



**Massachusetts Bay
Transportation Authority**

2022 Attleboro Agreement Between MBTA and Amtrak

MBTA Board of Directors
January 27, 2022

MBTA Board of Directors Overview

- The Board is being asked to approve the 2022 Attleboro Agreement, a renewal of the 2017 Attleboro Agreement which expires February 28, 2022
- The 2017 agreement (and predecessor agreement from 2003) established the terms which the MBTA and Amtrak share costs and jointly use the Attleboro Line
 - The Attleboro Line is part of Amtrak's Northeast Corridor service
- The MBTA and Amtrak believe the 2017 agreement worked well and thus the proposed 2022 agreement preserves and extends many of its terms until 2027



MBTA Board of Directors: 2022 Agreement Summary

Term	March 1, 2022 – September 30, 2027
Payment Obligations	<p>Preserved benefits of MBTA's 2016 litigation and settlement.</p> <ul style="list-style-type: none"> • Annual cost allocations to MBTA to reflect 2016 modifications, including credits to MBTA • MBTA Federal Fiscal Year 2022 operational obligation: \$11.6m • MBTA Federal Fiscal Year 2022 Capital Obligation: \$21.7m less a \$6.4m credit for \$15.3m total. Payments made on actual work performed <ul style="list-style-type: none"> ○ Reflects credit to MBTA for certain federally appropriated amounts to Amtrak
Operation and Maintenance	<p>Largely extends Amtrak's obligations and required standards from 2003 and 2017 Agreements.</p> <ul style="list-style-type: none"> • Clarifies process for MBTA contractors to access the property • Allows Amtrak to request more Acela service, subject to MBTA approval
Capital Program	<p>Preserves MBTA control of Capital Program on Attleboro line.</p> <ul style="list-style-type: none"> • Extends all preexisting capital obligations • Increases Amtrak management fee from 6% to 8% for work the MBTA elects to assign to Amtrak
Penalties and Incentives	<p>Modifies 2017 Penalties and Incentives to reflect effects of Covid.</p> <ul style="list-style-type: none"> • Caps all penalty and incentive payments at 50% of 2017 cap • Sunsets penalty and incentive payments in 2023 unless parties can agree to extend them



MBTA Board of Directors: Requested Vote

“IT IS VOTED:

That the Board authorizes the General Manager, or his designee, to execute an agreement with Amtrak relating to the Attleboro Line, consistent with the terms of the attached Term Sheet, which is attached hereto as “Attachment A” and to take any and all actions necessary or advisable to effectuate the Agreement.”



APPENDIX



MBTA Board of Directors: 2017 Agreement Summary

- Compensation:
 - MBTA made payments pursuant to PRIIA §212 for duration of Term (with modifications);
 - Costs for operating and capital updated annually pursuant to PRIIA model;
 - FFY17 payments by MBTA were approximately:
 - \$11.2m for operating and \$12.4m for capital;
 - Amtrak paid approximately \$5.8m+ for capital; and
 - MBTA recovered \$1m+ from RI for service there.
- Eliminated Amtrak's right to approve MBTA projects on Right of Way.
- Capital Planning:
 - MBTA managed capital spending on the Attleboro Line (both its allocated cost and Amtrak's); and
 - Bulk of capital spending was on recapitalization of line.



MBTA Board of Directors: 2017 Agreement Summary

Penalties:

- New penalty provisions and incentive added to ensure Amtrak operations did not impede MBTA Commuter Rail Operations
 - On Time Performance (“OTP”) of MBTA trains:
 - Penalties for Amtrak performance below certain OTP level; incentives for performance above certain OTP level;
 - Catastrophic failures:
 - \$10k/day for every day MBTA service significantly compromised (service degraded below 50%);
 - Failure to comply with notification requirements:
 - Amtrak penalized for failure to abide by notification requirements to MBTA in event of service delays; and
- Penalties and Incentives were each capped at \$1m per year.

Indemnification:

- Reduced MBTA indemnification obligation from \$75m to \$20m for certain incidents;
- Tightened Amtrak’s indemnification requirements in Massachusetts;
- Clarified and potentially increased MBTA indemnification obligations in RI; and
- All indemnification requirements capped at MBTA statutory limit.



MBTA Board of Directors: Summary of Differences

	2017	2022
Costs		
<ul style="list-style-type: none"> Operating Capital 	<ul style="list-style-type: none"> \$11.2m \$12.4m 	<ul style="list-style-type: none"> \$11.6m \$21.7m (reduced by \$6.4m credit to \$15.3m)
Operations		
<ul style="list-style-type: none"> Coordination of MBTA projects on Attleboro Line Increased Acela Service Performance Incentives During Covid Covid, or other, Pandemic Suspensions 	<ul style="list-style-type: none"> Eliminated Amtrak approval for design of MBTA projects (e.g., station accessibility improvements) to accelerate MBTA projects. Continues 2003 allotment of Amtrak trains per hour in each direction. Pre-Covid agreement did not anticipate pandemic-decreased ridership. Pre-Covid Agreement was not clear whether pandemic constitutes a Force Majeure event. 	<ul style="list-style-type: none"> Further streamlined process to remove bottleneck slowing MBTA contractor access on the property. Allows for increased Amtrak service upon MBTA approval. Caps incentive payments to Amtrak to reflect decreased ridership. Specifies that in the event of a pandemic either side may declare a Force Majeure event with all obligations being suspended, although the MBTA retains the right to provide services with its workforce.
Legal		
<ul style="list-style-type: none"> Benefits from 2016 litigation settlement MBTA control of capital work on Attleboro Line 	<ul style="list-style-type: none"> 2017 Agreement was essentially a 4-year pilot to test PRIIA as modified. Notwithstanding MBTA payment obligations, established that MBTA was in control of capital planning for Attleboro Line for term of 2017 Agreement. 	<ul style="list-style-type: none"> Preserves the 2016 settlement benefits since the parties believe the arrangement worked well. Preserved this arrangement since it was working well.

