Approved:	August 23, 2010
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Date

#### MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:40 a.m. on February 3, 2010, in Room 152-S of the Capitol.

All members were present except:

Senator Anthony Hensley- excused

#### Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes Daniel Yoza, Office of the Revisor of Statutes Julian Efird, Kansas Legislative Research Department Jill Shelley, Kansas Legislative Research Department Cindy Shepard, Committee Assistant

#### Conferees appearing before the Committee:

Debra Fischer-Stout, President, Northern Flyer Alliance

Mark Corriston, Vice-President Kansas, Northern Flyer Alliance

Shelby Smith, Founder, Economic Lifelines

Carey Maynard-Moody, Station Renovation & Passenger Rail Service, Lawrence, Kansas

Terri Heidner, Legislative Liaison, Kansas Department of Transportation

Mark Coates, Legislative Chair, Kansas Association for the Blind and Visually Impaired

Chris Cardinal, Legislative Coordinator, Kansas Sierra Club

Ty Dragoo, Director of the Kansas State Legislative Board, United Transportation Union

#### Others attending:

See attached list.

Chairman Umbarger opened the hearing on SB 409 - Establishing the passenger rail service program.

Debra Fischer-Stout, President, and Mark Corriston, Vice President Kansas, Northern Flyer Alliance appeared as proponents of <u>SB 409</u>. They indicated that the bill provides an appropriation mechanism, for a potential state passenger rail funding program and is the next step in restoring intercity passenger rail service in Kansas and the region (<u>Attachment 1</u>). Copies of the Northern Flyer Alliance, Inc., KU School of Business, Jayhawk Consulting *Final Return on Investment Review*, December 2009 were distributed. Noted in the executive summary, study results show that the states of Kansas, Oklahoma and Texas should proceed aggressively with passenger rail planning (<u>Attachment 2</u>).

Shelby Smith, Founder, Economic Lifelines spoke in favor of <u>SB 409</u>, stating that the benefits, both immediate and long term, of passenger rail service to the economy of every town, city, and state along its routes are very significant. A recent Financial Impact Study conducted by the University of Kansas School of Business demonstrated a passenger rail route will return \$3.20 for every \$1 dollar invested. All the start-up capital costs, locomotives, passenger coaches, and necessary improvements to the track are federally funded. The Legislature will be required to subsidize operational costs in the future (<u>Attachment 3</u>).

Carey Maynard-Moody, Station Renovation & Passenger Rail Service, Lawrence, Kansas testified in support of <u>SB 409</u>, indicating the future of the Kansas economy will depend on taking full advantage of all modes of transportation; highway, air and rail. She stated that passenger rail is 17% more energy efficient than either commercial airlines or automobiles (<u>Attachment 4</u>).

Terri Heidner, Legislative Liaison, Kansas Department of Transportation (KDOT) testified, as a matter of public policy, supporting the general concept of passenger rail service if economically feasible. **SB 409** is a broad framework of enabling legislation to allow KDOT to develop and administer a passenger rail program for Kansas at such time that the Legislature decides that a passenger rail program, including funding, is needed (Attachment 5).

Mark Coates, Legislative Chair, Kansas Association for the Blind and Visually Impaired, appeared in favor of <u>SB 409</u>. He stated that the only options people who cannot drive have when they must go from one city to another, in Kansas, or to travel to cities in other states, is to use Greyhound or one of the other very few and

#### CONTINUATION SHEET

Minutes of the Senate Transportation Committee at 8:40 a.m. on February 3, 2010, in Room 152-S of the Capitol.

limited bus lines that serve Kansas. He noted that as a representative of Kansans who are blind and visually impaired, we must take every opportunity to increase the frequency, convenience, and prevalence of public transit in our State (<u>Attachment 6</u>).

