

Testimony – June 26, 2019

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U.S. Senate Committee on Commerce, Science and Transportation Hearing: *Amtrak: Next Steps for Passenger Rail*

Thank you Chairman Wicker, Minority Leader Cantwell and members of the Committee. I am honored to join you for this important hearing on the future of our nation's passenger rail system. I am James M Souby, from Denver, Colorado. I am a Commissioner on the State's Southwest Chief & Front Range Passenger Rail Commission which was created by our Legislature in 2017. I also serve as President of the Colorado Rail Passenger Association and until this April I was a member of the Board of Directors of the Rail Passengers Association (RPA), a national advocacy organization. I currently serve on the RPA Council and have consulted with the organization on the preparation of this testimony.

My testimony today will cover four themes about the *topic Amtrak: Next Steps for Passenger Rail*, which may be equally important to other current and future passenger rail operators in the nation. I will describe the topic, then look at what we have learned. The themes include the ongoing campaign to save the Amtrak Southwest Chief service in Colorado, the ongoing efforts to facilitate Front Range Passenger Rail in Colorado, and the successful efforts to restore ski train service to our state between Denver and Winter Park. These experiences and my service with RPA have also provided me with some recommendations for the fourth theme, Congressional direction that will ensure that Amtrak and our nation continue to improve our passenger rail system.

1. Southwest Chief Campaign – *Save the Chief! (2011 – present)*



Colorado's Save the Amtrak Southwest Chief campaign began in early 2011 when Colorado communities, the State Department of Transportation and advocates learned from Amtrak that its operating and maintenance contract between BNSF Railway would expire in 2015 and the terms and conditions would change dramatically. The BNSF was operating far fewer freight trains between Newton, KS, and Madrid, NM, than when the contract was first agreed to some 20 years beforehand. This segment totaled 642 miles of the 2,256 mile route of the Southwest Chief from Chicago to Los Angeles. In fact, the BNSF had stopped operating any trains on the 219 mile segment between Trinidad, Colorado, and Lamy, New Mexico. Thus, Amtrak would be asked to bear a significantly larger share of the operating and maintenance costs for the route segment as its contract with BNSF provided for.

Amtrak estimated that the costs to maintain and improve the track over ten years would be \$94.7 million in capital costs, and \$111 million in operating and maintenance costs. These costs were based on initial figures provided by BNSF. BNSF took into account the fact that much of the rail and ties on the segment were over fifty years old and would have to be replaced if higher speed passenger train service was to be maintained. This situation forced Amtrak to consider rerouting the SW Chief to the BNSF transcontinental route, which would eliminate service to western Kansas, southeastern Colorado and northeastern New Mexico. Nine communities would lose service: Hutchison, Dodge City and Garden City in Kansas; Lamar, La Junta and Trinidad in Colorado; and Raton, Las Vegas and Lamy in New Mexico. This possible reroute was not favored by any of the parties, including Amtrak and BNSF Railway. BNSF expressed concern over interference with its heavy freight volumes on its transcontinental route and Amtrak didn't want to lose the historic cache of the Santa Fe Trail for its passenger train. In fact, it was later determined that rerouting the train would require expenditures equal to or more than the cost estimates for its historic route.

ColoRail immediately initiated a campaign to find ways to prevent the elimination of service across southern Colorado and neighboring states and instantly found allies in the three Colorado communities, including Rick Klein, City Manager of La Junta, Colorado who has testified to this Committee. Over the ensuing ten months, ColoRail members visited Las Vegas, NM, Raton, NM, Trinidad, CO, La Junta, CO, and Lamar, CO, Santa Fe, NM, and Kansas City, MO, as well as Action 22, the County Association which includes the Colorado counties served by the SW Chief. Rick Klein immediately obtained support from his colleagues in KS. Resolutions of support for maintaining the train were obtained from the communities, counties, local economic development and tourism boards and utilities.

