



Surface Transportation Reauthorization Proposals

March 2020

Recognize Importance of National Network to U.S. Transportation and Rural America

As part of the Fiscal Year 2019 omnibus, Congress passed language describing the importance of the National Network to rural Americans and the U.S. transportation network: "It is the sense of Congress that 1) long-distance passenger rail routes provide much-needed transportation access for 4,700,000 riders in 325 communities in 40 States and are particularly important in rural areas; and 2) long-distance passenger rail routes and services should be sustained to ensure connectivity throughout the National Network."

Rail Passengers believes this language should be included—with language added to recognize the importance of on-time performance to the long-term viability of the National Network—as a guiding principal for passenger rail investment in the surface transportation authorizing law, requiring Amtrak to provide train frequencies not less than what is currently being offered to all existing Amtrak communities .

On-Time Performance and Fairness for Passengers

Given the dramatic rise in host railroad interference and passenger delays, Rail Passengers is asking Congress to grant Amtrak a Private Right of Action, which would allow Amtrak ability to sue the freight railroads to enforce its statutory preference.

Shared-Use Corridor Advisory Committee

The current financial relationship between Amtrak, the host railroads and the states has failed to deliver the frequency and dependability needed to attract large numbers of travelers. Commercial and political success require that interested parties be incentivized to develop practical solutions. Rail Passengers calling for Congress to establish a charter for a Shared-Use Corridor Advisory Committee (S-CAC).

Recognize Importance of National Network to U.S. Transportation and Rural America

As part of the Fiscal Year 2019 omnibus, Congress passed language describing the importance of the National Network to rural Americans and the U.S. transportation network:

Creation of a Right of Way Acquisition Program

As of 2015, outside of the NEC 70% of the host railroad lines that Amtrak uses were single-tracked, meaning that there is latent capacity in most extant rights of way (ROW).

Rather than capitalize on this to expand capacity and fluidity, the rail industry is in a period of contraction. With losses in coal and crude oil rail shipments—down 44 percent and 60 percent off peak rates, respectively—railroads are looking to shed infrastructure and consolidate operations. In January 2018, CSX Transportation revealed it was reviewing 8,000 miles of rail lines as potential candidates for sale or lease as a way to create additional shareholder value.

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RPA expects this industry trend to continue.

Congress should create a federal grant program that would allow states and municipalities to purchase abandoned and underutilized corridors from freight railroads.

Advance Right of Way Acquisition Authority

As a critical companion to ROW Acquisition Grants, Congress should authorize states, railroads, and all relevant operating authorities to engage in the advance acquisition of railroad ROWs, similar to what is currently allowed for the advance acquisition for highway and public transit projects.

Congress should also amend the FTA Fixed Guideway Capital Investment Grants authorizing language allowing non-federal expenditures to acquire property, prior to the award of a grant, to be included in the non-federal share of total project costs

Transit Oriented Development

Congress should create a permanent program that will allow Transit Oriented Development (TOD) commercial development with RRIF/TIFIA financing for projects stipulated by the Secretary of Transportation to have significant value capture to support the ongoing station and passenger operations, creating a coordinated development-transportation plan.

Domestic Manufacturing Incentivization

To ensure the development of a domestic rail manufacturing industry, this waiver program should include a 10-year sunset provision and be paired with a US Rail Manufacturing Bureau (USRMB) to encourage coproduction agreements between US 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 US 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.

Equipment

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. Rail Passengers is asking Congress to 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.



Passenger Rail Account Funding Levels

Rail Passengers is calling for a significant increase in passenger rail investment to address decades of stagnant funding. Following the lead of the infrastructure proposal put forth by the House Democrats in January 2020, we believe \$11 billion per year over five years would revolutionize the way Americans traveled in their everyday lives.

	Passenger Rail Funding (in millions)				
	FY2022	FY2023	FY2024	FY2025	FY2026
Program					
Amtrak - National Network	\$1,350.0	\$1,425.0	\$1,500.0	\$1,575.0	\$1,650.0
Amtrak - Corridor Development Program	\$300.0	\$300.0	\$300.0	\$300.0	\$300.0
Amtrak - NEC	\$900.0	\$950.0	\$1,000.0	\$1,050.0	\$1,100.0
Consolidated Rail Infrastructure & Safety Grants	\$4,410.0	\$4,655.0	\$4,900.0	\$5,145.0	\$5,390.0
Federal State Partnership For State Of Good Repair	\$2,160.0	\$2,280.0	\$2,400.0	\$2,520.0	\$2,640.0
Restoration & Enhancement Grants	\$810.0	\$855.0	\$900.0	\$945.0	\$990.0
Total	\$9,930.0	\$10,465.0	\$11,000.0	\$11,535.0	\$12,070.0

General Fund Flexibility

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.

Federal Role in Insurance Provision

Given the desirability of introducing higher levels of competition into the passenger train operating market, and the limited marketplace that currently exists, RPA argues that the federal government has a larger role to play in insurance provision for rail operators. One such role would be mandated contributions to a captive insurance pool overseen by the federal government, designed to pay excess claims on a no-fault basis, with minimum insurance requirements attuned to size and budget. Another approach would be for the government to act as direct insurer offering subsidized premium, similar to what is seen in the National Flood Insurance Program. Finally, lawmakers could lower the liability cap to a market-friendly level and provide a federal backstop for insurers, such as with the Terrorism Risk Insurance Program.



