



RAIL PASSENGERS
ASSOCIATION

Developing New Amtrak Corridors:

Expanding the U.S. Passenger Market

Amtrak

+

Rail Passengers Association



Developing New Amtrak Corridors: Expanding the U.S. Passenger Market

September 23rd

2:30 PM Eastern

- 2:30 PM – Introduction – Sean Jeans-Gail – Vice President, Policy + Gov't Affairs, Rail Passengers Association
- 2:35 PM – Presentation – Ray Lang - Senior Director, National State Relations, Amtrak
- 2:50 PM – Presentation – Jim Mathews – President & CEO, Rail Passengers Association
- 3:00 – 3:15 PM – Panel – Lang, Mathews & Jeans-Gail answer questions from members

Please mute your microphones and turn off your cameras. Thank you!



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RailPassengers.org/Action



Ray Lang

Sr. Director, State & Local
Government Affairs

Amtrak





PLANNING FOR THE FUTURE OF RAIL

AN INVESTMENT IN
CONNECTING AMERICA

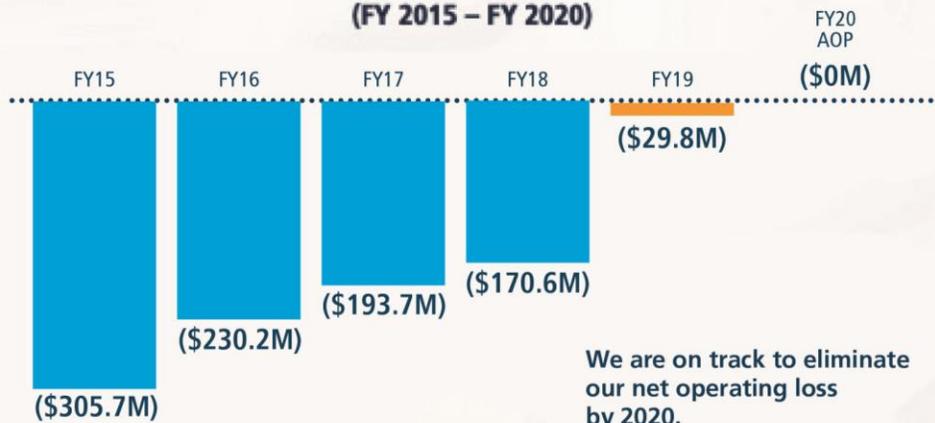
September 2020



2019 HIGHLIGHTS: RECORD RIDERSHIP AND REVENUE

- ✓ 32.5 Million Riders
- ✓ \$3.3B Record Revenue
- ✓ >95% Recovery of Operating Costs
- ✓ Best-Ever Operating Performance
- ✓ Strong Federal Funding
- ✓ Breakeven by 2020

Amtrak Adjusted Operating Earnings (FY 2015 – FY 2020)



GROWING RAIL SERVICE

Amtrak is currently working with several states to establish new or expanded intercity passenger rail services.

Recent additions include:

- ✓ Added *Piedmont* and *Springfield Shuttle* frequencies
- ✓ Introduced new service to Roanoke, Va.
- ✓ Start of new *Valley Flyer* service in Western and Northern Massachusetts
- ✓ Added second daily roundtrip train to Norfolk, Va.

Future service opportunities include:

- ✓ Extension of *Ethan Allen Express* between Rutland and Burlington, VT
- ✓ Extension of *Heartland Flyer*, Oklahoma City to Newton, Kansas
- ✓ *Hiawatha* service, 3 additional Round Trips, Chicago to Milwaukee
- ✓ 2 Additional *Pacific Surfliner* frequencies, Los Angeles to San Diego



PLANNING FOR THE FUTURE

CURRENT DRIVERS OF CHANGE

The Amtrak Network

21st CENTURY SERVICE
ON A 1970s FOOTPRINT

Amtrak's National Network Map remains relatively unchanged since 1971.

- U.S. Population was 207.7M in 1971 and has grown to 327.2M in 2019
- Amtrak currently serves 21,400 route miles, 300+ daily trains, and 400+ Thruway connections



AMTRAK
See where the train can take you™

— Amtrak® Train Routes
- - - Service Suspended

For information and reservations,
call 1-800-USA-RAIL or visit Amtrak.com

Due to space limitations, not all stops are shown. Services are subject to change. Amtrak System Map effective June 2019. Amtrak and see where the train can take you are registered service marks of the National Railroad Passenger Corporation.

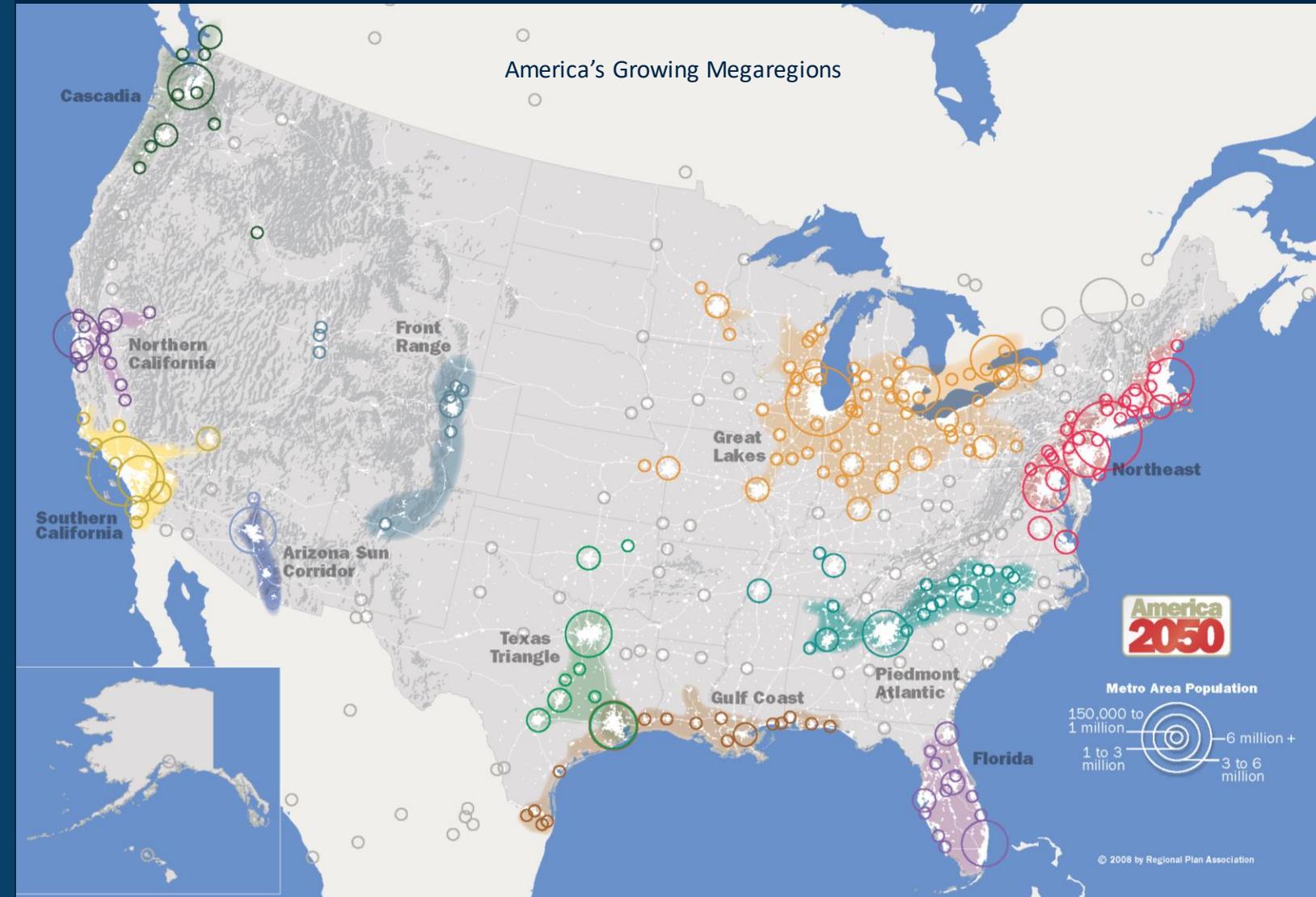
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GROWING METROS ARE FORMING MEGAREGIONS