Relying on the success of the first community visits, the City of La Junta and ColoRail organized a "summit" meeting to deal with the impending crisis in November, 2011. Representatives and advocates from communities in the three states attended and the campaign was formally organized. Amtrak briefed the participants on its budget issues and provided information of possible federal funding sources. A steering committee of reps from Garden City, KS, La Junta, CO, and Colfax County (Raton) NM was formed comprising one elected and one senior appointed official. ColoRail agreed to support the effort with its advocacy. This partnership has survived to this day and has been a mainstay in the campaign's success.

In the spring of 2012, ColoRail and its new local and legislative allies from both political parties drafted a state resolution in support on continuation of the SW Chief route through Colorado. This resolution passed on a overwhelming bi-partisan vote after a standing room only hearing at the State Capitol. The strength of public support for preserving passenger rail service in Colorado was becoming evident.

Following the passage of the state resolution, ColoRail asked the Colorado Senate delegation to host a three state (CO, KS, NM) staff meeting in Washington, DC. ColoRail's President would be meeting there in his capacity as a representative of the National Association of Railroad Passengers. At the meeting, he presented the Amtrak cost estimates and the newly formed coalition's view that the survival of the train was a federal issue meriting their attention and support. The legal assertion was accepted, but the funding request of some \$200 million over ten years was rebuffed. "If you want to raise that kind of money to save the train, you better have some skin in the game" was the most memorable comment from the meeting.

Thus, the campaign entered a new phase. Garden City, KS, elected to apply for a newly inaugurated Transportation Infrastructure Generating Economic Recovery (TIGER) grant from the U.S. Dept. of Transportation. While this request did not succeed, it did generate considerable interest from all the partners in new possibilities to deal with saving the SW Chief.

With the new information about funding possibilities in hand, ColoRail convened a second "Save the Chief Summit" in Pueblo, CO, in September, 2013. Flexing its new found political muscles, Coalition mayors and legislators of both parties from CO, KS and NM met. They agreed to aggressively seek local, state and federal funding to save the train. Another key observation for Colorado was that the state DOT seemed structurally ill-suited for dealing with regional passenger rail issues. This was to lead to major legislation in Colorado. The summit was also instrumental in enlisting of greater bi-partisan elected support at the County and State Legislative levels.

In 2012 and 2013, ColoRail support also included taking local, state and Congressional elected representatives and staff on the Amtrak SW Chief on what became known as the "Las Vegas Turn", a daylong trip on the train from La Junta or Trinidad, CO, to Las Vegas, NM, and return. ColoRail briefed the officials during the ride and the conductors would then take the VIPs on a tour of the train. In Las Vegas, the Mayor hosted a further briefing on the economic benefits of the train at the train station. He then conducted a tour of the city and its universities and many attractions before the return trip to Colorado on the eastbound SW Chief. Many of the participants never had travelled on a passenger train and the experience was extraordinarily valuable in garnering their support.

In the 2014, Colorado state legislation to create a state commission to deal with the train and its threats was introduced and passed. With strong, bi-partisan support the *Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission* (2014 Commission) was formed. This independent agency operated with the support of the State Department of Transportation's Transit and Rail Division, but had its own power to receive and expend funds and was able to give the train's survival undivided attention. It also was directed to help coordinate activities across Kansas, Colorado and New Mexico. Its membership included local officials, advocates, Amtrak, CDOT and a liaison with the BNSF Railway. Its meetings were regularly attended by legislators, local leaders, Congressional Staff, and on one occasion, the Administrator of the Federal Railroad Administration (FRA). While participation was voluntary and unreimbursed, the Commission did receive a grant from the County of Pueblo, which allowed it to obtain professional assistance on contract. The new Commission was given a sunset date of June 30, 2017.

