

## 1 Federal Reauthorization Policy Paper

### **Title: Passenger Rail**

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### **Executive Summary**

Intercity Passenger Rail is an integral component of a multi-modal transportation system that efficiently and effectively moves people and goods in our region. It links major population centers in our state and throughout the region. It provides a travel option to highways and regional air service. Passenger rail provides an option for travel in the event of corridor disruptions, whether natural disasters or man made. (The late 2007 flooding that closed Interstate 5 for several days, while it did disrupt rail service, was resumed 36 hours earlier than highway service)

Passenger rail brings a host of systemic, economic and environmental benefits that are important to our state's economy. It is an alternative method of moving people in the region, providing a transportation option that may help reduce congestion on highways and at airports. Data analyzed for the Amtrak *Cascades* Mid Range Plan indicates that Rail Passenger costs less on a passenger/mile basis to operate than other methods of travel. Additionally, it has substantial environmental benefits because it uses less fuel and reduces greenhouse gas emissions compared to other modes of passenger transportation. Increased service frequency and reliability makes rail travel a more acceptable business travel option. Passenger rail also enhances tourism by providing travel options to our state.

### **Background**

Support is growing for all rail transport but especially for passenger rail. In 1993, Washington State along with Amtrak and Burlington Northern Railroad, predecessor to BNSF, reached agreement to provide infrastructure improvements that would allow for enhanced intercity rail passenger service in the rail corridor paralleling I-5. Additional rail system improvements, tied to new frequencies and improved service, continued to occur over time. In late 1998-99, a fleet of five trainsets that use tilting technology were placed into service as the Amtrak *Cascades* fleet. Three of these trains are owned by the State of Washington and two are owned by Amtrak. These trains, which can travel faster in the many curves on the BNSF route that follows the coastline of Puget Sound, eliminate the need for more costly straightening of the tracks.

The Amtrak *Cascades* Long Range meets federal planning requirements that make WSDOT eligible for federal funding. The Amtrak *Cascades* Mid-Range plan due later this year will provide a prioritized list of infrastructure projects based on growth of

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demand and maximization of societal benefits. All projects have passed a benefit/cost analysis.

There are several major issues that face the long term operation of the service. Building intercity rail passenger service upon an existing corridor that is owned by a freight railroad is challenging. As a tenant on the freight railroad's property, Amtrak is supposed to have statutory rights that prioritize passenger service that have been difficult to enforce. New federal laws may help improve Amtrak's ability to enforce running

passenger trains on time with less disruption, penalizing freight railroads for non-compliance.

There is a growing recognition at the national level that intercity rail passenger service must be included as an integral component of surface transportation reauthorization.

The National Surface Transportation Policy and Revenue Study Commission issued its final report in December 2007. The Commission concluded that “Passenger rail transportation is a key component of the Commission’s vision for the future, and the Nation should pursue the development of a fast and reliable rail passenger network.”

Similarly, the American Association of State Highway and Transportation Officials (AASHTO), in October 2008, adopted policy recommendations for a strong national rail policy that promotes and provides funding for intercity rail passenger development as an integral part of upcoming federal transportation reauthorization policy.

The Rail Safety and Investment Act of 2008 was enacted into law in October 2008. This comprehensive federal rail legislation authorizes multi-year (five year) funding for Amtrak and for the first time authorizes a program structure that provides an 80% federal/20% state matching program for intercity rail passenger capital investment consistent with other modes of surface transportation. Washington State and its Amtrak Cascades program is well positioned to utilize this program. In order to implement these new provisions, a stable, multi-year federal funding mechanism is most desirable. To date, the Amtrak *Cascades*, while supported by the State of Washington, State of Oregon, the Province of British Columbia and Amtrak has received little federal funds. A federal funding partnership will enhance the provision of additional capital required to meet demand for the service and realize the benefits that rail passenger service can provide the state of Washington.

Intercity Rail Passenger infrastructure improvements are also included in provisional Economic Stimulus funding, having been mentioned by both Congress and the incoming Administration.

### **Options: Pros and Cons.**

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**I. Create a Capital Funding 80/20 Federal Grant Program for States.** This implies that new federal funding would:

- Support a national passenger rail strategy that is developed by the federal government and based on state and multi-state plans.
- Be awarded to projects that meet national criteria after a full evaluation of potential corridor projects is submitted to and approved by the federal government.

The Rail Safety and Investment Act of 2008 (Public Law 110-432) has been enacted. This law provides a framework and authorizes an 80% federal/20% state grant program for intercity rail passenger capital implementation. It is currently an unfunded mandate. WSDOT is well positioned to take advantage of these funds with our projects in our long range plan and mid-range plan options.

### Pros

- Puts Rail Passenger funding on par with other surface transportation programs. State funds will leverage federal funds.
- Recommended by National Surface Transportation Policy and Revenue Study Commission, energy conservation and green interest groups.
- Funding recommended by AASHTO with budgetary treatment consistent to highway account “from a diversified portfolio of new revenue.

### Cons

- Without a new revenue source, it competes with existing multimodal transportation funding.
- American Highway Users Alliance Opposes rail investments at expense of highway investment.

**II. Develop a national Passenger Rail Vision/Strategy.** This is recommended as part of a comprehensive national rail policy by the National Surface Transportation Policy and Revenue Study Commission and by AASHTO.

### Pros

- Would demonstrate leadership for rail passenger policy at the federal level.
- Provides clear direction for future investments in rail passenger corridors.

### Cons

### **III. Full funding for Amtrak in FFY 2009**

#### Pros

- The recently enacted Rail Safety and Investment Act of 2008 authorizes annual funding for Amtrak at approximately \$2 billion per year for the next five years.

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#### Cons

- American Highway Users Alliance Opposes

**IV. Tax increment Bond financing.** H.R. 6004: Rail Infrastructure Development and Expansion Act for the 21st Century

#### Pros

- Provides bond financing for high speed rail corridor development and construction

#### Cons

- H.R. 6004 makes no provision for the development of passenger rail on non-high speed corridors.
- Eligibility criteria are not finalized. Washington State may not be able to participate depending on final definition of “high-speed corridors”./

**V. Funding for Rail Passenger Equipment Pool.** The Rail Safety and Investment Act of 2008 directs Amtrak to work with the states and FRA to establish a committee to develop specifications for a “next generation equipment pool” for one or more types of equipment for intercity rail passenger development. Due to its experience in rail passenger equipment procurement, WSDOT has been asked to participate in the committee’s efforts, along with the Federal Railroad Administration and manufacturers. Initial discussions are underway with Amtrak and its consultant to begin the work of this committee. WSDOT’s involvement can help ensure that the specifications are consistent with our corridor’s operating requirements. .

Pros

- Equipment is identified as a need and an appropriate expense for capital funding under the AASHTO recommendations.
- Equipment procurement and refurbishment is being discussed as part of a new Federal economic stimulus bill for infrastructure investment
- Lack of rail passenger equipment hampers expansion of services.
- New equipment takes up to three years to design and build.

Cons

- Other modes may oppose new funds for rail.