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Growing New Prosperity: Making The Case For Rail Re-Authorization And Beyond

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Washington, DC



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Bottom-Line Up Front

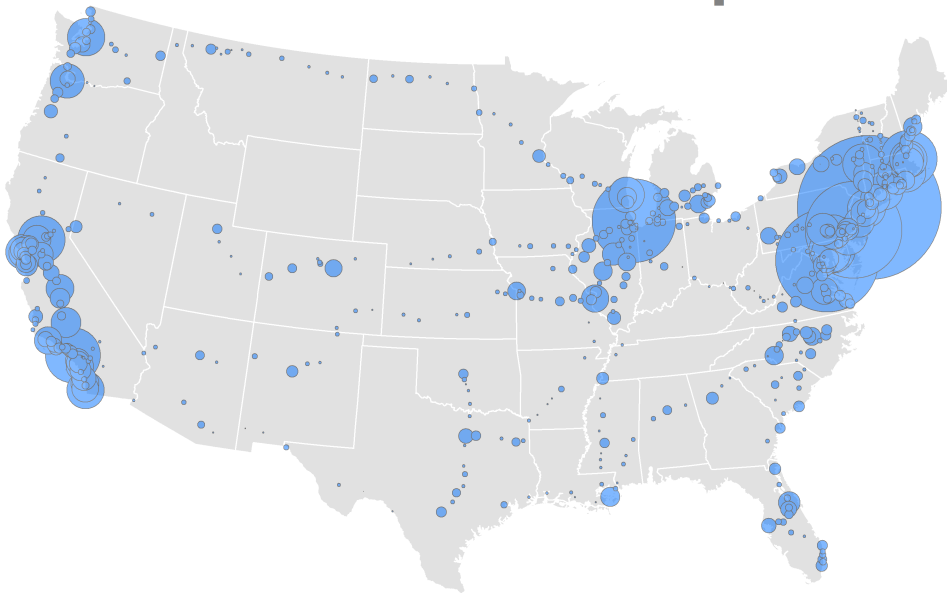
- Trains ***deliver value to served communities*** six, seven or more times the dollars invested in the service
 - The “profit” goes to the communities, and the Nation, not Amtrak
 - Mississippi, Louisiana and Alabama are close to launching new Mobile-New Orleans service that will return least **\$170.7 million** to the local economies every year for a roughly \$5 million - \$7 million annual operating investment
- The ***important*** conversation is tax-paying citizens collecting the “Return on Equity” for their federal dollars invested, rather than simple route profitability
 - Many examples of this **working today** – Amtrak Virginia service, the *Downeaster* in Maine, the *Hiawatha*, the *Empire Builder...and many more!*



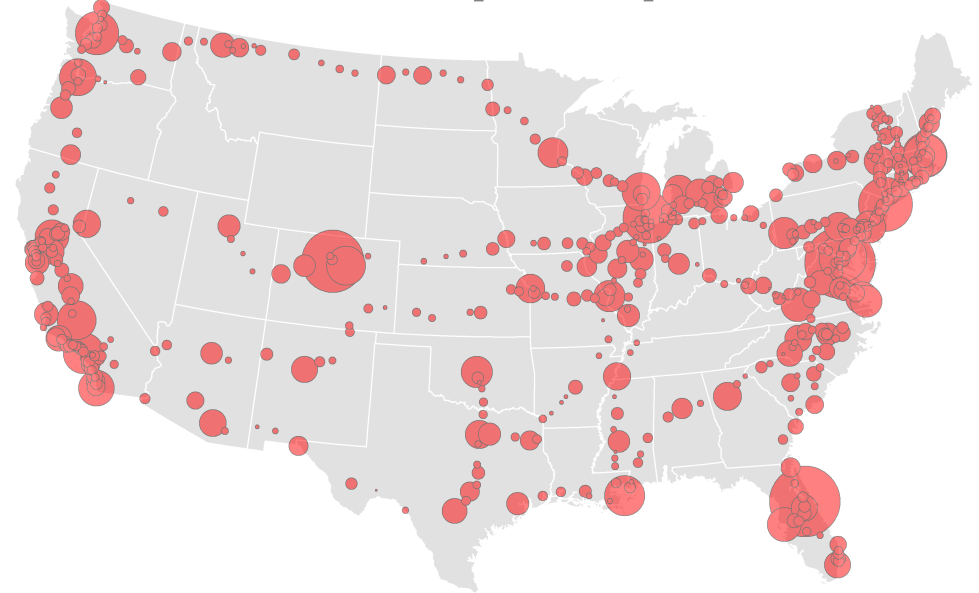
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Look beyond ridership to passenger utility

2018 Total Ridership



2018 Riders per Departure



Myth: 'Trains Only Make Sense In Big Cities'

Reality: When Available, Trains Are Heavily Used!