The creation of the Commission had its intended effect. Meetings including participation of representatives from KSDOT and NMDOT were held monthly and a three state strategy to save the Chief was designed and implemented. Amtrak cooperation was outstanding, including two visits to the State

by the railroad's President and CEO and two visits by the Amtrak Exhibit Train. One Exhibit Train visit took place in Pueblo, an important demonstration of the potential for future service on the Front Range. This positive relationship was to have other beneficial outcomes which included the resumption of ski train service in the State.

One additional directive in the Commission's legislative mandate was to explore the rerouting of the SW Chief through Pueblo and then on to Trinidad, with the possibility of a stop in Walsenburg, CO. Though this would add some 60 – 70 miles to the overall route, time savings from track improvements under the three state strategy were thought to be sufficient to keep the train's schedule intact for arrival and departure in Chicago and Los Angeles. Amtrak's revenue division estimated ridership on the train would increase by about 15,000 passengers and yield a net of over a million dollars to the train's financial performance. While early completion of the reroute was soon deemed impractical due to necessary La Junta-Pueblo-Trinidad track and signal improvements, the concept remains intact and may become practical when Front Range Passenger Rail is fully implicated.

In the meantime, the idea of "through car" service to Pueblo from La Junta was raised by Amtrak. This would entail detaching cars from the westbound SW Chief in the morning and taking them to Pueblo. They would be turned and returned to La Junta to join the eastbound SW Chief in the late afternoon. This proposal was attractive. The service would be the first step toward bringing Front Range passenger rail to Colorado, it could possibly be extended to Colorado Springs, and as a through car service it would remain part of the SW Chief for funding and operations as are other Amtrak through cars. It would also bolster the train's financial performance. While the concept is still being evaluated, the Positive Train Control mandate would add route improvement costs which were not initially anticipated.

The most significant outcomes of the 2014 Commission's brief tenure were due to its role in helping to coordinate and advance the three state strategy involving Transportation Infrastructure Generating Economic Recovery (TIGER) grants. This fund raising approach was pioneered by Garden City, KS, with a grant application in 2012. Their effort, though unsuccessful, brought the process into sharp focus for Kansas, then Colorado and eventually New Mexico.

The first successful grant under TIGER VI was sponsored by Garden City, as well. Kansas DOT (KDOT) matched the grant with \$3 million, Amtrak with \$4 million and BNSF Railway with \$2 million. Kansas and Colorado communities and advocates matched with \$300,000. In connection with the grant award of \$12,469,963, BNSF Railway announced that they would take full responsibility for maintenance costs of any rail, ties and ballast replaced under the grant for the useful life of the improvements. This was a major contribution which improved the financial picture for maintenance of the entire 642 mile segment.

The Garden City success was followed by La Junta's success on a TIGER VII application which received a \$15,210,143 award. In this grant, the Colorado Department of Transportation (CDOT), KDOT and New Mexico DOT (NMDOT) each pledged a \$1 million match. Local communities and advocates in the three states pledged matches of \$234,000. Amtrak matched with \$4 million and BNSF matched with \$2 million. TIGER VII became the model for future funding of SW Chief route improvements.

Following a Lamar, CO, sponsored TIGER VIII application which was not funded, Colfax County, New Mexico mounted a successful TIGER IX application in 2017. Lamar's loss was not attributed to the quality of the application, but because the state of Colorado had competing priorities in the same grant

cycle. Colfax County, on the other hand, became the first New Mexico TIGER grant applicant for the SW Chief three state coalition. It yielded a \$15.2 million federal award with approximately \$10 million in match from CDOT, KDOT, and NMDOT; BNSF; Amtrak; and, communities and advocates in the three states. Improvements under this grant were delayed and have only begun in 2019.

As the sunset date for the 2014 Commission approached, the Commissioners including CDOT's representatives agreed that a follow-on Commission should be formed. Its purpose would be to continue the SW Chief campaign and also to advance the concept of Front Range passenger rail which was growing more feasible. Population growth and congestion in the I-25 corridor from Wyoming to New Mexico was driving costly highway expansion and significant future population and traffic growth were predicted. It was clear that a more efficient way to move people would be necessary if Colorado's positive economic momentum was to be maintained.