Chris Cardinal, Legislative Coordinator, Kansas Sierra Club, testified in support of <u>SB 409</u>. He stated that rail provides a solution for many of our most urgent transportation, energy and environmental problems. This legislation would spur economic growth in communities across Kansas, provide faster and more energy-efficient means of travel, and establishes a new industry in the state that provides stable, well-paid jobs over time (<u>Attachment 7</u>).

Ty Dragoo, Director of the Kansas State Legislative Board, United Transportation Union appeared as a proponent of <u>SB 409</u>. A new rail corridor from Kansas City to Wichita and onto Fort Worth, will dramatically improve our state's long-term competitiveness. He testified that feasibility studies have concluded that a one mile stretch of new rail line cost approximately \$2 million to construct, while for the same one mile stretch of highway it can nearly cost 10 times as much. Mr. Dragoo also provided an Amtrak 2009 fact and figure sheet for Kansas, support resolutions and letters from towns and cities all over Kansas, and a map representing how Kansas could potentially become the key state to someday provide the critical Mid Continent North-South link that the National Passenger Rail System so desperately needs (<u>Attachment 8</u>)

Written testimony in support of <u>SB 409</u> was submitted by: Matt Zimmerman, City Manager, Emporia, Kansas (<u>Attachment 9</u>)

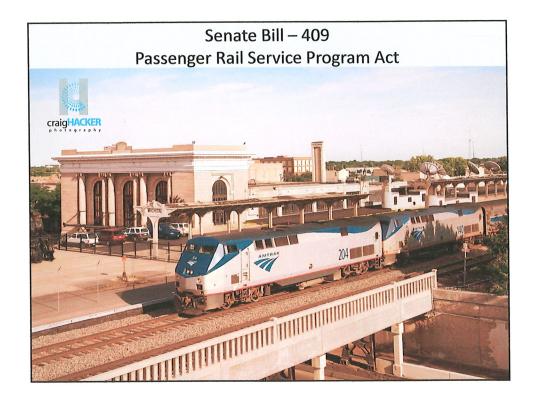
There being no further conferees, the hearing on SB 409 was closed.

The meeting was adjourned at 9:30 a.m. The next meeting is scheduled for February 4, 2010.

# SENATE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 2-3-10

NAME	REPRESENTING
Jon Brewer	NARURE
Fred Show	
Ropen BARR	
Ty E Dragoo	United Transportation Union
Chris Carlinel	KS Sierra Club
Toe Trease	KS Sierra Club
Ray Wilk	KAOR - DOFV
Bernie Roch	KEPC
Jim WOUDS,	AMTRAK
Woody Weses	ICAPA



## What Other States Are Receiving Why is Kansas Left Out?

Google News Alert for: Amtrak January 29, 2010

Amtrak stations to be renovated

With \$40 million in federal stimulus dollars from the US Department of Transportation, Amtrak stations in Troy and Battle Creek will be renovated and a new ...

#### Washington's Rail Corridor Lands \$590 million

HeraldNet

The federal government has awarded \$590 million in rail improvement projects in Washington state to enable Amtrak trains to travel faster and more ...

New Penn Station tunnel, BWI rail stop get federal boost
Baltimore Sun
Replacement of the tunnel, a significant bottleneck for Amtrak and MARC Penn Line trains as they pass through Baltimore,
is expected to eventually cost on ...

Amtrak's Texas Eagle upgrades part of Obama budget
News-Journal.com
Thursday's White House announcement of \$8 billion for high-speed rail projects nationwide includes \$4 million to improve on-time performance for Amtrak's ...

#### High-speed rail grants include \$244 million for Detroit-to-Chicago Amtrak ...

AnnArbor.com

Ann Arbor's Amtrak station won't get renovation dollars from federal stimulus money awarded today, but travelers who take the train to Chicago may see ...

