

## National Passenger Rail Policy Brief: Challenges, opportunities and questions posed by the coronavirus crisis

**Rail Passengers Association** 

Washington, DC



## Welcome!

#### Peter LeCody

Chairman - Rail Passengers Association President - Texas Rail Advocates







## The New Normal

Jim Mathews, President & CEO Rail Passengers Association





## The Big Question:

"When will travel get back to normal?"

- Amtrak's Sudden Reversal:
  - February 2020: Amtrak sets its all-time monthly ridership record;
  - May 2020: Amtrak ridership has dropped 95% compared to the same period in 2019.
- Many U.S. transit agencies were struggling before the coronavirus; losing an estimated 90% of their ridership and critical streams of municipal and state revenue have moved several key systems to the brink.
- Amtrak is currently projecting a ridership drop of approximately 50%, down to just over 16 million riders in FY 2021.



#### Monthly System Ridership





#### More Cuts Ahead

- Amtrak indicates it will reduce operating costs by \$500 million in FY2021 to offset reduced revenue:
  - \$150 million in reduced frequencies and capacity;
  - \$350 million in workforce reductions
    - 20% of Amtrak employees are at risk, with voluntary separations and early retirements preferred over layoffs.



## Early Signs of Recovery

- Already, we're beginning to see Amtrak restore some temporarily suspended services:
  - Acela returning June 1;
  - Pennsylvanian and Keystone Service returning June 1.
- But mass service disruptions remain in effect:
  - Three services remain temporarily suspended (*Carolinian, Downeaster, Pere Marquette*);
  - 21 state-supported and NEC services operating on a reduced schedule.



#### Amtrak Service Updates

- Flexible dining as a COVID response systemwide through at least June 30
- Increased capacity on many National Network routes beginning June 1
- Renewed commitment to National Network: Amtrak is fulfilling a Congressional mandate to provide customer service with station agents at 15 locations across the network:

Tuscaloosa, AL	Meridian, MS
Texarkana, AR	Havre, MT
Maricopa, AZ	Shelby, MT
Fort Madison, IA	Lamy, NM
Ottumwa, IA	Cincinnati, OH
Garden City, KS	Marshall, TX
Topeka, KS	Charleston, WV
Hammond, LA	



## Amtrak's Plan to Bring Back Passengers—Safely

- Limiting bookings: Amtrak is limiting ticket sales to 50% of each train's seat capacity
- **Private rooms:** Private rooms are offered on many national network trains
- Enhanced cleaning: Amtrak has enhanced cleaning and disinfecting frequency onboard and at station and retrofitted protective barriers where necessary.
- Facial coverings: Amtrak is requiring all customers and employees to wear facial coverings while in stations and onboard
- Café service: Café service aboard Amtrak trains that still offer food service will be available as carryout only.
- Flexible dining: Amtrak is temporarily offering flexible dining service in the dining or lounge car on all long-distance routes (except *Auto Train*) and encouraging Sleeping Car customers to select optional room service.
- Protective barriers: For added protection, sneeze guards are being installed at café countertops.
- Cashless service: Amtrak is accepting cashless payments only.



# How can policymakers speed passenger rail's recovery?

- Main Terminals
  - Engineers need to take steps to increase HVAC intensity for these spaces;
  - Hand sanitizer dispensers could be located at each entrance.
- Passenger Areas
  - Areas where passengers gather in close quarters should be isolated with heavy vinyl sheets.
- Rolling Stock
  - A UV scrubber or H2O2 aerosol unit could be used with little regulatory challenge and at minimal cost.



#### Unresolved questions

- Will there be a second coronavirus wave?
- Can Amtrak's state-supported corridors and commuter railroads survive collapsing state budgets as sales tax and other revenue sources disappear?
- How will the erosion of service to mass transit feeder networks affect Amtrak?
- Is "Work From Home" a durable trend?
  - This may hurt transit and commuter rail but aid intercity rail as business travel becomes the primary facilitator of in-person interactions.
- How will the drop in ridership and financial downturn affect exciting new private sector projects like Brightline and Texas Central?



# Policy Response to Coronavirus + the Transportation Sector

Sean Jeans-Gail, Vice President of Gov't Affairs and Policy

**Rail Passengers Association** 

#### CARES Act:



Ensuring Rail's Survival During The Coronavirus Pandemic

Funding in the <u>CARES Act (H.R. 748)</u> met or exceeded Rail Passengers COVID-19 request to Congress:

- Amtrak Grants \$1.018 billion
  - Northeast Corridor \$492 million
  - National Network \$526 million
  - State-Supported Corridors \$239 million
- Mass Transit Grants \$25 billion
  - Largest single-year transit appropriation in U.S. history
  - Urban area \$13.9 billion
  - Rural area \$1.8 billion
  - State-of-Good Repair \$7.6 billion
  - Fast-Growth & High-Density State \$1.7 billion