This legislative proposal also received broad bi-partisan support leading to the formation of the *Southwest Chief & Front Range Passenger Rail Commission (2017 Commission)* in the 2017 Colorado legislative session. The 2017 Commission included a voting representatives from each of the five Front Range Councils of Governments/Metropolitan Planning Organizations, the two Class I freight railroads (BNSF Railway and Union Pacific Railroad), two passenger rail advocates, a representative from the counties served by the SW Chief, and a representative of the Denver Regional Transportation District. CDOT and Amtrak were named as non-voting members. In 2018, the legislature appropriated \$2.5 million to the 2017 Commission to begin Front Range passenger rail planning in earnest.

As the 2017 Commission was forming a major and controversial glitch in the TIGER IX grant award occurred. Unbeknownst to the 2017 Commission, Amtrak had filed a letter of support to the grant sponsor, Colfax County, which conditioned the award of their \$3 million match on the development of a long-range financial plan for the SW Chief including needed improvements in the New Mexico, 219 mile sole use segment between Trinidad, CO and Lamy, NM. These costs were estimated at \$30 to \$50 million. The importance and implications of this condition were not understood by Colfax County, and the 2017 Commission was not informed of the existence of the letter and its conditions. It was only when the grant was awarded and detailed planning for the grant program began, e.g. filing for a categorical exemption under NEPA, etc., that the partners became aware of Amtrak's position. The successful three state strategy was brought to a stunning halt. Only through the firm and adamant intervention by U.S. Senators from the three state coalition was Amtrak compelled to honor its match.

As a consequence of this uncertainty and delay, the partners missed the 2018 BUILD grant cycle. In the meantime, the 2017 Commission still awaits a reply to its letter of May 6, 2019 to Amtrak proposing a collaborative meeting to commence the requested long-range financial planning for the SW Chief.

Early in 2018, KDOT, CDOT, BNSF, Amtrak and the 2017 Commission successfully applied for a Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant in order to install Positive Train Control signaling between Dodge City, KS, and Las Animas, CO, which is necessary to meet the FRA standards for safety on this segment and required by Amtrak. The federal award was \$9.2 million.

2. Colorado Front Range Passenger Rail (2017 – ongoing, see Front Range Corridor Map)

During the 2014 Commission deliberations, the rerouting proposal and subsequent consideration of through car service to Pueblo and possibly Colorado Springs brought the advantages of Front Range

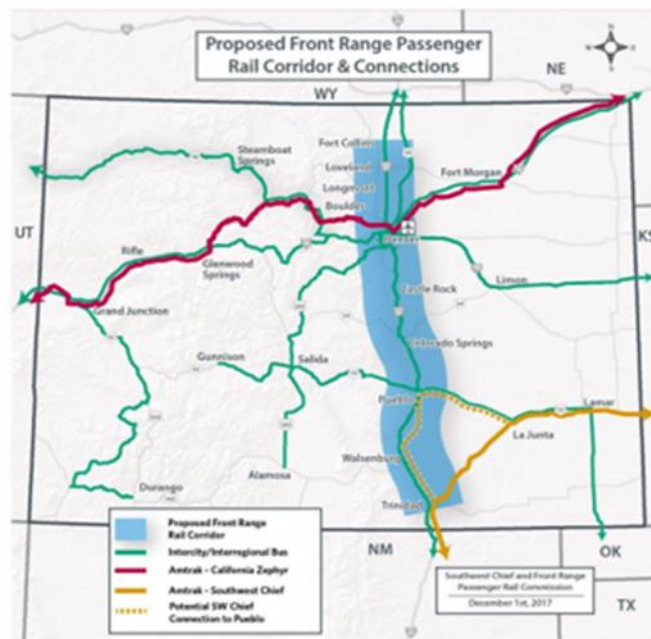
Passenger Rail into greater focus. This was not a new issue for Colorado; previous efforts to propose these services had been tried without success. What was new was the increased congestion and demand on the I-25 corridor and the shrinking opportunities to deal with it with highway expansion alone. The costs were now becoming comparable with passenger rail construction, which would yield up to 14 times the capacity of highway expansion when fully implemented.

