



The Honorable Jeff Denham
U.S. House Transportation & Infrastructure
Subcommittee on Railroads
2029 Rayburn House Office Building
Washington, DC 20515

The Honorable Deborah Fischer
U.S. Senate Commerce Subcommittee on Surface
Transportation and Merchant Marine Infrastructure
512 Dirksen Senate Building
Washington DC, 20510

The Honorable Michael Capuano
House Transportation & Infrastructure Subcommittee
on Railroads
2029 Rayburn House Office Building
Washington, DC 20515

The Honorable Gary Peters
U.S. Senate Commerce Subcommittee on Surface
Transportation and Merchant Marine Infrastructure
512 Dirksen Senate Building
Washington DC, 20510

May 9, 2018

RE: Service on Amtrak’s Southwest Chief Route

Dear Chairwoman Fischer, Ranking Member Peters, Chairman Denham, and Ranking Member Capuano:

It has come to our attention that Amtrak’s office of Government Affairs has responded to Congressional inquiries about the status of service on the *Southwest Chief* route with a letter that misrepresents both the value and the cost of this service. Our association represents the passengers and communities that depend on this corridor, and so we feel compelled to provide a broader and more complete context to help members of Congress evaluate the proper next steps to preserve this important transportation service for residents in the 36 communities across 8 states that depend on the *Southwest Chief*.

[For reference, we’ve included a copy of the letter Amtrak sent regarding the chief at the foot of this email.]

- **The Chief’s ridership trends are steady:** Amtrak’s statement that the number of passengers using the Chief is “steadily declining” is false. Ridership volume in FY 2017 was down only 1% from its peak in FY 2015; it was up 14% from eight years ago in FY 2009.
- **The Chief’s performance compares well nationally:** The Chief is an important part of Amtrak’s National Network, ranking in the top 40% (19th out of Amtrak’s 48 routes) in terms of passenger volume; in the top 20% (10th out of 48) in terms of passengers per departure and in the top 10% (5th out of 48) in terms of passenger miles.
- **Eliminating the Chief will not lower taxpayer costs:** By using a Fully Allocated Cost methodology, Amtrak fails to fully capture the incremental cost of running the *Chief*. Had the railroad also employed Avoidable Cost methodology—as stipulated in the Consolidated Appropriations Act of 2005 (Public Law 108-447)—the cost would have been significantly lower. Rail Passengers’ estimate, developed using concepts developed by the Volpe Transportation Center for Amtrak in 2009, suggests that as much as 80% of the costs that Amtrak





allocates to the *Chief* may represent fixed costs for shared facilities and overhead. These costs would not go away with the *Chief*'s elimination and would instead be allocated to other routes.

- **States have invested local funds in partnership with Amtrak:** Colorado, Kansas, and New Mexico have all invested over \$9 million in state funds (\$6 million in previous TIGER grant applications with another \$3 million in the current round of TIGER grants), based upon an explicit agreement between Amtrak, Amtrak-served communities, and BNSF Railroad. For Amtrak to suddenly withdraw its support for the *Chief* in the middle of the preservation effort, without any opportunity for stakeholder input, constitutes a serious breach of trust.
- **Fully capturing public benefits:** Amtrak utilizes only the “per passenger” metric, which fails to fully capture the public benefits provided by the route. It is important to look at “per passenger mile” cost as well since it states the cost in relation to the length of trip. This helps control for the higher cost of providing transportation services to rural and western U.S. communities. By that measure the *Chief* performs well, falling in the top 50% of all of Amtrak’s routes (23rd out of 48).
- **The *Chief*'s Seat occupancy rate compares well even to the NEC:** Amtrak’s claim that the *Chief* operates “40% empty” fails to fully capture how busy the train is. The reality is that passengers filled 61.5% of the *Chief*'s available seat miles during FY 2017. This number puts the *Chief* within *the top 20% of all Amtrak’s routes* (8th out of 48), higher than even the *Acela Express* service. (In assessing “occupancy,” it’s important to recognize that trains do not operate the same as airplanes; trains do not make a single trip between a pair of end points, they make numerous stops along a single corridor. As a result, there is a constant turnover of seats. That’s the strength of a long-distance corridor train like the *Chief*; by connecting 36 stations, it provides a convenient, single seat ride for passengers traveling short, medium and long distances, serving 500 unique city pairs. This allows a single corridor to generate the volumes and revenues needed to serve people in urban *and* rural communities. In matter of fact, on the more heavily traveled segments of the *Chief*'s route, the number of passengers can be 90% or more of the available seats, causing “sold out” conditions for prospective passengers.)
- **The *Chief*'s On-Time Performance compares well to other LDRs:** Amtrak highlights that the *Chief*'s on-time performance (OTP) in FY 2017 was only 47.9%. However, for the first half of FY 2018 (October 2017 – March 2018), Amtrak reports OTP for the *Chief* at 75.3%—*higher than any other long-distance route by nearly five percentage points*. While OTP continues to be a big issue for National Network trains, the *Chief* isn’t comparatively worse off compared to other long-distance routes.
- **Positive Train Control and safety alternatives:** Amtrak says that the \$50 million, ten year-investment in infrastructure investment “does not include positive train control (PTC) installation and implementation costs.” The focus on safety is admirable and correct. However, with only a single Amtrak train operating in each direction once a day, there are other, less expensive solutions that achieve the same safety objectives for less cost, including Automatic Train Stop (ATS) or Solar Powered Switch Position Indicators. Amtrak has