Rail is well-suited to serve changing demographics and traveler preferences in the United States.

Passenger rail service is a practical solution for transit between local Metros and within growing Megaregions.

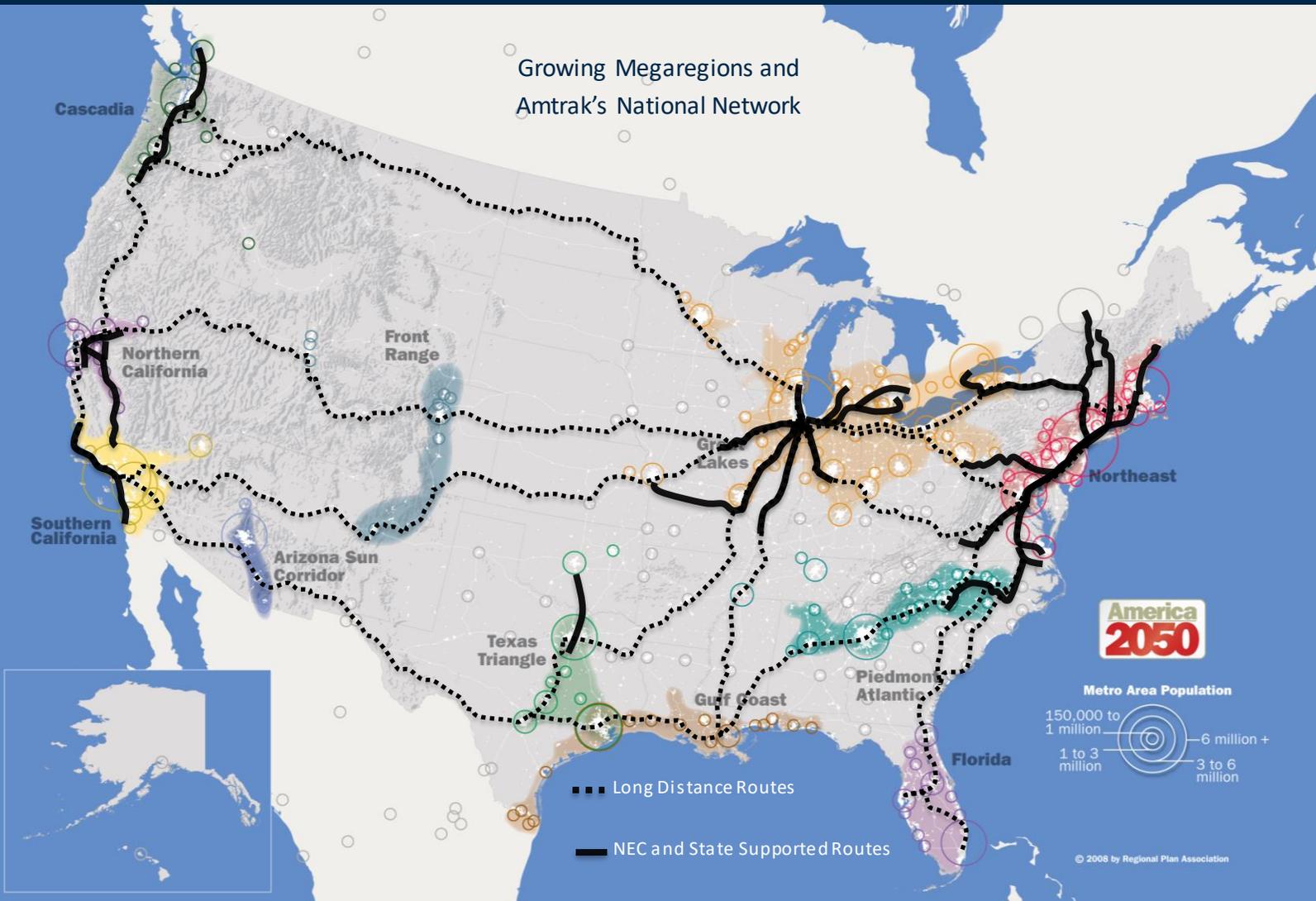
- Trains can serve multiple stations along Megaregion corridors
- Stations are located in city centers
- Trains are more environmentally-friendly than airplanes and automobiles