The need for connectivity between Amtrak services and growing Colorado State Bustang Front Range intercity bus services became a matter of frequent discussions. Facing the sunset of the Commission and its unfinished business with new TIGER grant applications under development, the Commissioners asked the legislature to broaden the Commission’s mission while maintaining support for the SW Chief, which was viewed as the southern anchor for Front Range rail. Public awareness of the need for Front Range passenger rail was also increasing. In March of 2017, ColoRail conducted a statewide poll of the public concerning support for passenger rail. A resounding over 62 percent of citizens supported not only the development of a Front Range passenger rail system, but also the creation of a funding mechanism to underwrite its construction. In Front Range communities, the support ranged from 64% in the Colorado Springs metro area to 75% in the Denver metro area.

The Colorado Legislature accepted the Commission’s recommendations and created the Southwest Chief & Front Range Passenger Rail Commission (2017 Commission). The goals now included facilitating the development of Front Range passenger rail as well as sustaining the operations of the SW Chief in Colorado. The powers were expanded and representatives from Colorado Front Range councils of governments, the Denver Regional Transit Authority (RTD), and the Union Pacific Railroad Company were added. The legislature added an appropriation of \$2.5 million to begin formal planning activities.



Proposed Front Range Passenger Rail Corridor, Amtrak, and Intercity/Interregional Bus Routes



At present, the 2017 Commission has hired a full-time project director and will shortly select a contractor to undertake more detailed planning and public outreach efforts. Also, the State of Wyoming has joined as a non-voting member represented by the Cheyenne Chamber of Commerce. Like their colleagues in New Mexico, Wyoming's Department of Transportation (WYDOT) staff also routinely participate in Commission meetings. Economic interests in Wyoming have already seen the eventual value of a rail link as growth expands to the north from the Colorado Front Range.

The Denver Front Range so-called Mega Region has also attracted the attention of Amtrak. Their representatives have often commented on the fact it is one of the railroad's ten attractive expansion regions but without commenting on Colorado's assertion it will have to link the SW Chief and California Zephyr. The lack of creativity about how this might work is once again, baffling. The railroad is simply frozen in time and looking backwards. All they seem to want is immediate passenger revenue, not passenger connectivity, which is the key to growing both.

3. Winter Park Express Ski Train Service Campaign (2014 – Present)

During an Amtrak special inspection train along the SW Chief Route in June, 2014, ColoRail advocates met with the President and CEO about the organization's three top priorities: Saving the SW Chief, Restoring ski train service, and developing Front Range Passenger rail. The ski train idea was thought to be a no-brainer but was met, instead, with disdain. On the other hand, the SW Chief and Front range ideas were met with enthusiastic support. It was later learned that previous litigation over ski train service had soured the railroad on its prospects. A new strategy was called for. This was generated by ColoRail member and Amtrak employee Brad Swartzwelter, who drafted a business plan for a new ski train service to be inaugurated at Denver's magnificently renovated Union Station. A ColoRail team set about reviewing and refining the plan which was then submitted to Winter Park Resort's CEO and Amtrak through appropriate channels in December, 2014.

Not surprisingly, ColoRail's no-brainer tag prevailed. The new service was indeed a no brainer, provided the Winter Park Resort, Union Pacific Railroad and Amtrak could work out an agreement to safely and economically operate a train. It was also provident that 2015 was the 75th anniversary of Winter Park's founding. That provided the impetus to get a demonstration run for a train. It did not hurt that ColoRail arranged a bus trip over Berthoud Pass back to Denver following an early planning meeting to demonstrate the advantages of train travel to the Amtrak execs. Following a hair-raising trip over the pass and two hour delay in I-70 traffic, the advantages of a train trip became apparent. Thus, on a Saturday in March, 2015, a demonstration train was organized and deployed. It sold out in under 8 hours. In cooperation with the Union Pacific, a second run was deployed the following day with virtually no advanced notice. It too sold out in hours. The business plan seemed secure.

