

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 681 (Delegate Rudolph, *et al.*)
Environmental Matters

Maryland Transit Administration - BRAC - MARC Penn Line Extension

This bill requires the Maryland Transit Administration (MTA) to provide MARC passenger service to Elkton by July 1, 2008, including at least one morning train and one evening train. It is also the intent of the General Assembly that MTA take specified actions to enhance rail passenger service in certain areas and expand it to other areas, including from Elkton to Wilmington, Delaware, in order to assist in accommodating Base Realignment and Closure (BRAC) related growth.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures could increase by \$45.3 to \$53.0 million in FY 2008 to rehabilitate existing MARC stations, construct an interlocking, and to prepare a plan to provide passenger rail service to the Town of North East. Additional increase in TTF expenditures and revenues in FY 2009 and annually thereafter for operating costs and farebox revenues for the Elkton line, and beginning in FY 2010 for additional service to Aberdeen and Edgewood. The exact impact would depend on the number of trains MTA ran to these stations. Additional increase in TTF expenditures in FY 2010 and 2012 for plans to provide additional rail service to Elkton and to enter into discussion pertaining to running train service to Wilmington, Delaware.

Local Effect: No direct impact, but local jurisdictions along the route could benefit from additional MARC service.

Small Business Effect: None.

Analysis

Bill Summary: It is the intent of the General Assembly that:

- by July 1, 2008, MTA provide additional passenger rail service to Aberdeen and Edgewood, and develop a plan to provide passenger rail service to the Town of North East;
- by July 1, 2010, MTA develop a plan to provide full passenger rail service to Elkton; and
- by July 1, 2012, MTA initiate discussions with the Southeastern Pennsylvania Transportation Authority, Amtrak, and other entities to provide passenger rail service from Elkton to Wilmington, Delaware.

Current Law: MTA may provide transit service by: (1) operating the transit facilities it controls itself; or (2) contracting or leasing operation of the transit facilities.

MTA has authority to plan, develop, construct, acquire, finance, and operate transit facilities. In addition, MTA has jurisdiction over services performed by transit facilities owned or controlled by MTA, including bus service.

Background: In 1990, Congress created the BRAC process to address an excess capacity of military facilities. BRAC allows for the appointment of an independent commission that evaluates the military's needs and offers recommendations. The 2005 BRAC represented the first major base closure and realignment activity in 10 years.

In total, Maryland will gain approximately 16,000 Department of Defense military and civilian jobs, phased in from 2005 to 2011. All BRAC recommendations must be implemented by 2011. The bulk of the gains are at Aberdeen Proving Ground, Fort Meade, and the newly renamed Walter Reed National Military Medical Center. In a December 2006 report, the Maryland Department of Planning (MDP) advised that it anticipates 28,176 new households as a result of BRAC.

These new jobs and new households are expected to put pressure on the State's transportation system. The Maryland Department of Transportation is partnering with the Department of Business and Economic Development and MDP to address BRAC-related transportation needs; it has already identified capital projects that will help address transportation needs associated with the influx of new jobs.

There is a closed rail station at Elkton; the last rail service at that station was Amtrak service in 1983. Several studies have evaluated running MARC train service to Elkton and Cecil County.

State Fiscal Effect:

Elkton Line Capital Costs

In order to operate service to Elkton, MTA advises that significant capital investments would have to be made. These investments include:

- \$4.7 to \$6.2 million to restore the existing southbound platform at Perryville to service, including making it compliant with the federal Americans with Disabilities Act, and potentially upgrade the northbound platform as well;
- \$31.2 million to install a new interlocking at the Elkton station;
- \$9.4 to \$15.6 million to rehabilitate the closed Elkton station; and
- \$12.5 to \$15.6 million to build a layover facility to store passenger cars and locomotives overnight.

An interlocking is the physical crossover that allows trains to switch from one track to another. It is also the switching signal and mechanism that refuses to allow trains to move to another track or proceed if another train is on the track. MTA advises that trains cannot cross from one track to another at Elkton. In addition, MTA advises that there is not good “signal protection” at Elkton.

According to a 2004 report prepared for the Cecil County Office of Planning, there is an interlocking in Delaware (the Davis interlocking) that could be used instead; however, this would significantly increase operating costs, as MARC trains would have to continue approximately 60 miles north from Elkton to cross tracks and turn around. Also, since Amtrak uses the same tracks, scheduling problems would increase as MARC has to accommodate Amtrak trains.

Legislative Services advises that the layover facility could be delayed in order to construct more pressing facilities such as the interlocking. Assuming that MTA delayed constructing the layover facility, capital costs would total approximately \$45.3 to \$53.0 million, with a midpoint of \$49.2 million.

Elkton Line Operating Revenues and Costs

MTA advises that running only one train in the morning and evening would not provide adequate service to make using the trains useful to commuters, and based its estimates on running three trains in the morning and evening. Further, it is the intent of the bill that MTA eventually run full service to Elkton.

Assuming that MTA met the requirements and the eventual intent of the bill by running three trains every weekday morning and night beginning July 1, 2008, MTA estimates that, running three trains, there would be 170 additional boardings at the Elkton station per day in fiscal 2009, of whom 96 would be new riders (74 would be existing MARC riders shifting from the existing station at Perryville). MTA advises that it would charge \$300 for a monthly pass to the District of Columbia. The current monthly pass from Perryville to the District of Columbia is \$275.

Accordingly, farebox revenue would total \$367,800 in fiscal 2009. Farebox revenues could be approximately one-third of that amount if MTA operated only one train in the morning or evening, or \$122,600. Farebox revenues could increase in out-years due to population growth.

Based on its experience in operating the Frederick MARC extension, MTA estimates that operating costs for the Elkton line for running three trains would be at least \$2.0 million. In addition, MTA uses the change in a specified Association of American Railroads index to increase payments under its contract with Amtrak. That index has been growing at about 4% per year.

However, assuming that MTA began running three trains in fiscal 2009, operating costs would total \$2.0 million in fiscal 2009, \$2.1 million in fiscal 2010, \$2.2 million in fiscal 2011, and \$2.3 million in fiscal 2012.

MTA was unable to advise how much lower operating costs would be for running only one train morning or night, as there are other factors involved, such as whether MARC would be required by its contract with Amtrak to use labor and crew based out of Philadelphia or Washington.

Additional Service to Aberdeen and Edgewood

MTA advises that it already runs four trains mornings and evenings on the Perryville line stopping at Aberdeen and Edgewood. In addition, in the morning, Amtrak has trains that stop at these two stops honoring MARC tickets. MTA advises that there is also a mid-day train and a train for reverse commuters. Based on the number of trains already available, MTA advises that adding additional trains would generate some small increase in revenues; however, most of the passengers would otherwise have ridden trains at different times. MTA did not provide an estimate as to how much operating costs would be, as the bill does not specify the level of additional service to these two stops.

Planning

If the intent of the bill were followed, MTA would have to prepare detailed plans for bringing passenger rail service to the Town of North East, full service to Elkton, and service from Elkton to Wilmington, Delaware. MTA advises that it has already conducted several studies concerning providing service to Elkton and Wilmington, Delaware; however, the most detailed and completed studies were conducted in 2004. MTA advises that it could cost approximately \$300,000 to update these studies, adapt them to the required plans under the bill, and prepare for discussions with specified entities about service to Wilmington, Delaware.

Legislative Services concurs, but advises that running three trains in the morning and evening on the Elkton line could constitute full service; thus, additional study would not be needed. Accordingly, consulting costs could be as low as \$200,000.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Department of Planning, Department of Legislative Services

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