CHANGES IN DEMOGRAPHICS & DEMAND

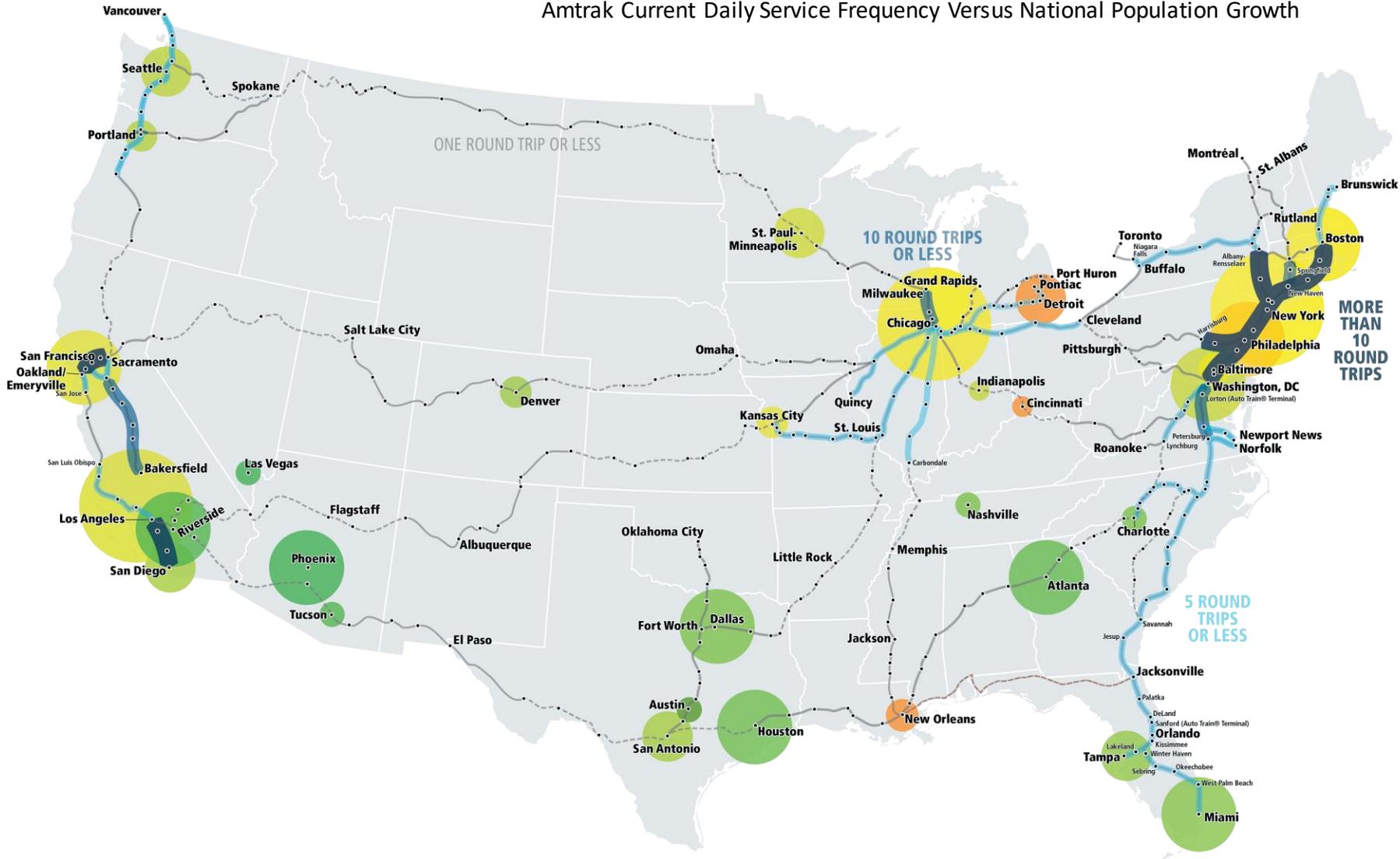
Amtrak is well-suited to serve the changing demographics and demand, but to do so, we must rethink how we offer service.

Great opportunity lies in connecting Megaregions with frequent, reliable trip time competitive corridor-style service that will create value and increase Amtrak's relevance in the growing markets across the country.



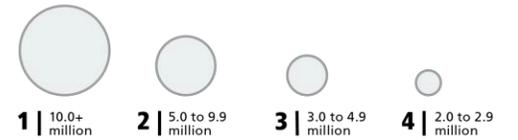
MANY LARGE METROS CURRENTLY UNDERSERVED

Amtrak Current Daily Service Frequency Versus National Population Growth



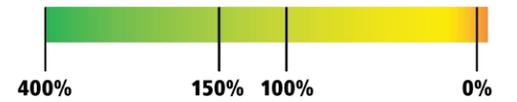
2018 POPULATION

in millions of people

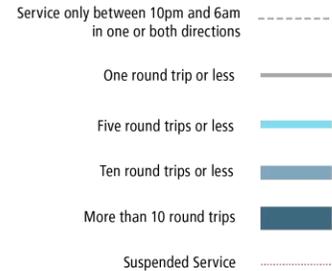


POPULATION CHANGE %

from 1971 to 2018



DAILY SERVICE FREQUENCY



AND THE POPULATION IS PROJECTED TO KEEP GROWING

The nation's population is projected to grow to 438 million by 2050. Much of this growth will be in urban areas.

- From 1910 to 2010, urban population has grown by 80%.
- Some of the fastest growing regions are in Texas and Florida where we have little service. For a combined population of 49 million people, we offer 6 trains—5 Long Distance and State Supported.
- In contrast, in the NEC with a population of 51 million people (8 states plus Washington, DC), we offer 140 daily trains made up of Long Distance, State Supported, *Northeast Regional* and *Acela* services.

As these cities are growing,
shouldn't our levels of
service grow in tandem?



INVESTMENT NEEDS

AMTRAK FEDERAL REAUTHORIZATION OPPORTUNITY



FEDERAL INVESTMENT NEEDS TO INCREASE OVER THE NEXT DECADE

In recent years, Congress has provided increased funding for Amtrak and rail. We must continue this momentum...

In 2020, the Surface Transportation bill is up for renewal. In fact, the House of Representatives has adopted their version of a new bill, (H.R. 2 - INVEST in America Act) and it authorizes significant new funding for passenger rail.

POLICY AND FUNDING: REAUTHORIZATION OPPORTUNITY

The INVEST Act authorizes \$28.55 billion for Amtrak over 5 years. Of note, it also creates a new grant program called PRIME, for the purposes of funding the creation of new rail passenger corridor services across the country.

- Prime is authorized at \$3.8 billion a year for 5 years.
- CRISI is authorized at \$1.4 billion a year for 5 years.
- R&E grants are authorized at \$20 million a year for 5 years.

It's time to have a conversation with Congress about the future of passenger train service.