The big issue facing the plan was the safety of passengers boarding and alighting the train in their gear. In the old days, they had alighted onto the roadbed, not safe by today's standards. The answer was a new platform running the length of the train. It had to be engineered to follow the curve of the tracks just after they leave the famous Moffat tunnel and reach the resort. It had to resist the thunderous vibrations of passing coal trains, and it had to be heated to stay ice free for safe traction. This was no small feat. In fact, engineers from the resort contractors, Union Pacific Railroad and Amtrak designed and constructed an extraordinary platform.

To make sure the service was passenger friendly, ColoRail, Winter Park Resort and Amtrak developed a train host program. Over 50 ColoRail members provide the hosting service at Denver Union Station, aboard the train and on the Winter Park platform making sure passengers are well informed and safe. The hosts who are trained by Amtrak and Winter Park Resort provide information about the route, ski conditions and other venues at Winter Park, and of course, the advantages of rail travel. The service is very popular and gains continual support for better passenger rail service in Colorado. (see WPE brochure).

After three years of service the Winter Park Express is a great success. Amtrak, Winter Park Resort and Union Pacific Railroad are presently negotiating a continuation contract for the service. ColoRail supports a long range continuation of the service and thanks all the business partners for making the service happen.

The Winter Park Express Service is a great example of how Amtrak, our freight host railroads, tourist industries and advocates can work together to develop popular, beneficial services. Congress needs to realize that these services may require federal investment, however they return important public and private economic benefits, just as they do for communities along the SW Chief route.

4. Congressional Direction

As you approach reauthorizing the rail provisions of the FAST Act several key passenger rail issues need to be understood and/or resolved. These recommendations have been developed over the past year at the Rail Passengers Association (RPA).

First is the fact that Amtrak is an economic engine, and its economic benefits far outweigh the federal investment it receives.

Amtrak returns value for the taxpayer dollars invested in it. Whether a particular route is “profitable” to Amtrak misses the point: the value returned to the communities Amtrak serves is many multiples of what is spent on it. This is the taxpayers’ own “return on equity,” as small towns, rural communities and urban centers see tourism, hotels, restaurants, stores and services grow up around train stations.

As we consider ways to transform the U.S. passenger rail system, it’s important to begin with a clear-eyed understanding of what Amtrak is for and why this transformation makes good business sense for the country and the taxpayer. Amtrak does not exist to make a profit. In fact, seven years after Amtrak began accepting passengers Congress stepped in to make it explicitly clear that while the Congress expected Amtrak to be good stewards of public money by running an efficient and business-like operation, a profit was neither expected nor required.

In its report on the Amtrak Improvement Act of 1978, House lawmakers specified that they were amending the Rail Passengers Service Act “to conform the law to reality, providing that Amtrak shall be ‘operated and managed as’ a for-profit corporation. This amendment recognizes that Amtrak is not a for-profit corporation.”

The Rail Passengers Association (RPA) has undertaken several studies in the past year to quantify the economic benefits of rail service to individual communities. The Empire Builder route between Chicago and Seattle, for example, generates about \$327 million each year for the served communities in the

form of tourism, induced travel, indirect job creation, increasing the tax base and avoiding highway maintenance. This is 5.7 times what is spent on the route each year through Amtrak's annual grant.

Likewise, a planned additional frequency between Chicago and Minneapolis-St. Paul is projected to be worth more than \$50 million annually to Illinois, Wisconsin and Minnesota, while the annual continuing investment by these states is expected to be only \$6 million.

