

## **Position Paper: Restore the Gulf Coast Connector Now**

### **Recommended Action**

The National Association of Railroad Passengers (NARP) urges Congress and the U. S. Department of Transportation to take the following actions in response to Amtrak's report on resuming passenger train service over the route segment between New Orleans and Florida ("The Gulf Coast Connector").<sup>1</sup> Instruct Amtrak to:

1. Implement Option #1 – restore the tri-weekly service between Los Angeles and Orlando that Amtrak summarily “suspended” after Katrina – immediately. This action would re-establish passenger train service on the Gulf Coast Connector and lay the foundation for daily service. Amtrak should be able to fund the estimated \$4.8 million incremental operating cost of restoring this service if Congress appropriates Amtrak's full operating grant request for FY 2010.
2. Implement Option #2 – daily service by extending the City of New Orleans to Orlando – as soon as Amtrak restores the needed, stimulus-funded Superliner cars to service. These repaired cars will give Amtrak sufficient equipment both to implement daily service between Chicago and Florida and to implement its plan to increase frequency between New Orleans and Los Angeles from tri-weekly to daily. Instruct Amtrak to include the incremental cost of these services in its operating grant request for FY 2011.
3. Coordinate the implementation of Option #2 with the implementation of its plan for daily service between New Orleans and California to ensure convenient connections in New Orleans as well as the operation of through cars to and from the west.
4. Incorporate the capital costs of the Gulf Coast Connector for such long-term projects as station improvements, ADA compliance and Positive Train Control in its long term capital plan for the national system.
5. Release for public review and comment the assumptions, methodology and data used to project volume, revenue, operating and capital costs.

### **Justification**

- The Gulf Coast Connector between New Orleans and Jacksonville is a strategically important component of the national intercity passenger train system. This route segment completes the busy I-10 corridor that connects the eight southernmost states. Together, these states have one of every three Americans and account for half the nation's population growth since 1970.<sup>2</sup>
- The Connector is the only part of Amtrak's national system that is not operating even though it appeared on the map that President Obama used when he unveiled his *Vision for High-Speed Rail in America* on April 16.<sup>3</sup> Part of the line was destroyed by Hurricane Katrina in 2005. CSX restored and upgraded the damaged sections within six months. Amtrak, however, never restarted service. The huge human and economic costs Katrina imposed along the Gulf Coast, together with the renaissance that passenger train travel has experienced in the rest of the nation since then, makes

Amtrak’s use of Katrina as a pretext for failing to restart service especially unjustified and unfair.

- During the administration of President George H. W. Bush, the Federal Railroad Administration (under Administrator Gilbert E. Carmichael) and Amtrak (then led by President W. Graham Claytor Jr.) issued a report on March 6, 1991, *Potential Jacksonville-New Orleans Service Options*, which stated at page 1, “The Jacksonville-New Orleans route has often been referred to as the ‘missing link’ in the Amtrak system because, if operated, it would join the sunbelt cities of Los Angeles, Phoenix, Tucson, El Paso, and Houston with major Florida markets through New Orleans. These areas contain some of the fastest growing population centers in the United States, and represent important tourist destinations.”
- In addition to linking major population centers west of New Orleans and those in the Southeast, the Gulf Coast Connector also connects Florida and the Gulf Coast with population centers north of New Orleans to the Midwest. The Connector greatly expands the number of city pair markets where passenger trains can provide a convenient and attractive travel choice. Without the Gulf Coast Connector, those traveling between Western and Midwestern points on the one hand and Florida and Southeastern markets on the other must make a circuitous trip through Chicago and Washington, DC. Thus, the value of the “Gulf Coast Connector” as part of the national passenger train network far exceeds its value and potential on a standalone basis.
- A large market exists for passenger train service that traverses The Gulf Coast Connector. Florida represents the third largest travel market in the nation after California and Texas, generating nearly 78 million person round trips a year.<sup>4</sup>

Table 1  
Annual Person Round Trips To, From and Within State

California	126,809,974
Texas	99,471,208
Florida	77,987,712

- Of the total trips, almost one third are Florida residents traveling within the state; approximately one fourth are Florida residents travelling to other states; *and nearly half (45%) are visitors coming to Florida from other states. Florida is by far the largest destination state in the nation – generating nearly 10 million more visits than the second largest destination state, Nevada.*<sup>5</sup>

