Montana Rail Planning Focus: Passenger Rail Service

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Revenue and Transportation Committee MDT Director Jim Lynch

December 4, 2009 Helena, Montana



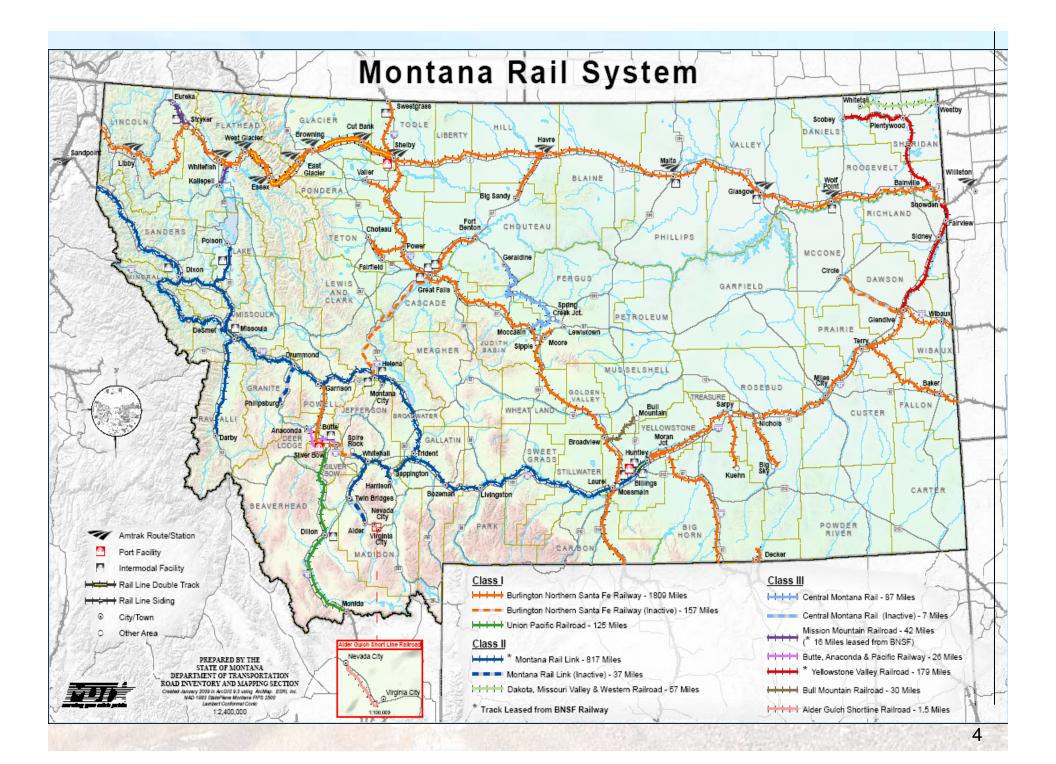
Passenger Rail in Montana

Topics

- Montana Rail Plan update (draft)
- MDT / Amtrak Southern Route Study (in progress)
- Amtrak North Coast Hiawatha study
- Federal PRIIA and the Preliminary National Rail Plan