Senate Transportation 2-3-10 Attachment

### Supporting Cities, Communities And Civic Organizations

- City of Wichita, Kansas
- City of Mulvane, Kansas
- City of Udall, Kansas
- City of Emporia
- City of Strong City, Kansas
- City of Wellington, Kansas City of Rose Hill, Kansas
- City of Oxford, Kansas Mayor of Krum, Texas City of Hesston, Kansas **Harvey County**
- City of Sedgwick, Kansas County, Kansas Chamber
- Newton, Kansas Chamber
- City of Emporia
- Wichita Metropolitan Planning Organization
- **Sumner County Economic Development Commission** Grand Central Hotel, Cottonwood Falls, Kansas Topeka Chapter of Retired Railroad Employees

City of Arkansas City, Kansas City of Derby, Kansas

City of El Dorado, Kansas Edmond, Oklahoma CVB

**Sumner County** 

City of Perry, Oklahoma City of Ponca City, Oklahoma

City of McPherson, Kansas City of Clearwater, Kansas City of Guthrie, Oklahoma City of Midwest City, Oklahoma

City of Pauls Valley, Oklahoma City of Lawrence, Kansas

Mayor of Ponca City, OK

Tallgrass Prairie National Preserve Mid-America Regional Council

Wichita Downtown Development Corporation

Old Town Association, Oklahoma City, OK City of Cottonwood Falls, Kansas Chamber

City of Halstead, Kansas

City of Purcell, Oklahoma

City of Bel Aire, Kansas

City of Purcell, Oklahoma

City of Haysville, Kansas

City of Winfield, Kansas

City of Cassoday, Kansas

City of Park City, Kansas

City of Peabody, Kansas

City of Topeka, Kansas

Mayor of Winfield, Kansas

Ponca City, OK Main Street Chase

Arkansas City Chamber of Commerce

**Cowley County** 

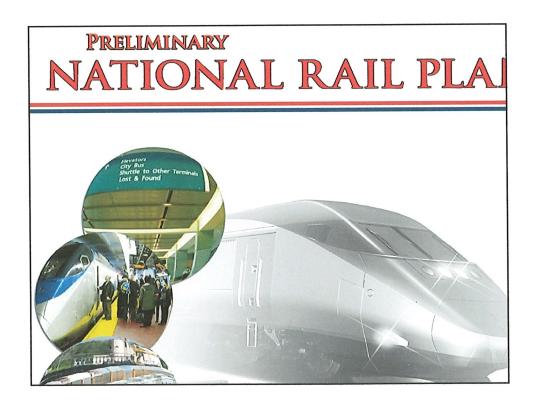
Mulvane, Kansas Chamber

### SB-409 Passenger Rail Service Program Act

- Authorizes A State Passenger Rail Program
- Creates Revolving Fund for Federal Funds and **Grants KDOT and CTP**
- Supported by 28 city councils 4 county governments and thousands of citizens

# Passenger Rail Investment and Improvement Act - 2008

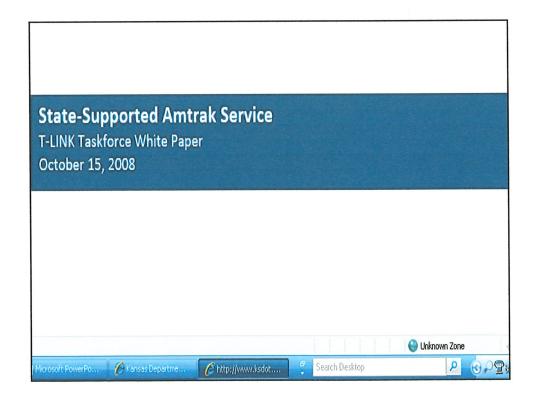
- PRIIA contains a legislative mandate to develop long range National Rail plan
- The act directs FRA to develop the plan consistent with approved state rail plans