Table 2  
Annual Person Route Trips to State from Other States

Florida	35,059,970
Nevada	25,170,272
New York	24,823,589
California	24,443,231

- Florida now has the fourth largest population of any state in the nation, after California, Texas and New York. <sup>6</sup>

Table 3  
Population by State 2008

California	36,756,666
Texas	24,326,974
New York	19,490,297
Florida	18,328,340

- Florida also is growing. Between 2000 and 2008, Florida’s population grew by 2.3 million people – more than all other states except Texas and California – and 700,000 more than the eight northeastern states (and District of Columbia) that are the primary beneficiaries of Amtrak’s attention, service and federal funding. <sup>7</sup>
- Because of the long distances involved and motor vehicles’ dominant share of the travel market to and from Florida, passenger trains can be particularly competitive.
  - The majority of trips to and from other states (54%) are by motor vehicle even though three fourths of all trips involve very long one-way distances of 500 to 1,000 miles or more. The share for air travel is 10 points lower (44%). <sup>8</sup>
  - The high share for motor vehicles undoubtedly reflects the fact that personal travel represents 80% of the Florida market and business travel only 20%. As a result, this market is more likely to be price sensitive than time sensitive. <sup>9</sup>
  - Because of the long distances involved, overnight train service is especially attractive and competitive compared to motor vehicles, which typically involve overnight stays and frequent stops.
  - The train’s advantage over road and air will increase with the long term increase most experts predict in oil prices.
- The Gulf Coast Connector serves two of the three primary markets between Florida and the rest of the nation. Of the approximately 54 million interstate trips that have Florida as an origin or a destination:
  - 10% are from states west of New Orleans that were served by the Florida-California route, which Amtrak severed by suspending service east of New Orleans in 2005.
  - 37% are from 16 Midwestern and Southern states that would be served by a Chicago-New Orleans-Florida service.
  - 50% are from 17 states (and the District of Columbia) served by Amtrak’s Atlantic Coast routes. <sup>10</sup>
- NARP believes that “phased implementation” – starting with Option #1 and moving to Option #2 – represents the most feasible way to resume service quickly while providing Amtrak with the lead times it says it needs to obtain the staff and equipment necessary for daily service.

- The increased revenue that the Gulf Coast Connector could generate for Amtrak is significant and far greater, we believe, than Amtrak estimates.
  - Before on time performance deteriorated and track work caused service frequency to be reduced from three to two weekly round-trips, travelers going east of New Orleans generated 47% of the total revenue of the Los Angeles-Orlando route.<sup>11</sup> Since the New Orleans-Los Angeles route generated \$8 million in ticket revenue in FY 2008, implementing Option #1 as an interim measure suggests potential additional annual revenue of as much as \$6 to \$7 million.
  - Instituting through service north to Chicago, where the market is almost four times larger, could yield as much as \$15 to \$20 million more.
  - Daily service has the potential to double revenue on each leg (west and north), bringing the total additional revenue that the “Gulf Coast Connector” could generate to as much as \$40 to \$50 million a year.

### **Short Critique of Amtrak’s Report**

We are concerned that Amtrak’s report reflects a negative attitude about this service:

- Cites declining ridership in the period prior to service suspension but fails to mention that CSX track maintenance forced cancellation of as many as one out of every three scheduled trips for months. Ridership declines reflected reduced service far more than any decline in demand. On time performance was poor, as Amtrak’s report notes at page 11. However, the reliability of other Amtrak trains on CSX has improved dramatically since 2005, as the report notes (less conspicuously) at page 31.
- Makes pessimistic estimates of volume and revenue but fails to articulate any justification for these projections – much less any explanation of the assumptions, data and methodology used – thus making impossible an independent assessment of the accuracy and reasonableness of the estimates.
- Claims the train is not time competitive with the automobile because the train will average only 41 mph while a car can average 67 mph but ignores the fact that the actual average speed of a car will be far lower because a 650-mile car trip for most people requires down time for sleeping, eating, fueling and rest stops. It also ignores the fact that the train makes a significant portion of its trip at night when most motorists would be sleeping, and that people traveling longer distances are less time sensitive.
- Exaggerates start up costs by implying that all previous stations would initially be served.