Passenger Rail Service

Montana Rail Plan Update



State Rail Plan Update

Rail Plan Update

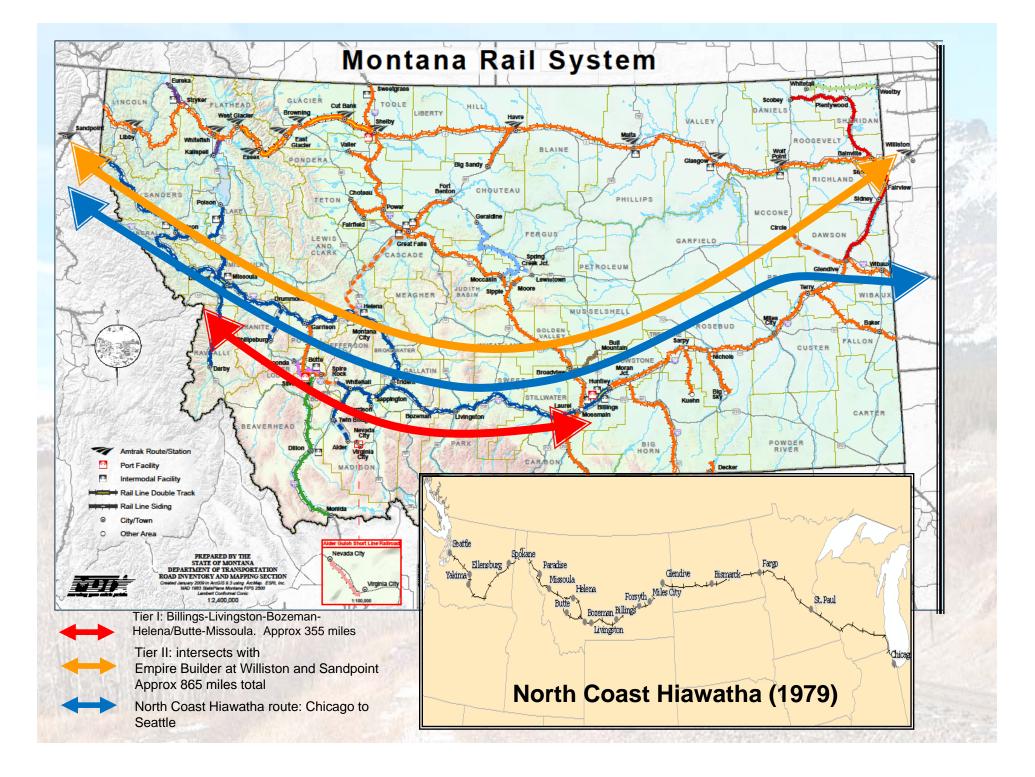
- First developed in 1970's, last updated in 2000
- Key purposes include: multimodal system coordination, abandonments and loan programs, passenger rail
- Technical information about Montana's rail system
- Identifies key challenges for Montana, such as
 - Impacts of 110-car grain shuttle loading facilities
 - Southern Montana passenger rail route
 - Freight rail funding sources
- See the draft Rail Plan at <u>http://www.mdt.mt.gov/pubinvolve/railplan/</u>

Passenger Rail Service

Montana Southern Route

Amtrak's North Coast Hiawatha Study

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Amtrak's report to Congress

Key Findings

- Seven-state route from Chicago to Seattle
- Up front capital and other costs: \$1.04 Billion
- Projected ridership is 359,800 passengers per year
- 65,800 (\$8 million in fares) diverted from the Empire Builder
- Annual operating loss projected at \$31.1 million for the entire seven-state route
- Farebox recovery: 58 percent
 - Empire Builder's cost recovery rate is 66 percent with a loss of 33.8 million annually.
- Montana 2007 population of served counties: 460,348

Amtrak's report to Congress

Amtrak concludes:

- The North Coast Hiawatha would enhance Amtrak's route network and produce public benefits.
- Would require large expenditures for initial capital costs
- Amtrak would work with Federal and state partners to restore the service if policy makers decide to reintroduce and fund the Hiawatha route.
- 48 to 60 months implementation

Amtrak recommends:

 Federal and state policymakers determine if intercity passenger rail service along the former North Coast Hiawatha route should be reintroduced and, if so, that they provide the required levels of capital and operating funding to Amtrak.

Passenger Rail Service

Other Federal Activities

Other federal Initiatives

Passenger Rail Investment & Improvement Act of 2008

- Multi-year authorization bill
- Required Amtrak analysis of North Coast Hiawatha Route
- Projects require a 20% non-federal match
- States are waiting for federal guidance (due by October 2010)

The American Recovery & Reinvestment Act

- Programs favor high speed rail and congested passenger rail corridors
- Funding for Montana unlikely as program favors high speed rail

TIGER Discretionary Grants Program

- Awarded by USDOT on a competitive basis
- Grant awards between \$20 \$300 million
- Capital investment projects in highway/bridges; public transportation; passenger and freight rail and port infrastructure
- Priority to projects that are expected to be completed within 3 years of ARRA enactment

Conclusions

- Under current federal law, states carry costs of new routes, including the Montana southern route
- We are still awaiting the Montana Southern route analysis from Amtrak
 - Most costs are still unknown
- Montana may pay a higher percentage of support for the Missoula – Billings service alone
- Planning for long-distance, national passenger services may be best option
- North Coast Hiawatha could bring about 300,000 more people yearly to Montana by rail – and reduce Empire Builder riders by 65,000