Recommended Technical Changes to Legislative Language

Part I - Sustainable Levels of Service

PRIIA Section 201 (Mission & Goals)

Recommendation: Replace the phrases “minimize United States government subsidies,” “minimize Government subsidies,” and “minimize the need for Federal operating subsidies” with “maximize the mobility benefits, both economic and social, produced by each dollar of public funding [49 USC Sec 24101 (c) and (d) Goals].

Reasons:

- Congress established Amtrak as a publicly funded instrumentality of the Federal Government to provide a useful and beneficial public service to the *entire nation*.
- Because government was forced to assume responsibility for a service that the private sector was no longer able or willing to provide, neither “breakeven” nor “profit” are reasonable or appropriate goals but ones that the requirement to “minimize subsidies” implies.
- The requirement to minimize *operating* subsidies discriminates against the 85% of Americans who do not live in the Northeast Corridor service area, which Amtrak claims – falsely in our analysis – has an “operating profit.”
- All of the minimize requirements are inconsistent with the goal that Amtrak provide modern cost- and energy- efficient intercity transportation *to the extent that its budget allows*.

49 USC § 24321 (Food & Beverage Reform)

This provision has failed to increase farebox recovery.

Recommendations:

- Repeal this provision in its entirety.

Reasons:

- Food & Beverage service is an integral component of a total amenity package that, like comfortable seats, air conditioning and cleanliness, increases customer satisfaction, generates repeat business, promotes positive word-of-mouth and attracts new users. The result is greater total revenue and higher farebox recovery.
- Because it is a strategic amenity, Food & Beverage should not be considered or treated as a profit center where the only source of revenue is from incremental sales. Amtrak’s attempt to achieve “breakeven” has resulted in a significant downgrade in quality as well as in customer satisfaction. Customer satisfaction with Amtrak’s Food & Beverage service consistently receives the lowest ratings across all routes of any of the service components that Amtrak measures with its customer satisfaction surveys.
- In the mid-1980s, Amtrak experimented with replacing kitchen-prepared meals with microwaved TV dinners on some long-distance routes. Over the two years that this was in place, ridership on trains with microwaved meals dropped 13.6%, while all other long-distance trains’ ridership was virtually unchanged.

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Part 2 - Enforcement & Oversight

Amtrak has routinely ignored Congressional mandates. FRA has refused to hold Amtrak to account and has, itself, also ignored Congressional instructions. We strongly recommend that Congress enforce compliance with the following:

PRIIA Section 228

- Had Congress not intervened, Amtrak would have converted a long-distance route (Chicago-Los Angeles Southwest Chief) into two separate and disconnected routes.

49USC§24315 (a) (1) (C), PRIIA Section 203 and Section 207(a)

- Amtrak refuses to report route financial performance on the basis of Avoidable Costs (either short- or long-term) as required in these and other sections.

49USC§24315 (h)

- Amtrak refuses to grant States access to its records, accounts and other documents necessary to determine payments owed by them to Amtrak.

PRIIA Section 208

- FRA has yet to retain a qualified entity independent of Amtrak and FRA to develop an objective methodology for assessing what routes and services Amtrak should provide.

Part 3 - Technical Corrections

49 USC 24320: (b) (2) (c)

Recommendation: Add “passenger miles” and “load levels” as performance goals that Congress requires Amtrak to include in its five-year financial plans.

Reasons:

- Ridership by itself is not an adequate metric to measure public benefit because it counts only the number of trips taken without regard to the distance traveled. A ten-mile trip between New York and Newark is not equivalent to a 225-mile trip between New York and Washington, a 406-mile trip between Memphis and New Orleans or 1,038-mile trip between Denver and Chicago. To measure public benefit, it’s important to weight each trip by the distance traveled, which is what the passenger miles metric does.
- The public benefits of a particular route or service use are best judged on the basis of public use in relation to the amount of service provided. Ridership of a route that offers only one departure per day cannot be compared to one that offers multiple trains throughout the day. Passenger loads (passenger miles divided by train miles) is the metric most relevant for assessing how much the public utilizes a particular service.

PRIIA Section 204 (b) (12)

Recommendation: Add “per passenger mile” to “per passenger.”

Reason:

- Ridership alone is not an adequate metric. See Recommendation #2 above.

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PRIIA Section 207 (a)

Recommendation: Replace “ridership per train mile” with “passenger miles per train mile” and “ridership per departure.”

Reasons:

- Ridership per train mile is a statistic without meaning or use.
- Passenger miles per train mile indicate the average number of passengers on board a given train during each trip. Rail Passengers Association has developed a similar but more meaningful analysis that graphs Average Loads between stations.
- Ridership per departure indicates the number of people who boarded each trip of a specific train.
- Both of the two above statistics are useful in judging public use of a particular route or service.

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