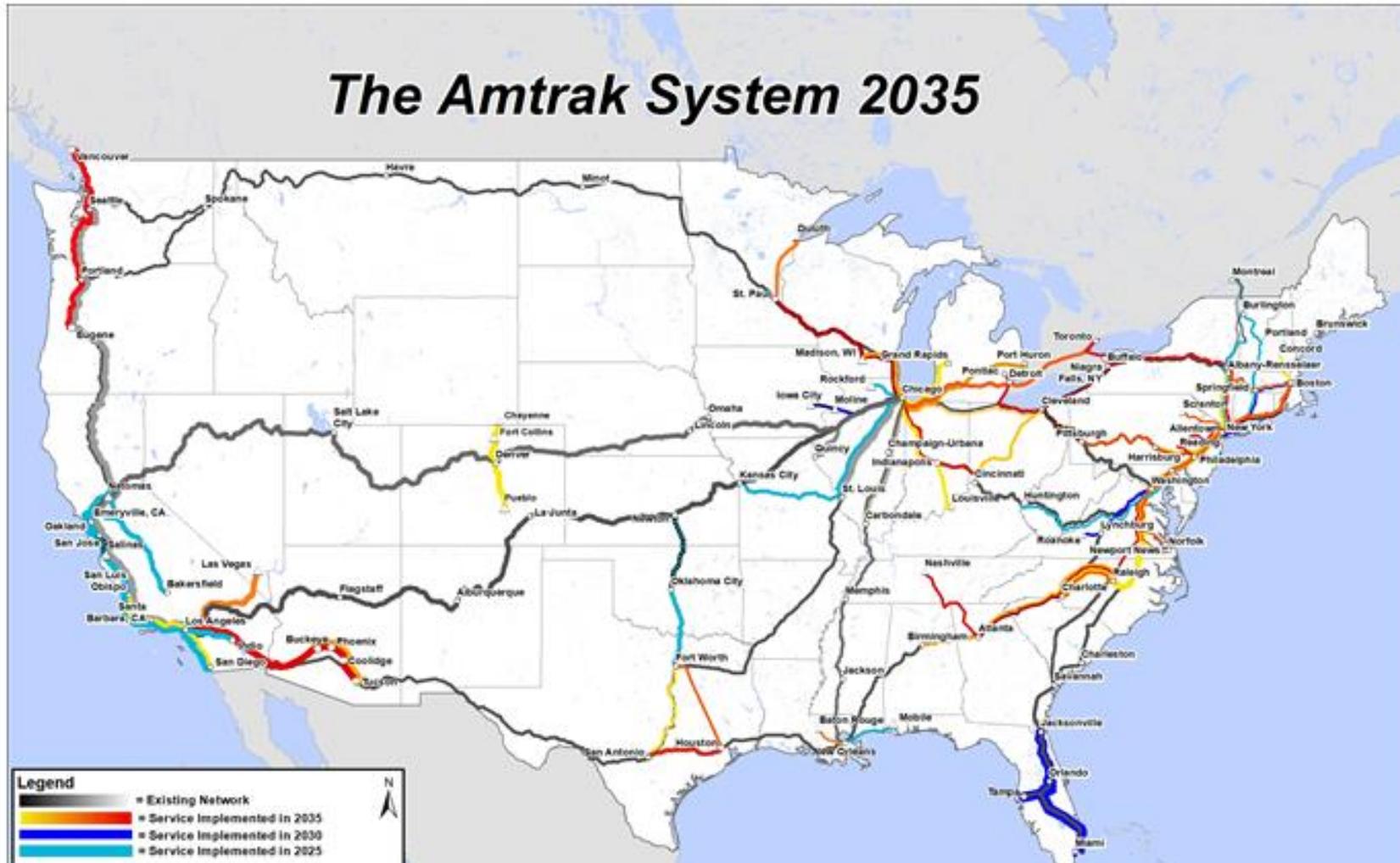


Rendering of future Charger Locomotive pulling bilevel passenger train

OPPORTUNITIES FOR GROWTH

**EMERGING MEGAREGIONS, URBAN MILLENNIALS,
AND OUTPACED MODES**

Corridor Expansion: \$25B



\$ 25 Billion:

- \$23B for new corridor routes
- \$2B for new fleet

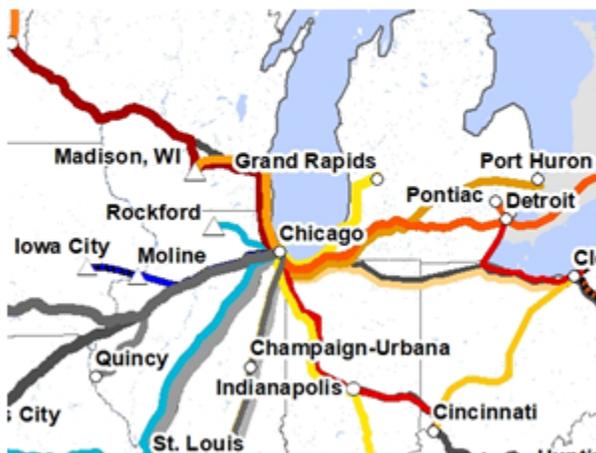
Provides:

- Expansion of current corridor network
- Growth for new corridor service between more places
- Increase fleet flexibility

Corridor Expansion (cont.) – Corridors Under Review

Midwest

- Detroit – Grand Rapids
- Buffalo – Cleveland / Detroit
- Enhanced and expanded Chicago Hub:
- Chicago – Carbondale / Champaign / Cincinnati / Cleveland / Toledo / Grand Rapids / Indianapolis / Louisville / Madison / Milwaukee / Moline / Omaha / Detroit / Lansing / Flint
- Rockford / St. Louis / Kansas City / Toronto
- Cleveland – Pittsburgh / Toledo / Chicago
- Indianapolis – Cincinnati / Louisville
- Madison – Milwaukee / Minneapolis
- Minneapolis - Duluth



Texas and Gulf Coast

- “Texas Triangle”:
- Dallas/Fort Worth – San Antonio
- Dallas/Fort Worth – Houston
- Houston – San Antonio
- Dallas/Fort Worth – Okla. City – Wichita
- New Orleans – Mobile

West

- Los Angeles – Las Vegas
- Los Angeles – Palm Springs – Phoenix – Tucson
- Enhanced *Pacific Surfliner*
- Enhanced *San Joaquins*
- Enhanced Amtrak Cascades
- Enhanced *Capitol Corridor*
- Coast Daylight*
- Fort Collins – Boulder – Denver – Colo. Springs - Pueblo

Southeast

- Enhanced DC – VA – NC service (Long Bridge + DC2RVA + SEHSR)
- Atlanta – Charlotte
- Atlanta – Nashville
- Jacksonville – Orlando / Tampa / Miami



Atlantic Region

- Boston – Concord
- Enhanced New Haven – Springfield – Greenfield plus New Haven – Boston Inland Route Service
- Northeast Regional* Long Island Extension
- Montreal customs facility/extend *Vermont*
- Pennsylvanian and Empire Service extensions to Cleveland







FRA Regional Rail Planning Studies Overview: Initial Results, Next Steps

Jim Mathews | President & CEO
Rail Passengers Association
Washington, DC



A Four-Decade Framework For Growth:

FRA-Led, But Stakeholder- And State-Driven



- *Rail Passengers* has been a full study participant in both the *Midwest* and *Southeast* studies from the beginning
- Studies examine phased build-out to a 40-plus year horizon
- Studies bring together State rail-plan owners for ‘buy-in,’ coordination with stakeholders
- What the *Midwest* and *Southeast* studies DO NOT DO –
 - DO NOT identify specific routes or alignments for corridors that make up the network
 - DO NOT identify specific station locations
 - DO NOT come to conclusions regarding capacity or operating feasibility
 - DO NOT involve or presume any particular type of equipment or rolling stock
 - DO NOT represent a commitment to implementing specific projects
 - DO NOT incorporate – or reject – any existing Amtrak routes, plans or alignments

A Four-Decade Framework For Growth: FRA-Led, But Stakeholder- And State-Driven



Purpose

- A 40-year framework for the intercity passenger rail networks in the Midwest and Southeast, including linkage to State rail plans, prioritization of corridors and investment projects, a governance structure, and funding strategies

Initial Assessment of Performance & Financials

- Even with a dramatic reduction in forecast trips by 2050, both Networks **can** produce positive operating ratios – they more than cover their ‘above the rail’ costs

What Have We Learned So Far?