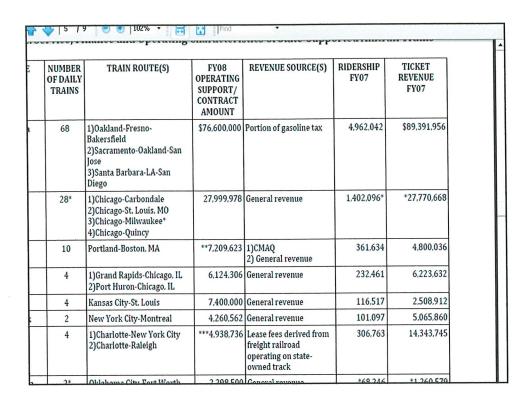


# Passenger Rail Investment and Improvement Act - 2008

#### PRIIA also tasks states with:

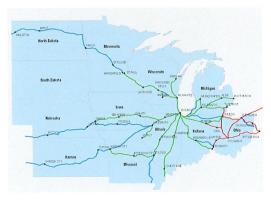
- establishing or designating a state rail transportation authority to:
- developing statewide rail plans to set policies for freight and passenger rail transportation,
- · establishing priorities and implementation strategies
- enhancing rail service in the public interest
- serve as a basis for federal and state investments within the state.





### HR 2552

 Allows Kansas to join an Interstate Commission and Compact for State Passenger Rail, MIPRC



#### Senate Hearing: SB 409 Rail Passenger Service Act-2010

Northern Flyer Alliance, Inc.

1) Vision: Last summer, Amtrak diverted the *Southwest Chief* through Texas and Oklahoma due to a bridge fire north of Albuquerque. This event brought the train through Wichita on a sunny afternoon, making the news on every network. It also dispelled any doubt that a passenger train can operate over this route that is proposed for expanded passenger service in this state. Here is a picture taken of the *Southwest Chief* as it passed by Wichita's Union Station. If this legislative body secures passage of SB 409, Amtrak trains may soon stop at Wichita's Union Station.

#### 2) Headlines:

#### Amtrak stations to be renovated

MSU State News

With \$40 million in federal stimulus dollars from the US Department of Transportation, Amtrak stations in Troy and Battle Creek will be renovated and a new ...

#### Washington's Rail Corridor Lands \$590 million

HeraldNet

The federal government has awarded \$590 million in rail improvement projects in Washington state to enable Amtrak trains to travel faster and more ...

#### New Penn Station tunnel, BWI rail stop get federal boost

**Baltimore Sun** 

Replacement of the tunnel, a significant bottleneck for Amtrak and MARC Penn Line trains as they pass through Baltimore, is expected to eventually cost on ...

#### Amtrak's Texas Eagle upgrades part of Obama budget

News-Journal.com

Thursday's White House announcement of \$8 billion for high-speed rail projects nationwide includes \$4 million to improve on-time performance for Amtrak's ...

#### High-speed rail grants include \$244 million for Detroit-to-Chicago Amtrak ...

AnnArbor.com

Ann Arbor's Amtrak station won't get renovation dollars from federal stimulus money awarded today, but travelers who take the train to Chicago may see ...

On a daily basis we see headlines such as these. It is always the same; some other state or region receives millions in capital development grants, awards and appropriations to develop intercity passenger rail service. Last week <u>Illinois was approved \$1.1 billion</u>; <u>Ohio, \$400 million</u>, and our neighbor <u>Missouri \$31 million</u>. What is most significant is that these states are nearby; this isn't some distant development in California or Florida. What is equally significant is that Ohio and Missouri were just a little more prepared, and therefore a little more eligible to receive these ARRA funds. It almost seems that Kansas and Kansas residents are donating to what other states will receive. SB 409 will move Kansas forward in securing this type of federal funding.

3) Community Support: 62 communities and civic bodies have sent 80 resolutions and letters to the Governor and KDOT. This list is so extensive that some of those present in this room will be unable to read it. A list of supporting communities, cities and civic organizations is included with your packet. A number of these communities have submitted more than one resolution, letter, or endorsement.

Also included in your packet is a detailed legislative brief about community support for intercity passenger rail.

The Governor and KDOT have each received untold thousands of letters and postcards from citizens across the state requesting passenger rail service.

4) SB-409: is an authorization that is the next step in restoring intercity passenger rail service in Kansas and the region.