For more, go to <http://www.railpassengers.org/ridership>



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Bottom-Line Up Front

- *Rail Passengers* is making the most aggressive **credible** case for return on taxpayers' equity...and **Congress is listening**
 - Rail Passengers' study on Southwest Chief: \$180m annual benefit to KS, CO, NM
 - Rail Passengers' study on 'Baby Builder' between CHI and MSP: \$47m+ annual benefit
 - Rail Passengers' study on Empire Builder end-to-end: \$327m annual benefit
- Important to set the stage for **re-authorization** of the five-year Surface Transportation bill
- Also important as bipartisan consensus emerges on the need for a **large infrastructure bill**

THE NEXT FIVE YEARS

The 'FAST' Act And What Comes Next: Reauthorization Sets Long-Term Policy



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**2020 program tied to the
surface-transportation
re-authorization process**

- ***There is a good chance that this bill will not achieve final passage in 2020***
- However, passenger advocates need to articulate a clear set of principles and policies for the rail and transit titles and be able to incorporate them into our messaging around the must-pass FY 2020 Appropriations bill
- Whatever drafts are produced by the House and Senate will heavily influence the final product

THE NEXT FIVE YEARS

The 'FAST' Act And What Comes Next: Rail Passengers' *Blueprint* Proposals

**Rail Passengers' Re-authorization
Blueprint proposes initiatives in
three broad areas**



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Sustainable Service on National Network

- Legally Enshrine Importance of National Network to U.S. transportation + Rural America
- As Amtrak loses credibility on service questions with Congress, Rail Passengers can move to fill the void
- Work with Amtrak to add state-supported service



Fix Host/Operator Relationship

- On-Time Performance and Fairness for Passengers
- Shared-Use Corridor Advisory Committee
- Creation of a Right of Way Acquisition Program
- Advance Right of Way Acquisition Authority



Rebuilding the Fleet

- Fund New Equipment through FY2020 appropriations
- Establish a stable funding mechanism to allow for critical investments in equipment
- Domestic Rail Equipment Manufacturing Incentivization



Visit www.railpassengers.org/blueprint for proposal details and ways to get involved

THE NEXT FIVE YEARS

The 'FAST' Act And What Comes Next: Passenger Rail Account Funding Levels



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	<i>Passenger Rail Funding (in millions)</i>				
	<i>FY2021</i>	<i>FY2022</i>	<i>FY2023</i>	<i>FY2024</i>	<i>FY2025</i>
<i>Program</i>					
<i>Amtrak - National Network</i>	<i>\$1,280.6</i>	<i>\$1,344.6</i>	<i>\$1,411.8</i>	<i>\$1,482.4</i>	<i>\$1,556.6</i>
<i>Amtrak - NEC</i>	<i>\$715.0</i>	<i>\$786.5</i>	<i>\$865.2</i>	<i>\$951.7</i>	<i>\$1,046.8</i>
<i>Consolidated Rail Infrastructure & Safety Grants</i>	<i>\$1,968.0</i>	<i>\$2,187.0</i>	<i>\$2,430.0</i>	<i>\$2,700.0</i>	<i>\$3,000.0</i>
<i>Federal State Partnership for State of Good Repair</i>	<i>\$1,312.2</i>	<i>\$1,458.0</i>	<i>\$1,620.0</i>	<i>\$1,800.0</i>	<i>\$2,000.0</i>
<i>Restoration & Enhancement Grants</i>	<i>\$262.4</i>	<i>\$291.6</i>	<i>\$324.0</i>	<i>\$360.0</i>	<i>\$400.0</i>
<i>Total</i>	<i>\$5,538.2</i>	<i>\$6,067.7</i>	<i>\$6,651.0</i>	<i>\$7,294.1</i>	<i>\$8,003.4</i>

We can't let calls for future transformation distract from need for significant, immediate increase in passenger rail investment

THE NEXT FIVE YEARS

The 'FAST' Act And What Comes Next: The Clock Is Ticking!



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Window for legislative action is short due to election, with a long to-do list for Congress:

- March 3 - Super Tuesday
- July 13 + Aug. 24 – Party Conventions
- Sept. 30 – FAST Act + FY2020 Budget Act expires
- Oct. 13 – Election recess begins

Two “Must-Pass” bills by October 1

- FY21 budget or Continuing Resolution (CR) – to avoid a government shutdown
- Replacement or short-term extension of Surface Transportation authorization – to avoid losing gas-tax revenue for highways and transit

If the past predicts the future...:

- Congress will close shop by June to focus on elections
- Expect short-term extensions

INFRASTRUCTURE

Federal Infrastructure Outlook: In D.C., It's Always 'Infrastructure Week'



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**Bipartisan
Momentum Growing
For Large
Infrastructure Bill**

American Society of Civil Engineers estimates U.S. needs to invest \$4.6 trillion by 2025 to bring our infrastructure into an acceptable state of repair

- This doesn't include cost of *IMPROVING* U.S. infrastructure

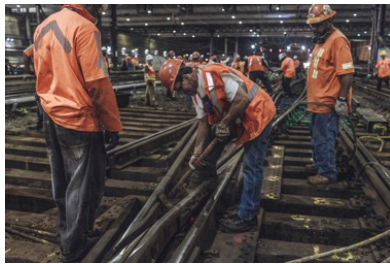
INFRASTRUCTURE

Federal Infrastructure Outlook:

In D.C., It's Always 'Infrastructure Week'



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- **Broad bipartisan agreement exists in Washington that an infrastructure plan is needed**
 - Senate Environment/Public Works released a highway reauthorization with a 27% increase over current spending levels
 - Transit and rail proposals coming this Fall
 - Both President Trump *and* Congressional Democrats outlined \$2 trillion infrastructure goal in Spring 2019
 - All the leading Democratic Party presidential primary candidates have proposed infrastructure plans worth at least \$1 trillion
- **With concern over a recession growing, infrastructure remains a politically popular source of economic stimulus**



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QUESTIONS

- More questions? Reach out to narp@narprail.org
- 202-408-8362
- www.railpassengers.org



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ADDENDUM Amtrak's *Empire Builder*: A Great Example of the Payback on Rural Mobility in Montana



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Greater Montana benefits

- \$5.4 Million and 25 additional jobs from the effect of goods and services purchased as well as Amtrak employees paid in state
- \$1.5 Million saved by avoiding highway incidents
- \$26 Million saved in reduced highway maintenance from reducing vehicle-miles-traveled (VMTs) imposed on Montana infrastructure

\$37 million annual benefit to Montana from Empire Builder service

Sources: Amtrak, U.S. DOT, Visitors' Bureau data; Rail Passengers Association IMPLAN Model



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Greater Montana benefits

MONTANA *BUILDER* AMTRAK OPERATIONS AND MAINTENANCE SPENDING

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	43	\$ 3,831,810	\$ 3,859,554	\$ 73,174
Indirect Effect	0.11172451	\$ 5,559	\$ 9,370	\$ 21,248
Induced Effect	24.1884285	\$ 919,862	\$ 1,593,978	\$ 2,936,872
Total Effect	67.3	\$ 4,757,230	\$ 5,462,902	\$ 3,031,294

- \$5.4 Million and 25 additional jobs from the effect of goods and services purchased as well as Amtrak employees paid in state
- Effects include in-state purchases by Amtrak, non-federal taxes paid by employees, purchases made by resident employees

Sources: Amtrak, U.S. DOT, Visitors' Bureau data; Rail Passengers Association IMPLAN Model



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Greater Montana benefits

MONTANA INDUCED VISITOR SPEND						
Impact Type	Employment	Labor Income (\$)		Value Added (\$)		Output (\$)
Direct Effect	37.762337	\$	884,658	\$	1,017,304	\$ 1,921,826
Indirect Effect	4.62580898	\$	191,248	\$	335,312	\$ 681,345
Induced Effect	6.78066566	\$	257,546	\$	446,639	\$ 822,595
Total Effect	49.17	\$	1,333,452	\$	1,799,255	\$ 3,425,766

- \$3.4 Million impact from induced visitor spending unique to the *Empire Builder*
- Effects include spending on shopping, lodging, recreation, food and beverage and non-Amtrak ground transportation in the state by visitors, including sales taxes paid; resident employee spending

Sources: Amtrak, U.S. DOT, Visitors' Bureau data; Rail Passengers Association IMPLAN Model



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A Practical Look At What This Looks Like In A Montana Community: *Cut Bank*



Cut Bank-area federal taxpayers contribute roughly \$12,500 to the operation of Amtrak's *Empire Builder* service each year. It's worth \$379,000 annually to the community.

In 2018, **2,400** passengers alighted in **Cut Bank** (pop. 3,002), creating **\$379K** in value for the community:

- **\$17K** saved through avoided highway incidents
- **\$309K** in avoided highway maintenance costs from passengers alighting in Cut Bank rather than driving to or from there
- 164,000 total vehicle-miles-traveled (VMTs) avoided

Sources: IRS Annual Data Book; Rail Passengers Association IMPLAN Model



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RIDERSHIP SHARE TO CUT BANK FROM INSIDE MONTANA

From Glacier Park	51%
From Whitefish	30%
From Havre	7%
From Wolf Point	3%
From Shelby	2%
From Other MT	6%

Note: 20% of visitors would not have traveled w/out train

RIDERSHIP SHARE TO CUT BANK FROM OUTSIDE MONTANA

From Seattle, Wash.	16%
From Chicago, Ill.	13%
From Spokane, Wash.	12%
From Portland, Ore.	11%
From Williston, N.D.	10%
From Other Outside	39%

Note: 20% of visitors would not have traveled w/out train

Empire Builder Cut Bank service is used by both visitors AND Montana residents

- **\$39K** spent by **just 40 induced out-of-town visitors**: they spent **\$11K** on ground transportation, nearly **\$10K** on food and beverages, **\$7K** on recreation and nearly **\$5K** on shopping, **supporting employment and the tax base in Cut Bank**

Sources: Visitors' Bureau data; Rail Passengers Association IMPLAN Model

A Window Into: Returns for the entire Empire Builder

WA: \$49.7 million
OR: \$18.2 million
ID: \$2.3 million
MT: \$36.7 million
ND: \$30.3 million
MN: \$121 million
WI: \$20.6 million
IL: \$50.3 million
TOTAL: \$327 million