to come to the table to help create a plan to secure interstate funds and bring its unique expertise to address this issue, either through alternative safety solutions or through the installation of PTC.

Amtrak is a state-owned-enterprise; it receives federal appropriations to provide a public service, and it is obligated to include states, Amtrak-served communities, and other stakeholder groups in decisions regarding significant changes to service. The Rail Passengers Association is asking Congress to direct Amtrak to pursue positive initiatives to maintain daily service on the *Chief's* current route. Amtrak and the Federal Railroad Administration must take an active and positive leadership role in coordinating the multi-state and community actions required to develop funding solutions needed to keep the *Chief* operational and cost effective for years to come.

Sincerely,

Jim Mathews
President & CEO
Rail Passengers Association

CC: The Honorable John Thune

The Honorable Bill Nelson

The Honorable Bill Shuster

The Honorable Peter DeFazio

The Honorable Pat Roberts

The Honorable Jerry Moran

The Honorable Roger Marshall

The Honorable Lynn Jenkins

The Honorable Ron Estes

The Honorable Michael Bennet

The Honorable Cory Gardner

The Honorable Diana DeGette





The Honorable Jared Polis

The Honorable Scott Tipton

The Honorable Ken Buck

The Honorable Tom Udall

The Honorable Martin Heinrich

The Honorable Michelle Lujan Grisham

The Honorable Steve Pearce

The Honorable Ben Lujan

Message from Amtrak in response to Congressional inquiries regarding the status of the Southwest Chief:

The Southwest Chief is unique in that it is the only route operated by Amtrak on its entire National Network where there is a significant section of infrastructure owned by a host (BNSF) and that is solely used by Amtrak and no other railroads. This Amtrak-only portion of the route is between Jansen, CO and a location called "Madrid" (about 20 miles west of Lamy), NM. As a result, the full maintenance costs attributable to this section of rail fall to Amtrak. Amtrak's maintenance costs on the solely-used sections total are approximately \$3 million per year. Critical capital investments on the line require more than \$50 million in the coming years.

Those costs do not include positive train control (PTC) installation and implementation costs, which would also be incurred, or solely reimbursed, by Amtrak, as we look to expand the application of this vital safety technology across our network. Given the broad investment needs of Amtrak's National Network, these are costs that Amtrak cannot afford to pay.

In October 2017, Amtrak provided a letter to Colfax County Commission clearly explaining that it qualified its financial commitment to the latest TIGER application with the following:

Amtrak will offer a \$3 million match towards the project costs if the grant application for the requested amount is successful. Before Amtrak will fulfill this contribution, a comprehensive financial plan and accompanying commitments by relevant states and BNSF for the remainder of the infrastructure investments and associated additional maintenance costs for this route in New Mexico must be completed. Amtrak is prepared to assist the states and BNSF in developing and completing such an agreement.

Amtrak is not prepared to address these substantial infrastructure needs for this segment of the Chief on piecemeal basis, particularly on a right of way that it does not own.





If the states and local communities desire to retain this segment for operation, there needs to be a comprehensive plan and commitments from other stakeholders and it must address the long term viability of the route, from Hutchinson, KS to Isleta, NM, in order to ensure the route’s performance doesn’t degrade. For example, BNSF has agreed to pay the ongoing maintenance costs for the Kansas and Colorado portions of the route once the improvements funded by TIGER were made.

To put this financial concern of Amtrak in context, of the 19 million riders on the National Network in FY 2017, the ridership of the Southwest Chief represented only 364,000, and it is steadily decreasing. In addition, the Chief produced more than \$50 million per year in operating losses, a cost recovery of only 47.9% in FY17, and an operating subsidy of \$148 per passenger. Further, the Chief ran an all-stations on-time performance of only 45.5% last year with trains that were almost 40% empty. These numbers do not reflect the type of service our customers, and your constituents, should expect.

Amtrak will keep you updated on our plans as we consider the future of this portion of the route and if the states, local municipalities and the freights put forward a comprehensive plan for the company to review.