The Passenger Rail Service Program Act establishes the formal mechanism within the Kansas Department of for administration of passenger rail service, and to enter into an operating contract with Amtrak. The provision of a revolving fund offers the Department a dedicate line item account or bucket for federal funds, or other funds that would support this passenger rail service. The large capital grants available under the Passenger Rail Investment and Improvement Act and the American Recovery and Reinvestment Act are examples of funding that could be directed and administered within the revolving fund.

Included in you packet is a legislative brief with more information about SB 409

- 5) Passenger Rail Investment and Improvement Act-2008: New federal legislation was passed a little over a year ago. The Passenger Rail Investment and Improvement Act of 2008 was one of the final bills signed by President Bush before leaving office. The Passenger Rail Investment and Improvement Act is a very large bill. It is both landmark and unprecedented. It established a new policy that involves state/federal partnership. It includes.....
- 6) Preliminary National Rail Plan: This is outlined in the document shown here; and released in October, 2009.

It is truly a vision for the future.

7) **PRIIA-2008**: Includes key provisions for passenger rail development. The key provisions that link to SB-409 include:

- establishing or designating a state rail transportation authority to:
- · developing statewide rail plans to set policies for freight and passenger rail transportation,
- establishing priorities and implementation strategies
- enhancing rail service in the public interest
- serve as a basis for federal and state investments within the state.

In order to compete or be eligible for Federal Transit Administration funds, States must demonstrate that they are working towards passenger rail. The City of Wichita, for example must have a passenger rail element and high speed rail element in their railroad master plan in order to receive these funds, according to Brett Letkowski of Transystems who won the contract for Wichita's railroad master plan. It is our understanding that state DOT's have a similar requirements.

The Service Development Plan is a mandatory provision for any 80-20 federal state funding for capital development. This SDP involves a very detailed engineering analysis of the route. It lists every grade crossing and curve. It also includes the requisite environmental impact study and about a dozen other criteria. The Kansas Department of Transportation received word last week that it was approved for federal match to fund half of this study. The State of Oklahoma committed to matching the Kansas half last summer, so Kansas will only need to fund one quarter (\$125,000) of the cost of the study.

- 8) T-Link White Paper: Kansas Department of Transportation is moving forward in studying proposals for intercity passenger rail service. Amtrak is expected to deliver its feasibility study next week.
- 9) Intercity Passenger Rail Service Programs: Other states that have intercity passenger rail are listed in this table that was included in the KDOT "T-Link White Paper" released a year ago.

Included in your packet is a legislative brief on Amtrak intercity passenger rail service.

10) HR 2552: The Kansas House introduced HR 2552, an Act establishing a Midwest Interstate Passenger Rail Compact. Passage of this bill will permit Kansas to join other states that are currently members of the Midwest Interstate Passenger Rail Commission. The Commission is composed of the Governors and elected officials of a number of mid west states that have included Kansas within its boundaries even though our state has not been a formal member. Last year these officials met in Illinois to seek ARRA funding as a group. The result of this was mentioned earlier. Illinois received \$1.1 billion; Ohio received \$400 million and Missouri \$31 million. As a member of this commission Kansas will have an enhanced competitive eligibility to secure the estimated \$12-\$15 million dollar capital costs to start passenger rail service

Kansas stands on the threshold of an opportunity without precedent to restore passenger service which vanished all but overnight 30 years ago in the first week of October. Our goal, and your opportunity as a legislative body is to ensure that SB 409 and HR 2552 passes during this legislative term so that intercity passenger rail service will return to our state, our state capital and this region.