- Connectivity – the “Network” effect – and frequencies drive the financial success of every configuration studied

What Happens Next?

- Study participants will contribute to another round of analysis to improve operating ratios for the Midwest networks
- Participants will work to finalize the Southeast network this Spring



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Early-Phase Plans & Maps

A 40-year framework for the intercity passenger rail networks in the Midwest and Southeast, including linkage to State rail plans, prioritization of corridors and investment projects, a governance structure, and funding strategies



Service Tiers:

Tailoring Services To Markets & Ridership

	Top Speeds (mph)	Other Common Characteristics	Primary Markets Served	Minimum Reliability Target (On-time Performance)
Core Express Corridors	Over 125	Frequent service; dedicated tracks, except in terminal areas; electric-powered	Serving major metropolitan centers	99%
Regional Corridors	90-125	Frequent service; dedicated and shared tracks, electric- and diesel-powered	Connecting mid-sized urban areas with each other or with larger metropolitan areas	95%
Emerging/ Feeder Corridors	Up to 90	Shared tracks	Connecting mid-sized and smaller urban areas with each other or with larger metropolitan areas	85%*
Network Independent Corridors	Corridors that have minimal effect on network performance and/or where minimal ridership connects through to the rest of the network			

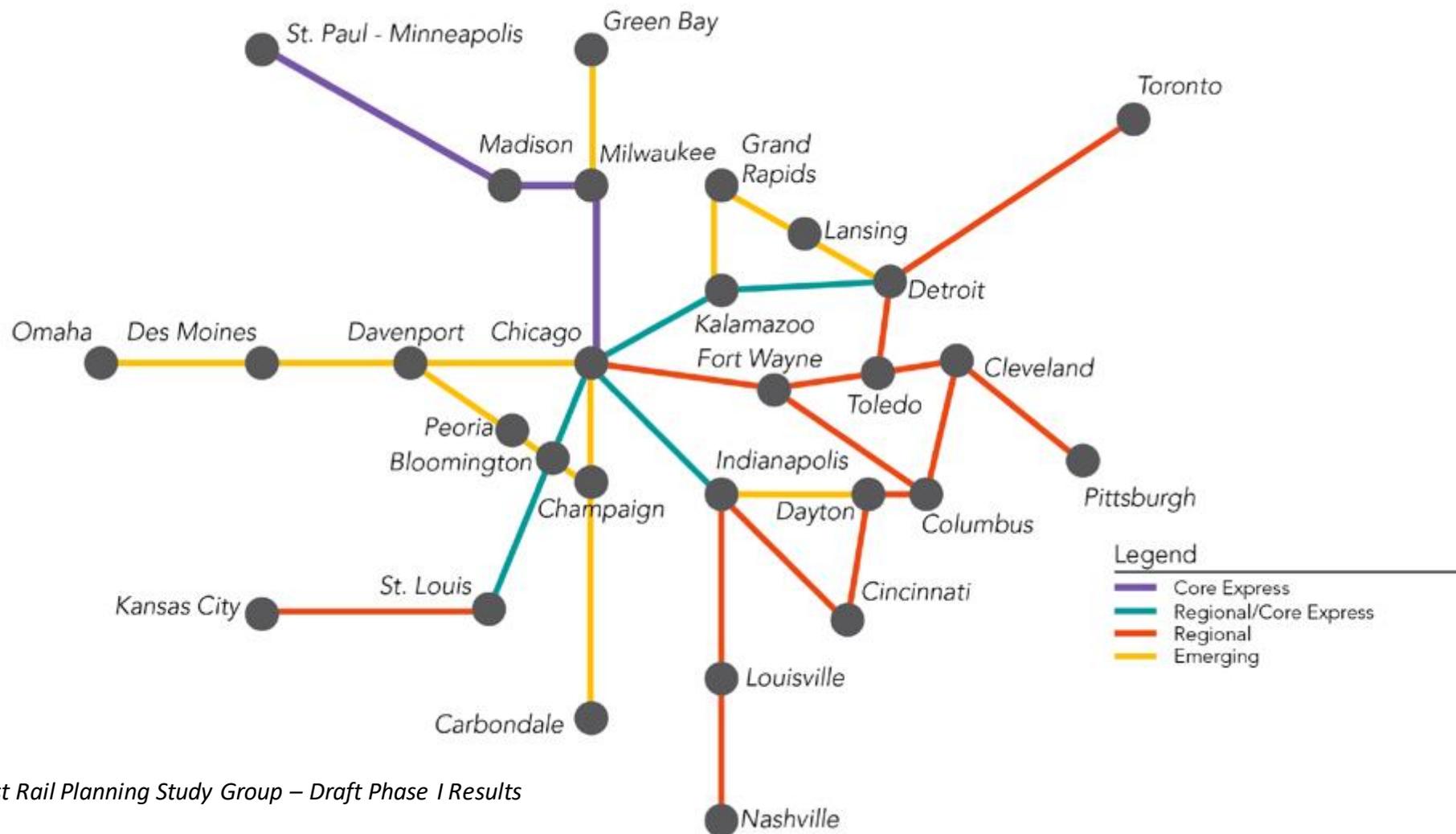
Source: FRA, *High-Speed Rail in America, High-Speed Rail Strategic Plan, April 2009*

*On-time performance target might increase in the future



Base Midwest Network:

A 40-Year Vision Linking The Heartland & Southeast



Source: FRA Midwest Rail Planning Study Group – Draft Phase I Results

Proposed Southeast Network:

A 40-Year Vision Linking The Heartland & Southeast



Source: FRA Southeast Rail Planning Study Group – Initial Phase II Results



Initial Assessment of Performance & Financials

Even with a dramatic reduction in forecast trips by 2050, both Networks *can* produce positive operating ratios – they more than cover their ‘above the rail’ costs

Midwest Performance:

The Benefits of Connectivity



	Markets Served ¹	Intercity Ridership ²	Revenue	O&M Cost	Capital Cost ³
Sum of Standalone	280	32 M	\$1.5 B	\$2.5 B	\$137 B
Network	1340	43 M	\$2.2 B	\$2.5 B	\$131 B
Difference	379%	34%	47%	-3%	-4%

1. Total number of market pairs on network with maximum of one transfer.

2. Year 2055 intercity demand.

3. Nets out the capital cost associated with the existing network.



Southeast Performance:

Southeast + Interregional Network, 2055

	Capital Cost	Ridership	Revenue	O&M Cost	Recovery Ratio
Phase II Unadjusted	\$197.7 B	39.1 M	\$3.7 B	\$2.05 B	1.82
Phase II Adjusted	\$191.0 B	37.5 M	\$3.4 B	\$2.01 B	1.71
Difference	-3.6%	-4.0%	-7.5%	-1.6%	-6.0%

Adjustment takes into account the reduced forecast for auto trips to be diverted to rail and the effects of Brightline/Virgin Trains USA's Florida network.