#### **HEROES Act:**



#### Ensuring Rail's Survival During The Coronavirus Pandemic

Funding in the House Democrats' <u>HEROES Act</u> indicates that maintaining essential transportation services is a lower priority in this round of legislation:

- Amtrak \$0
  - Directs Amtrak to:
    - Require passengers and employees PPE while onboard an Amtrak train;
    - Provide PPE and disinfectant for all Amtrak employees in contact with passengers and passenger facilities;
    - Frequently clean and disinfect trains and facilities;
  - Fixes to Railroad Unemployment Insurance Account and Railroad Retirement Act.
- Mass Transit Grants \$15.75 billion
  - Formula grants to urbanized areas with populations over 3 million \$11.75 billion
  - Emergency Relief grant \$4 billion
- Federal Highway Administration \$15 billion
  - No flexibility in funds.

#### Looking Ahead to Fiscal Year 2021:



Ensuring Rail's Survival During The Coronavirus Pandemic

Even after receiving <u>CARES Act</u> funding, mounting losses from lost ticket revenues and reduced ridership means needs of operators are still significant:

- Amtrak Additional \$1.475 billion in FY2021 (\$3.515 billion total)
  - \$737 million NEC
  - \$151 million National Network (LDR)
  - \$260 million State-Supported Routes
  - \$229 million Commuter Railroads
- Mass Transit \$24-32 billion through calendar year 2021
  - APTA estimates \$23.8 billion
    - Emergency Relief Program \$19 billion
    - Formula programs \$4.75 billion
  - Metropolitan Transportation Authority estimates \$32 billion



## Clearly Defining the Stakes for Passenger Rail Operators

Service	FY2021 w/ Supplemental Funds	FY2021 w/ No Supplemental Funds
NEC/Acela	Moderate-normal service.	Reduced service/greatly reduced service.
State-Supported	Most, if not all, of the Sec. 209 services will resume; some services likely to operate on a reduced schedule.	Many Sec. 209 services will be suspended or operating on a skeleton schedule, with several services likely to be shut down entirely.
Long-Distance Routes	Reduced service, with normal service resuming when demand returns.	Service at risk.

#### <u>Appendix 1</u>

Potential Operational Impacts in FY 2021				
Service	FY 2019 Baseline (Approximations)	FY 2020 Change (Due to COVID-19)*	FY 2021 with No Supp. Funds	FY 2021 with Supp. Funds
Northeast Corridor		•		
Acela	14 RTs daily	Susp. 3/23-6/1; then reduced service	greatly reduced service	moderate-normal service
Northeast Regional	19 RTs daily	reduced service	reduced service	moderate-normal service
State-Supported				
Adirondack	1 RT daily	Suspended		
Blue Water	1 RT daily	minimal change		
Capitol Corridor	14 RTs daily	reduced service (partly suspended)		
Carolinian	1 RT daily	Suspended		
Cascades	6 RTs daily	reduced service (partly suspended)		
Downeaster	5 RTs daily	Suspended	With no supple-	
Empire Service	9 RTs daily	reduced service	mental FY21	
Ethan Allen Express	1 RT daily	Suspended	funding, many	
<i>Hartford Line</i> (Amtrak)	7 RTs daily	reduced service	services will be suspended or oper-	
Heartland Flyer	1 RT daily	minimal change	ating on a skeleton	
Hiawatha	7 RTs daily	Suspended (stops added to <i>Empire Builder</i> )	schedule. Several services would likely be shut down	With the requested supplemental FY21 funding, most, if not
Illini / Saluki	2 RTs daily	reduced service	entirely, and in the	all, of the Sec. 209
Illinois Zephyr / Carl Sandburg	2 RTs daily	reduced service	event that they were later able to restart,	services will re- sume. However, some services are
Keystone	12 RTs daily	Suspended	they would require	likely to operate on
Lincoln	4 RTs daily	reduced service	significant resources	a reduced schedule
Maple Leaf	1 RT daily	reduced service (partly suspended)	to do so. Many of Amtrak's Sec. 209	for some of FY21.
Missouri River Runner	2 RTs daily	reduced service	state partners have stressed the need	
Pacific Surfliner	13 RTs daily	reduced service (partly suspended)	for federal funds in lieu of state	
Pennsylvanian	1 RT daily	Suspended	payments.	
Père Marquette	1 RT daily	Suspended		
Piedmont	3 RTs daily	reduced service	1	
San Joaquin	7 RTs daily	reduced service (partly suspended)		
Valley Flyer	2 RTs daily	reduced service		
Vermonter	1 RT daily	state-supported segment suspended		