Also, the law required Amtrak to seek input, but – as reflected in the appendices to their report – did so only with rail labor. The standard outreach letter – including the one to the National Association of Railroad Passengers – concluded, “I hope this information is helpful in your evaluation of the possibilities for restoring service east of New Orleans” (see, in Amtrak’s report, Exhibits G, H, and I). The outreach letter to labor organizations, Exhibit M, is the only one that shows a clear interest in stakeholder views: “We are soliciting your initial views and input on these options.”

## Conclusion

For decades, the federal government correctly has funded the mobility needs of Americans in the Northeast. The Northeast Corridor (NEC) is an interstate route, connecting eight states and the District of Columbia, entirely funded by the federal government. Although this model has worked, a different model has been established for the rest of the nation – expecting states to provide significant funding for new services.

As a result of this difference in approach, Amtrak has not only failed to respond to the needs and opportunities of the large and growing Florida market, but has actually cut service and capacity. In late 2004, it reduced service between Florida and the Northeast from three to two trains a day (plus Auto Train); then in 2005, as noted, Amtrak “suspended” all service west of Jacksonville.

While individual states can supplement a federally funded national system (just as states supplement service in the Northeast), they cannot create and operate the effective interstate system that American mobility requires. That is why interstate commerce – and transportation – is a federal, not a state responsibility.

The time has come for Congress and the Administration to push and fund Amtrak to expand service by applying nationally the funding model that has been successfully used for the NEC. The 85% of Americans living outside the NEC service area want and need modern, reliable passenger train service. Restoring the Gulf Coast Connector should be a first step.

The tone of the report on restoring Gulf Coast Connector service suggests that Amtrak explores service expansion grudgingly and without enthusiasm—perhaps because they are cautious about embarking on what they fear might become an unfunded mandate. The National Association of Railroad Passengers is very concerned that without firm direction and funding from Congress and the Administration, Amtrak will do nothing. Therefore, we respectfully request that Congress and the Secretary of Transportation adopt the five recommendations outlined at the beginning of this paper.

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<sup>1</sup> P.R.I.I.A. Section 226 Gulf Coast Service Plan Report at [www.amtrak.com/pdf/PRIAA/GulfCoastServicePlanReport.pdf](http://www.amtrak.com/pdf/PRIAA/GulfCoastServicePlanReport.pdf)

<sup>2</sup> Population growth 1970 to 2000: U.S. Department of Commerce, U.S. Census Bureau, Internet Release date: December 28, 2000. Population data for 2000: [http://factfinder.census.gov/servlet/GCTTable?\\_bm=y&-geo\\_id=01000US&-box\\_head\\_nbr=GCT-PH1&-ds\\_name=DEC\\_2000\\_SF1\\_U&-format=US-9](http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=01000US&-box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-format=US-9)

<sup>3</sup> <http://www.fra.dot.gov/Downloads/Final%20FRA%20HSR%20Strat%20Plan.pdf> (figure 6 on page 7).

<sup>4</sup> Statistics for travel within and between each of the 50 states drawn from an Origin & Destination trip matrix provided by Bureau of Transportation Statistics, American Travel Survey, 1995.

<sup>5</sup> Ibid.

<sup>6</sup> Population growth 2000 to 2008 by state: [http://factfinder.census.gov/servlet/GCTTable?\\_bm=y&-geo\\_id=01000US&-box\\_head\\_nbr=GCT-T1-R&-ds\\_name=PEP\\_2008\\_EST&-format=US-40S](http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=01000US&-box_head_nbr=GCT-T1-R&-ds_name=PEP_2008_EST&-format=US-40S)

<sup>7</sup> Ibid.

<sup>8</sup> Distance and principle means of transportation to, from and within Florida:

[http://www.bts.gov/publications/1995\\_american\\_travel\\_survey/summary\\_travel\\_characteristics/states/florida/index.html](http://www.bts.gov/publications/1995_american_travel_survey/summary_travel_characteristics/states/florida/index.html) “Table 6. Person Trips to, from, and within Florida by Selected Trip Characteristics”

<sup>9</sup> Ibid.

<sup>10</sup> BTS O&D matrix (note #3).

<sup>11</sup> Amtrak, FY01 City Pair Data by Route and Class.