Southeast Performance:

Southeast Network Key Performance Indicators (KPIs)

	Operating Recovery Ratio (\$)	Annual Capital Cost per Passenger Mile (\$)	O&M Cost per Passenger Mile (\$)	Revenue per Passenger Mile (\$)	O&M Surplus per Passenger Mile (\$)	Average Load Factor	Rail Mode Share
Phase I Unadjusted	2.47	0.44	0.13	0.32	0.19	0.59	0.11
Phase II Adjusted	1.71	0.57	0.17	0.29	0.12	0.45	0.09
Difference	-31%	28%	29%	-11%	-38%	-24%	-19%

Source: FRA Southeast Regional Rail Planning Study Group – Initial Phase II results.



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What Have We Learned So Far?

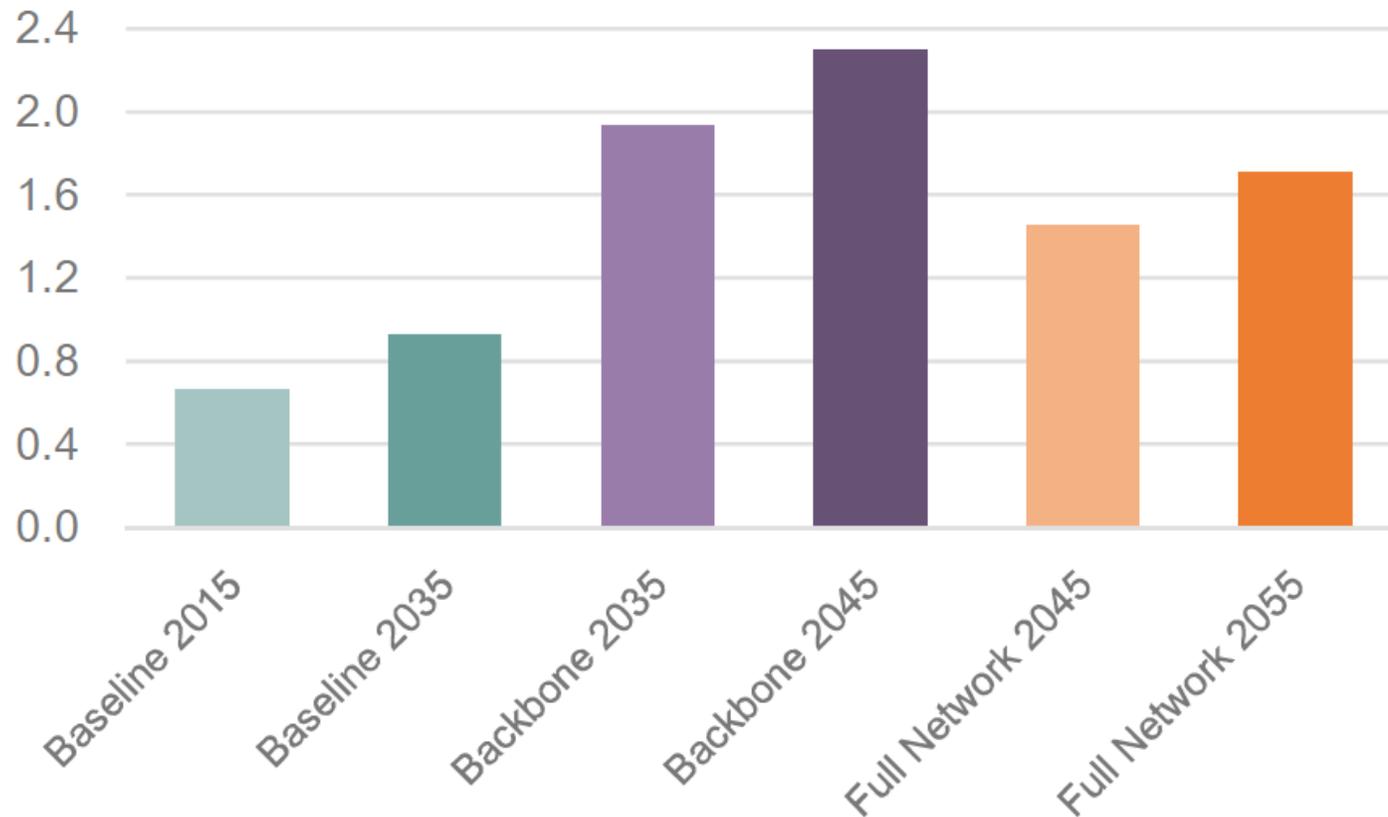
Connectivity – the “Network” effect – and frequencies drive the financial success of every configuration studied



What We've Learned So Far:

Network Connectivity *Significantly* Enhances Performance

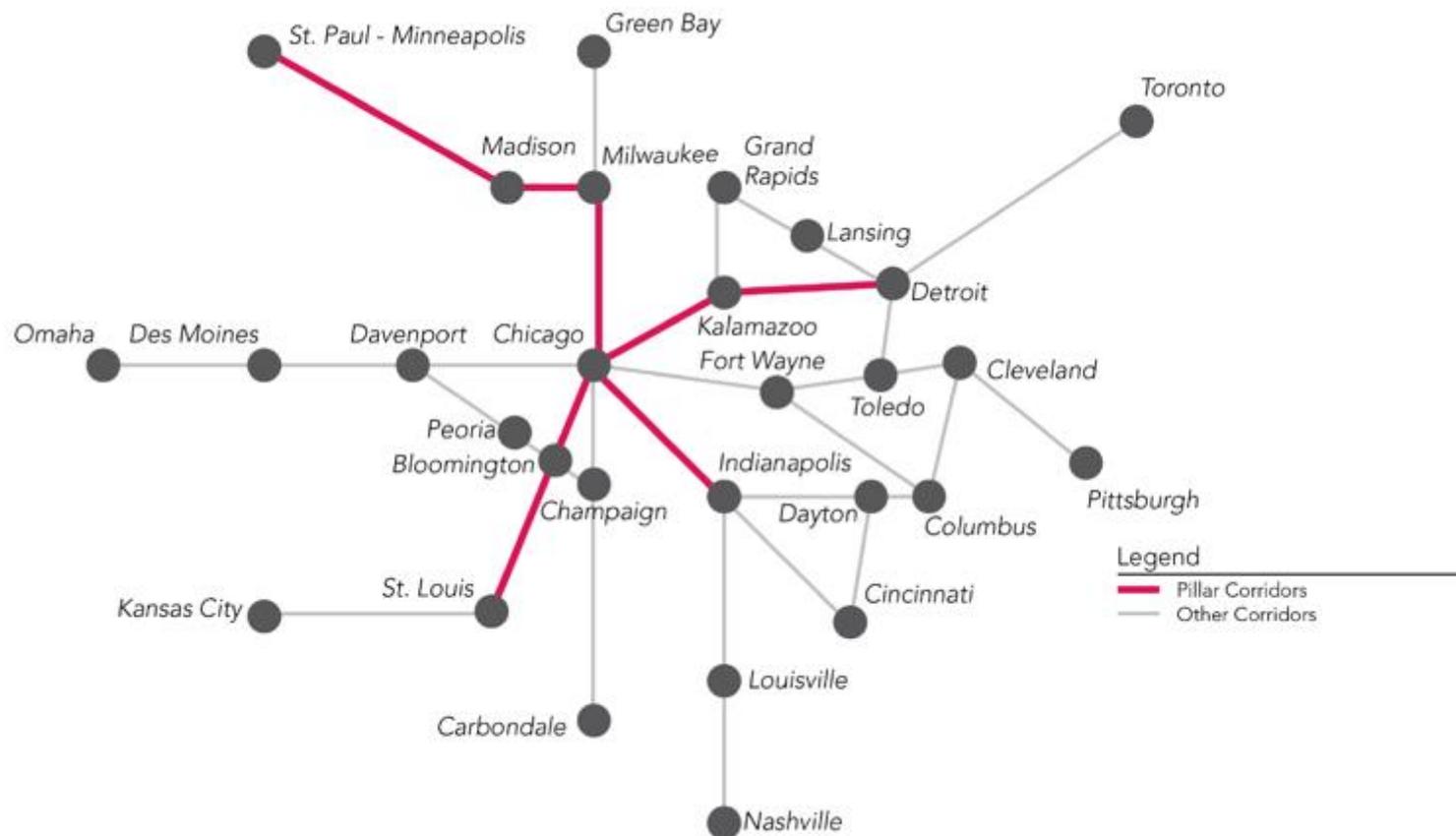
O&M Cost Recovery Ratio



- Baseline Southeast network in place by 2035 still requires operating subsidy; backbone network by 2045 shows positive operating ratios; full network by 2055 shows positive operating ratios.
- The overall Southeast network produces a positive operating ratio.

What We've Learned So Far:

Network Connectivity *Significantly* Enhances Performance



- The four pillar Midwest corridors (left, in Red) all operate with a positive operating recovery ratio at the Regional and Core Express service levels *within the Network*.
- The overall Midwest network nearly covers its operating costs; the overall Southeast network produces a positive operating ratio.
- Non-pillar Midwest corridors help improve the viability of Midwest pillar corridors.
- Both the Regional and Core Express Midwest networks deliver potentially viable financial performance - Core Express delivers more riders at a higher capital cost.



What Happens Next?

Study participants will contribute to another round of analysis to improve operating ratios for the Midwest networks; participants will work to finalize the Southeast network this Spring

RAIL PLANNING STUDIES OVERVIEW

What Happens Next - Midwest:

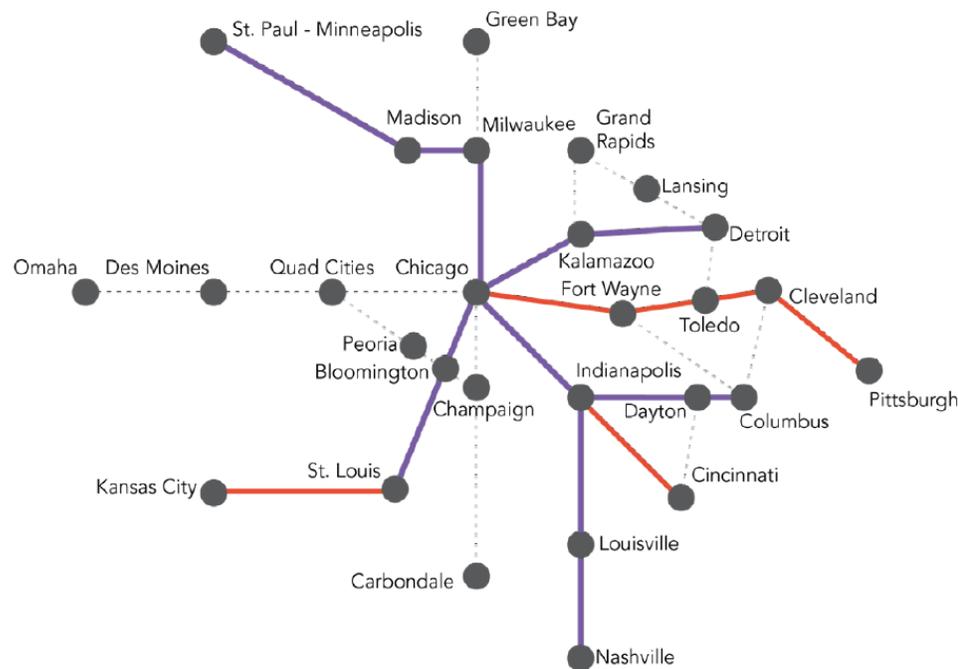
More Analysis, More Configurations



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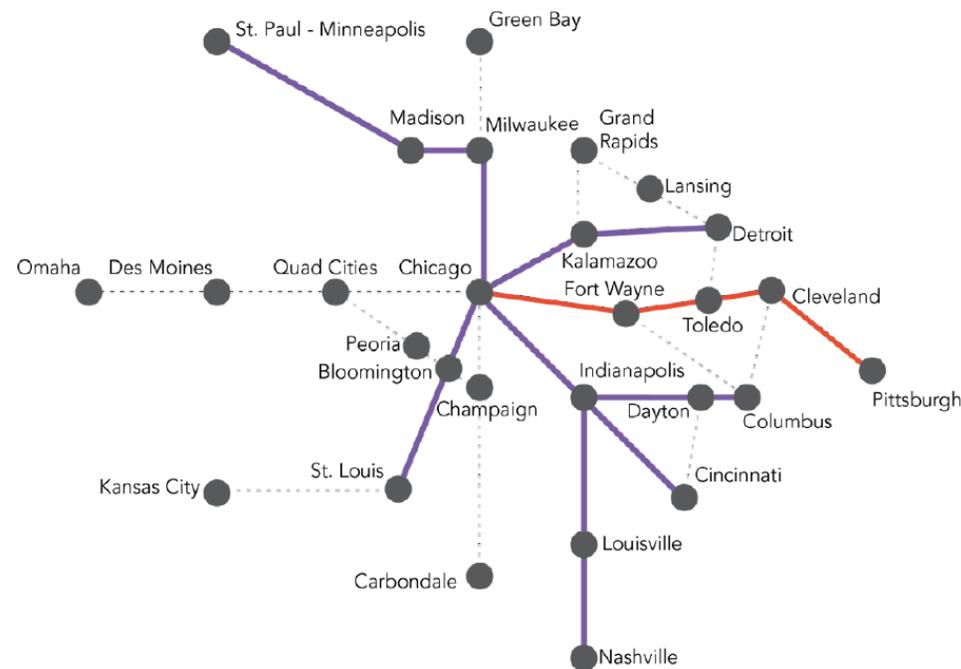
Option E