#### Cities, Civic Organizations and Community Authorities Supporting Passenger Rail Service

City of Arkansas City, Kansas Arkansas City, Kansas Chamber

City of Bel Aire, Kansas Camp Wood YMCA City of Cassoday, Kansas

Chase County, Kansas Chamber City of Clearwater, Kansas

Grand Central Hotel, Cottonwood Falls, Kansas

City of Cottonwood Falls

**Cowley County** 

Mayor of Denton, Texas City of Derby, Kansas City of Edmond, Oklahoma

City of Edmond, Oklahoma Chamber

Edmond, Oklahoma CVB City of Edwardsville, Kansas City of El Dorado, Kansas

City of Emporia

City of Guthrie, Oklahoma City of Halstead, Kansas

**Harvey County** 

City of Haysville, Kansas City of Hesston, Kansas Mayor of Krum, Texas City of Lawrence, Kansas City of McPherson, Kansas City of Midwest City, Oklahoma

City of Mulvane, Kansas Mulvane, Kansas Chamber City of Newton, Kansas Newton, Kansas Chamber City of Osage City, Kansas City of Oxford, Kansas City of Park City, Kansas City of Pauls Valley, Oklahoma

City of Peabody, Kansas City of Perry, Oklahoma City of Ponca City, Oklahoma Mayor of Ponca City, Oklahoma Ponca City Main Street, Oklahoma

City of Rose Hill, Kansas City of Sedgwick, Kansas

Shawnee County

City of Strong City, Kansas

**Sumner County** 

Sumner County Economic Development Commission Superintendent of Tallgrass Prairie National Preserve

**Topeka Chapter of Retired Railroad Employees** 

City of Topeka, Kansas City of Udall, Kansas

City of Valley Center, Kansas City of Wellington, Kansas

Old Town Association, Wichita, KS

City of Wichita, Kansas

Wichita Downtown Development Corporation
Wichita Area Metropolitan Planning Organization

Wichita, Kansas Chamber City of Winfield, Kansas Mayor of Winfield, Kansas

Colorado Passenger Rail Association

## Senate Bill: 409 Intercity Passenger Rail Service Development Act-2010

An Act establishing the passenger rail service program; providing for powers and duties of the Secretary of Transportation; establishing a passenger rail service revolving fund.

#### Kansas Communities Request Intercity Passenger Rail Service

The Governor and Kansas Department of Transportation have received over 80 resolutions and letters of support from 62 city councils, county legislatures and community organizations requesting the restoration of intercity passenger rail service in the state. The letters and resolutions may be viewed on the website of the Northern Flyer Alliance at <a href="https://www.northflyer.org">www.northflyer.org</a>, under the Community Action tab. The Governor has also received at least 2500 communications from citizens requesting new passenger rail service.

The Northern Flyer Alliance is a consortium of city councils and civic groups promoting the development of intercity passenger rail service in Kansas, Oklahoma and Texas. The Alliance is led by civic leaders and consultants who convey a collective message to the Kansas State Legislature, the Governor and the Kansas Department of Transportation that their constituents request affirmation legislative authorization for passenger rail service.

The Alliance is unanimously committed to daytime passenger rail service over the Burlington Northern Santa Fe system running from Kansas City through Lawrence to Topeka, continuing southwest to Emporia and west through Strong City to Newton, and then south through Wichita, and Arkansas City. The trains would run continue service to Oklahoma City and terminate in Fort Worth. Northbound service would run on a reverse transit over this same corridor.

The Kansas Department of Transportation commissioned a Feasibility Study with Amtrak in December 2008, and scheduled for release in February 2010. In addition, the Wiedemann Foundation of Wichita, Kansas funded a return on investment study that was released in December 2009. The ROI study, completed by the University Of Kansas School Of Business, revealed a 3-1 economic return to the State including significant tax revenue that would offset a major percentage of the modest service contract between Amtrak and the State of Kansas.

The cities of Lawrence and Strong City have taken active steps to renovate their train stations, taking ownership of their station and seeking federal and state grants for the development.

The vision and objective of this community based initiative respectfully asks the Kansas State Legislature to exercise their vested authority to restore passenger rail service in Kansas.

Note: Amtrak passenger rail service operated over this corridor until 1979. This train was the fifth most popular train in the Amtrak system and carried over 250,000 passengers annually. During its final abbreviated year of service it was on target to carry 289,000 passengers.



