24, the State Rail Plan identifies a number of proposed freight and passenger rail improvement projects throughout the State. These projects are intended to maintain existing infrastructure and services while also enhancing capacity and improving safety. Given that only a subset of these projects are feasible within the State Rail Plan’s planning horizon, NMDOT applied a transparent methodology to prioritize projects for inclusion in the Plan’s long-range service and investment program. Several factors affect the prioritization of potential rail projects in the State, including:
- The need to maintain the State’s existing railroad infrastructure in a state of good repair;
- The need to comply with Federal safety mandates;
- Limited overall available public funding from Federal, state, and local sources;
- Restrictions on the types of projects on which Federal funding can be used; and
- The restrictions imposed by New Mexico’s Anti-Donation Clause against state and local spending on private railroads.

Passenger Rail

Simply put, projects that are not Federally mandated (e.g., NMRX PTC implementation) or that are not necessary to maintain state-owned railroad lines in a state of good repair (e.g., NMRX capital maintenance) are unlikely to occur in the next five years. New Mexico does not anticipate pursuing either new commuter rail services or intercity passenger rail services in the foreseeable future. Neither the demand for such service or funding for building and operating such service is available currently or during the planning horizon of the State Rail Plan.

Freight Rail

The expansion to the State’s rail system that is occurring is primarily on the freight side, utilizing private funding. BNSF, shippers, the Navajo Nation, and economic development agencies in northwest New Mexico and at the state level are working to determine whether building a potential rail line to the Farmington area from the Gallup area is feasible. A Farmington rail line would be a long-term project, as even if it is determined to be feasible, construction of the line would be at least a decade away.

At the national level, both BNSF and UP are working to improve the capacity of their major rail lines through New Mexico. BNSF completed double-tracking of the Transcon through Abo Canyon in 2011 and has plans to ultimately double track the remaining two single-track sections in Fort Sumner and Vaughn. UP is constructing a major new facility in Santa Teresa that will relieve stress on both its El Paso and Southern California yards and looks to reduce the distances between sidings on the Tucumcari Line. Internationally, Mexico and the United States are looking to open a new rail Port of Entry near Santa Teresa.

The public role in these freight rail projects will primarily be in ensuring that public infrastructure, such as roadway facilities, is adequate to meet the demands of these facilities and their associated economic activity.
Figure ES.4  Locations of Proposed Freight and Passenger Rail Improvement Projects