And when proposals emerged last year to substitute buses for rail on a significant portion of the Southwest Chief route between Kansas and New Mexico via Colorado, the annual damage to the three affected states was estimated at \$180 million -- roughly 3.5 times Amtrak's annual investment on the entire route in a year.

Passenger Rail Funding

Transforming the U.S. passenger rail system will require a significant increase in passenger rail investment to address decades of stagnant funding.

Rather than relying on the annual appropriations process, Congress must create a predictable, dedicated, and robust Passenger Rail Trust Fund. This Trust Fund could utilize diverse revenue streams, including a Per Barrel Tax on crude oil, an Intercity Railroad Passenger Tax assessed at point of sale, an E-Commerce Transportation Tax for online sales, a General Sales Tax, similar to those established by the Commonwealth of Virginia to fund rail infrastructure and operations; a broadly-based tax Station Area Value Capture Tax program for NEC and National Network-served train stations;

Since 2008, Congress has sustained highway spending by transferring \$143 billion in general revenues to the HTF, including \$70 billion in 2016 as a result of the FAST Act. To the extent that non-road user revenue is directed to the transportation, states should be able to flex these funds to non-highway projects. Granting local officials discretion in modal allocation of general revenue funds will allow states to direct resources to the highest impact projects.

Intercity rail connects with and supports transit rail systems across the U.S., and therefore the Rail Passengers Association believes states and municipalities should be able to flex transit funds to intercity rail projects that support local transit systems.

RPA also supports transformation of the current FAST Act INFRA program to create a larger Intermodal Freight Fund, establishing a 1% freight user fee. This fee is projected to produce \$9 billion a year for an intermodal fund with no limitation on the percentage committed to rail projects.

Encouraging Transparency and Stakeholder Involvement

Congress has radically overhauled the intercity passenger rail authorization and funding structure over the past decade to try to incentivize greater state and local investment and oversight in the passenger rail network. Yet in recent years, just as Congress was directing funds to passenger rail grant programs authorized by the FAST, Amtrak has adopted a worryingly opaque planning process: withdrawing from previously agreed-upon funding pacts with little or no notice; engaging in fights with elected officials over these sudden changes in direction; and changing company policy towards customers and employees with no chance for stakeholder input. In a letter addressed to Senator Jerry Moran, dated May 20th, 2019, Mr. Anderson failed to respond to a clear and direct question about whether Amtrak is considering truncating or otherwise altering any long-distance routes. Instead, Mr. Anderson answered

the question for Fiscal Year 2019 only, acknowledged they planned to reexamine the current route structure of the National Network during this reauthorization cycle, highlighted short-distance corridors they believed would benefit from additional passenger rail service, while refusing to any information on which routes it believes are the best candidates for elimination or alteration.

In this same May 20th letter, Amtrak fails to address the fundamental question posed by the concerned Senators: “does the fully allocated cost produced by Amtrak’s Cost Accounting Amtrak Performance Tracking (APT) give an accurate and complete picture of the incremental costs of providing service on a long-distance corridor?” Amtrak avoided answering this question, engaging in ad hominem attack on our association rather than engaging with the question.

This will have serious ramifications for any analysis of the cost of providing service to rural communities and small towns. To give one small example: between the FY2019 Amtrak legislative grant request and FY2020 Amtrak legislative grant request, the amount charged to the National Network as its share of the Northeast Corridor investment swung by \$165 million (from \$115 million in FY2019 to \$280 million in FY2020), with no clear explanation for why given to appropriators. If Amtrak wants to have a debate over which communities should have their service taken away, stakeholders must understand what costs are fixed, what costs are incremental, and the debate must be public. Instead, Amtrak has walled off much of this information from public view. This is an inappropriate mode of operation for a publicly funded entity, and it has real consequences for the communities which are being asked to invest more in their stations and their service—and have enthusiastically responded in the affirmative, in many notable cases.