© 2009, The Northern Flyer Alliance, Inc.

#### Senate Bill No. 409

#### **Intercity Passenger Rail Service Development Act-2010**

An Act establishing the passenger rail service program; providing for powers and duties of the Secretary of Transportation; establishing a passenger rail service revolving fund.

#### **Amtrak State Passenger Rail Service**

Amtrak, authorized under the Rail Passenger Service Act of May 1, 1971 allowed railroads to enter into agreements and legally transfer passenger rail operations to the newly established National Railroad Passenger Corporation. The act also included legal protections authorizing Amtrak to operate over freight railroads at fair usage rights costs.

Today, Amtrak serves as the primary US intercity passenger rail service provider. Its trains make stops at over 500 destinations in 46 states covering 22,000 miles. Amtrak owns and operates a limited system of track, chiefly in the Northeast. However, its trains mainly operate over freight railroads. Fourteen states, including Missouri and Oklahoma, supplement Amtrak's federally supported routes, adding 230,000 Amtrak riders to the system annually. These passengers carry positive economic impacts to on-route communities.

An Amtrak service gap exists between Kansas City and Dallas/Fort Worth through south central Kansas and northern Oklahoma. The federally supported, Chicago – Los Angeles *Southwest Chief* travels through Kansas in the late night/early morning hours. As such, it serves only a fraction of a potential daylight market. The state supported *Heartland Flyer* operates between Oklahoma City and Fort Worth. A promising new proposed route between Kansas City, Wichita, Oklahoma City, and Fort Worth would fill this gap, spur economic development, and provide a new transportation resource for Kansas citizens and visitors. This demographic is presently only served by one major carrier airport. SB 409 is a legislative authorization for KDOT to develop intercity passenger rail service.

Passenger rail infrastructure is already in place for the proposed route. A continuous freight mainline exists between all points. Three of the seven proposed Kansas stations are currently in use as Amtrak stops. Efforts are underway to redevelop Wichita Union Station as a railroad station. The Arkansas City station presently serves as a BNSF Railway office with a former waiting room space. The Strong City station, presently being restored, sits just 3400 yards from a National Park Service headquarters.

Supplemental Amtrak operations in Kansas represent a low cost, low maintenance, state transportation opportunity. The proposed service, with a population base of approximately 14 million on the corridor, will connect small to large community centers; some bypassed by interstates and major highways. It would invigorate economies, and promise an increased standard of living for those residing even some distance from a stop. A large number of universities with unique transportation needs exist along the route. Wichita's *Old Town* would receive many new visitors, especially attending the *Intrust Arena* events. The *Tall Grass National Prairie Preserve* borders the route at Strong City.

Amtrak is a chartered national rail travel franchise providing a niche transportation function. Amtrak operates over a limited system that restricts the full potential of its operations. New routes should be considered especially the proposed route in Kansas. The University of Kansas return on investment study released in December revealed a remarkable economic development potential.

The total 2008 Amtrak budget was \$1.2 billion. In the same year the Kansas transportation budget was roughly half that of Amtrak at \$577 million. An operational contract for state intercity passenger rail service is estimated at \$7 million annually. Significant tax revenue would offset a major percentage of the contract.

Amtrak has become an increasingly popular transportation option that is increasing in importance. In 2008 over 28 million passengers, representing a tenth of the US population, used Amtrak. Amtrak ridership grew over the last decade while other major US transportation sources showed decline.

Note: The former Santa Fe and Burlington Northern Railroads benefited from the passage of the 1970 Rail Passenger Service Act. This act allowed both railroads to pass their passenger rail divisions to Amtrak under a covenant that eliminated a cost component of their business and, mandated Amtrak access over their system for any states developing passenger rail service.



#### SENATE BILL NO. 409

#### **Intercity Passenger Rail Service Development Act-2010**

An Act establishing the passenger rail service program; providing for powers and duties of the Secretary of Transportation; establishing a passenger rail service revolving fund.