Maximize Ridership: Expand Geographic Coverage



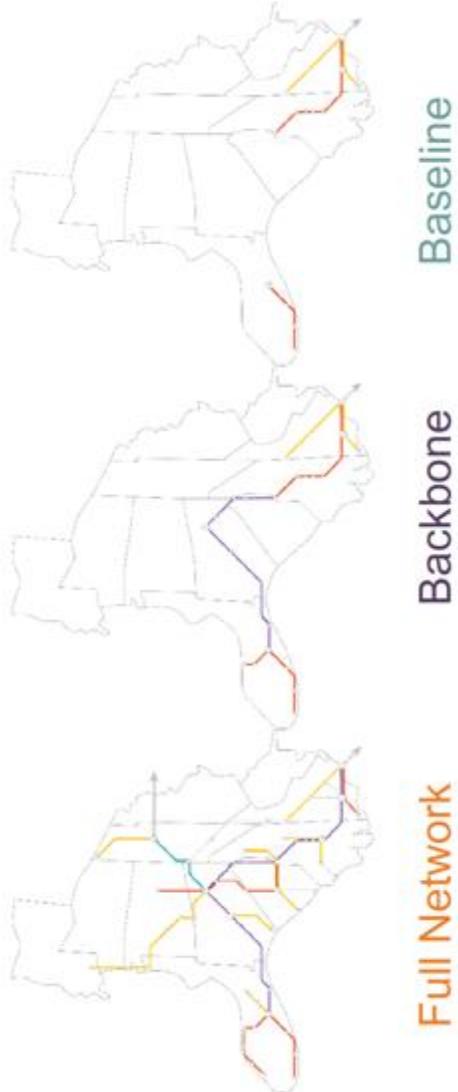
Option F

Maximize Ridership: Focus Capital Investment



- NINE new network options reviewed 22 Sept, based on revised Phase I Network, trading off cost recovery, capital cost, current levels of state support, transportation efficiency and ridership
 - *Rail Passengers* favors Options “E” and “F”, with approx. 24 million annual ridership, break-even financials, 30-year capital cost of approx. \$154b - \$159b
 - *Rail Passengers* continues to recommend taking total economic contribution (“payback”) into account

What Happens Next - Southeast: Near The Finish Line!



- Finalization of the Network
- Submitted *Rail Passengers* feedback and final comments in April
- Draft network presentation at SE Rail Forum this summer
- Draft Southeast Study Report
 - Feedback and comments will be evaluated and incorporated into the final network as appropriate
- Finalize and distribute Southeast Study Report



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Answering Your Questions

Jim Mathews, President & CEO

+

Sean Jeans-Gail, VP – Gov't Affairs

Rail Passengers Association

Ray Lang, Sr. Director – State & Local
Government Affairs

Amtrak



Answering your questions

Q: What do we have to do to get Amtrak management to engage as an active partner for corridor expansion in the dense, highly populated areas between Chicago and New York?



Answering your questions

Q: Given the fact that state budgets are strapped by lower state income from taxes, greater budget needs, and higher than normal unemployment benefit payouts, ALL due to the coronavirus, HOW can new corridors possibly be developed?



Answering your questions

Q: The age-old question -- what happens if one state wants to build a corridor connecting 2 or more states, but the other states don't want to contribute?



Answering your questions

Q: What are the prospects for expanding national network service to the largest U.S. cities without any passenger rail: Columbus, Louisville, and Nashville? To whom should we direct our advocacy for this? Our local/state leaders here in Louisville and Kentucky don't even seem to have passenger rail on their radar at all.



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Answering your questions

Q: Is there any hope that Hoosier State service may be restored some day?



Answering your questions

Q: Is there any consideration for adding Chicago (Midwest) service to Florida?



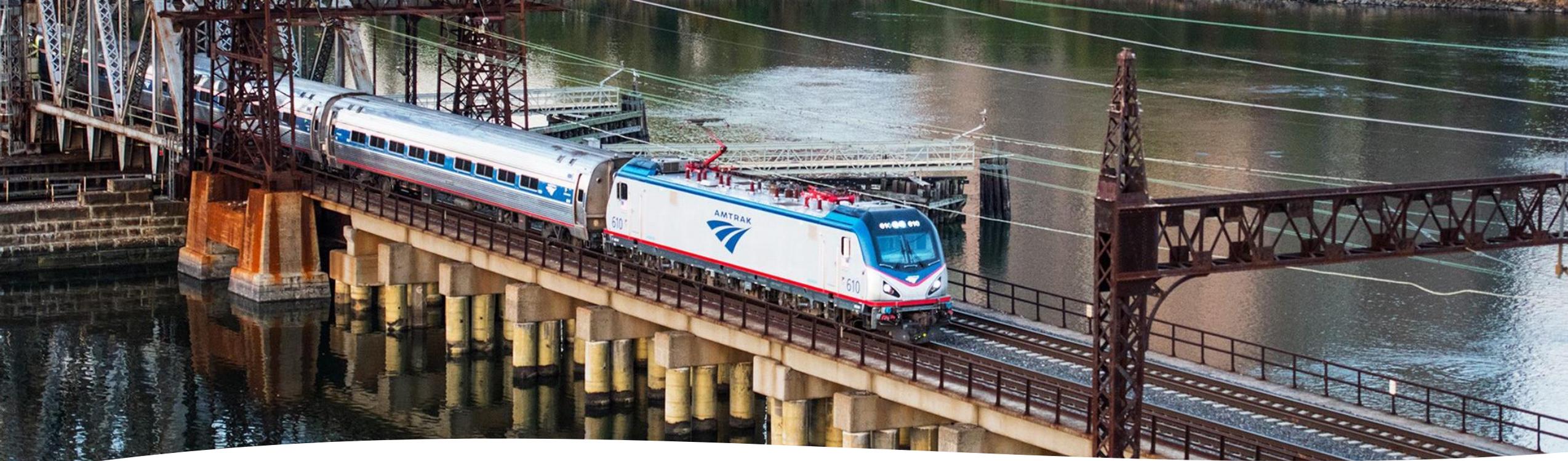
Answering your questions

Q: The focus of the FRA regional plans is the Core Express "pillar" routes, with generally hourly or better service, electrification, predominantly dedicated tracks, and 220 mph service. Even the "Regional" routes are proposed to have 4-8 daily round trips. Brightline's model is fast service with hourly service. All of these are anticipated to be profitable to operate. None of the new short corridor services that Amtrak has discussed publicly have more than 3 daily round trips on freight tracks, with trip times longer than driving. How do these two concepts relate to each other?



Answering your questions

Q: The Massachusetts East-West Rail Proposal has been getting a lot of press with various ridership quotes, etc., but the process is moving at a crawling pace. What can the RPA and advocates alike do to promote this new critical rail expansion that will further connect passengers around New England via fast, frequent, and electrified intercity passenger rail?



Next month's webinar:

The Northeast Corridor with Amtrak + Transit Matters

Wednesday, October 21st

Thank You!