Potential Operational Impacts in FY 2021				
Virginia Service (Newport News/ Norfolk/ Richmond/ Roanoke)	6 RTs daily	reduced service		
Wolverine	3 RTs daily	reduced service		
Long-Distance				
Auto Train	1 RT daily	minimal change	minimal change	no change
California Zephyr	1 RT daily	minimal change	service at risk	reduced service
Capitol Limited	1 RT daily	minimal change	service at risk	reduced service
Cardinal	3 RTs weekly	minimal change	service at risk	reduced service
City of New Orleans	1 RT daily	minimal change	service at risk	reduced service
Coast Starlight	1 RT daily	minimal change	service at risk	reduced service
Crescent	1 RT daily	minimal change	service at risk	reduced service
Empire Builder	1 RT daily	minimal change	service at risk	reduced service
Lake Shore Limited	1 RT daily	minimal change	service at risk	reduced service
Palmetto	1 RT daily	partly suspended	service at risk	consolidated with Silver Service
Silver Meteor	1 RT daily	minimal change	service at risk	consolidated with <i>Star, Palmetto</i>
Silver Star	1 RT daily	minimal change	service at risk	consolidated with <i>Meteor, Palmetto</i>
Southwest Chief	1 RT daily	minimal change	service at risk	reduced service
Sunset Limited	3 RTs weekly	minimal change	service at risk	reduced service
Texas Eagle	1 RT daily	minimal change	service at risk	reduced service

\* "FY 2020 Change" column reflects service levels as of April 30, 2020.

# g a Positive



## Clearly Defining a Positive Vision for Growth

- **\$144 billion in Rail Passengers-identified rail projects** drawn from state rail plans and other sources.
- **\$50 billion in Amtrak-identified projects**, including critically needed equipment:
  - Amfleet I Replacement \$2 billion
  - Superliner and Amfleet II Replacement \$2 billion
  - Diesel locomotives (base order plus options) \$1.5 billion
  - Additional Fleet for New Corridors (for FY21-FY25 routes) \$510 million
  - Additional Fleet for New Corridors (for FY26-FY35 routes) \$3.5 billion
- RailPassengers.org/COVID19



## It's Always Infrastructure Week

- House Infrastructure Committee continuing work on draft surface transportation measure;
- Appropriations Committees will need to pass legislation by Sept. 30;
- President Trump met with Gov. Cuomo on infrastructure today, including Gateway;
- Individual Members of Congress are advancing their own visions:
  - Rep. Moulton's National High-Speed Rail Plan \$205 billion over five years for high- and higher-speed rail;
  - Sen. Markey's BRAIN TRAIN Act \$25 billion over five years for intercity passenger rail corridors.

## Changing Face of Amtrak's Board of Directors



Board Member	Tenure	Pending Nominee
Elaine Chao	Ex officio as Secretary of Transportation	
William Flynn	Ex officio as Amtrak President (non-voting)	
Christopher Beall (R)	Term expired Jan. 2018	
Yvonne Braithwaite Burke (D)	Term expired Jan. 2018	Nominee: Sarah Feinberg (D)
Thomas C. Carper (D)	Term expired Aug. 2018	Nominee: Chris Koos (D)
Anthony Coscia (D)	Term expires Dec. 2020	
Albert DiClemente (D)	Term expired Sept. 2017	Nominee: Joseph Gruters (R)
Jeffrey Moreland (R)	Term expired June 2015	Nominee: Rick Dearborn (R)
vacancy (was Derek Kan (R))	Term expires Jan. 2021	
vacancy (never filled)		Nominee: Lynn Westmoreland (R)



#### Questions?

• Please submit your questions through the chat box.

## Rep. Seth Moulton

Massachusetts 6<sup>th</sup>



American High-Speed Rail

& Rebuilding the U.S. Economy

#### Rep. Seth Moulton

- U.S. Marine Corps combat veteran, infantry platoon leader
- Elected to the U.S. House of Representatives in 2014
- Serves as Vice Chair of the Budget Committee
- Former Managing Director of Texas Central
- Leader in the campaign for Massachusetts' North-South Rail Link

#### **Massachusetts US District 6**



Rep. Seth Moulton's National High-Speed Rail Plan

#### M American High-Speed Rail

- **\$205 billion over 5 years** for high-speed *and* higher-speed rail;
  - Invests **\$41 billion annually** through grants administered by the FRA;
  - Incentives for \$38 billion or more in nonfederal funding;
- Expands metrics used by states and cities for transportation planning to include wider economic benefits for more informed investments;
- Creates funding flexibility and transit-oriented development incentives for non-federal partners, including state and local transportation agencies and private partners; and
- Develops comprehensive, performance-based safety regulations and standards for high-speed rail to reduce project costs and expedite development.

#### 

#### Thank You!

- Next month's webinar: regional focus on the Front Range Passenger Rail corridor project
  - Late June
  - Exact date TBD





#### Thank You!

Thank you for joining today's Rail Passengers advocacy webinar. We hope you've found the information helpful.

As the oldest and largest national organization serving as a voice for the more than 40 million rail passengers in the U.S., we strive to provide the tools you need to advocate for yourself and your community at the local, state, and federal levels.

As a small charitable organization, the Rail Passengers Association relies on the generosity of others and we hope you consider supporting us. <u>DONATE TODAY</u> to amplify your voice!