Congress has recognized this in recent appropriations bills, stating that this lack of transparency “could have unintended consequences for long-distance customers, especially in rural and small communities where passenger rail serves as an important mobility option and economic driver.” Appropriators have directed Amtrak to “conduct comprehensive outreach and consultation” with a whole range of stakeholders, including “passenger rail organizations,” noting that Amtrak “must engage in an open and transparent process” which takes into account anyone who might be affected by changes.

Until Amtrak signals a willingness to develop their reauthorization in a transparent fashion with stakeholder communities, Congress should assume that it must provide the national vision for passenger rail service in the U.S., with a special recognition that rural stations remain in special danger of losing service in the absence of that leadership.

Incentivizing Regional Rail

Development of passenger rail systems in the U.S. has been a product of historical accident and disinvestment. This has resulted in a fragmented patchwork of localized systems that duplicate operating costs and restrict connectivity, providing slower and less frequent service at a higher cost to passengers. Rail Passengers proposes a comprehensive restructuring of the intercity, commuter, and urban rail systems to introduce a hybrid urban-suburban rail model. This hybrid model has already demonstrated success in Germany (S-Bahn) and France (Paris RER) and would allow for the creation of a faster, more frequent rail service within the constrained fiscal environment.

Utilizing the recently completed regional rail studies overseen by the FRA as part of the Passenger Rail Improvement and Improvement Act of 2008 (PRIIA), Congress should authorize programs that

incentivize coordination between Governors, State Departments of Transportation, and other relevant state and local officials and entities.

To promote regional coordination and sustain a vision of passenger rail service, Congress should incentivize the creation of interstate passenger rail compacts by providing operating funding for the entities created by the compact, establishing benchmarks for the compacts to reach to acquire and maintain certification.

These compacts should work to create systems should work to achieve certain operation goals, including:

Through-running rather than stub-end, city-center terminals;

Integrated governance within a single regional agency to streamline administration costs and optimize system planning;

Implement short dwell times, install fully electrified double track, use rapid transit signals.

Run service on dense networks with infill to transform low-ridership commuter rail into high-ridership rapid rail transit.

Revitalize the National Fleet of Rail Equipment

With the Fiscal 2019 funding boost, Congress has given Amtrak and the States a mandate to continue work on modernizing the U.S. rail fleet. Amtrak is well into the procurement process for the new Northeast Corridor fleet (ACELA 2021); safer, more energy-efficient next-generation diesel locomotives to replace the aging National Network locomotive fleet; and has issued a Request for Proposals for new single-level equipment to replace Amfleet I cars on the Northeast Corridor and neighboring State-Supported services. However, there is still a long way to go towards fleet modernization. Congress must work with States and Amtrak to establish a stable funding mechanism to allow for critical investments in equipment that will meet public demand for reliable, energy-efficient equipment with modern amenities.

In particular, RPA strongly encourages granting the full amount of Amtrak's \$533 million grant request for new equipment for the National Network and \$374 million grant request for new equipment for the NEC.

The U.S. lacks a robust domestic rail manufacturing market, resulting in increased costs for operators and longer lead times for equipment procurement. In recognition of this fact, Congress should create a U.S. Rail Manufacturing Bureau (USRMB) to encourage co-production agreements between U.S. and international firms.

The aviation industry has created a blueprint for this kind of successful technology transfer between mature manufacturing markets and emerging manufacturing markets. While the technology transfers in aviation are usually a U.S. export, this USRMB can help establish offset agreements in order to gain economic benefits for the expenditure of public funds on the purchase of equipment from foreign suppliers.

Improving Operations

Amtrak needs to have an enforceable On Time Performance (OTP) mechanism. Granting Amtrak the right of private action under its statutory authority, in addition to correcting its equipment maintenance problems through reinvestment in its fleet, would allow the railroad to move to correct the majority of its delays which reduce ridership and revenue.

Save for Image: Winter Park Express Business Plan