#### Legislative Brief and Background Notes

This Act authorizes the Kansas Department of Transportation (KDOT) to develop intercity passenger rail service in the state and interstate connection with Oklahoma and Texas over the BNSF Railway system.

Legislative action has developed from widespread city council, civic, and public interest. This interest is affirmed through receipt of formal resolutions and letters and emerging federal passenger rail funding programs. A coalition of corridor communities has been organized through the Northern Flyer Alliance, Inc. (NFA). The NFA serves to brief state legislators with timely facts and background based upon community interest, economic impact studies, and general transportation need. This effort culminated in the development of a forthcoming Amtrak Feasibility Study, and federal grants which include a High Speed Intercity Passenger Rail (HSIPR) program under the American Recovery and Reinvestment Act of 2009.

Senate Bill No. 409, provides an appropriation mechanism, for a potential state passenger rail funding program. This proposed funding program is designed to size appropriations such that both state and federal revenues can be collected and adjusted under legislative mandate. The proposed program will provide flexibility if the state authorizes supplemental passenger rail services. A similar appropriation mechanism exists in Oklahoma through the Oklahoma Tourism and Passenger Rail Revolving Fund.

KDOT must receive legislative authorization and direction, including appropriation, to establish a passenger rail service program. Such a program must include authorization to exercise administrative control over fiscal and operational service management responsibilities

A revolving fund and program establishment provides a method to satisfy a federal grant eligibility requirement. The requirement is referenced within HSIPR and other federal programs. A formal authorized state rail plan including fiscal passenger rail operational funding provision demonstrates to federal authority's serious development intent. At present KDOT is drafting a comprehensive state rail plan including a passenger component. The plan, which will be released in 2010, requires a legislative authorization. As proposed this program would allow obligation of that portion of the Comprehensive Transportation Plan for operational contracts and capital requirements necessary for federal grant approval and program initiations.

No appropriation for funding is requested in this bill. Operational and capital funding requirements will be specified through proposals by contract operators and/or construction companies. It is anticipated that program appropriations shall be considered on a case by case basis. The program outlined within this act does not obligate the state of Kansas to develop such programs. It does; however, provide a method for the state of Kansas to develop service and be approved for federal rail funding grants.

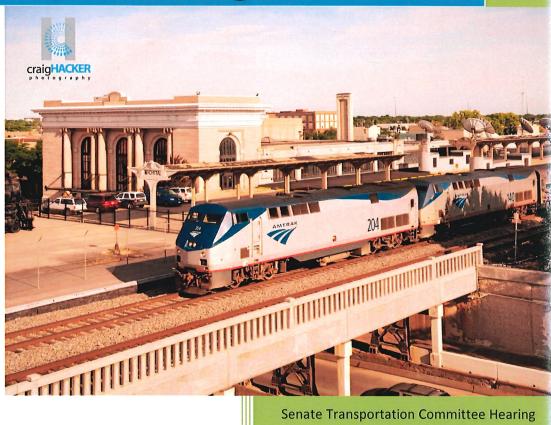
Note: Fourteen other states fund supplemental intercity passenger rail services. Many states are aggressively moving to secure landmark federal grants in hopes of sparking economic development corridors. The fact that Kansas is centrally located provides an extraordinary opportunity for connection with other state and interstate routes. These connections will attract significant numbers of visitors and provide convenient transportation to cities where existing travel options are inconvenient, expensive, or unavailable.



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SB 405

## Intercity Passenger Rail Act



Senate Transportation Committee Hearing February 3, 2010

## Supporting Cities, Communities and Civic Organizations

1. City of Wichita, Kansas	2. City of Arkansas City, Kansas
3. City of Halstead, Kansas	4. City of Mulvane, Kansas
5. City of Derby, Kansas	6. City of Purcell, Oklahoma
7. City of Udall, Kansas	8. City of El Dorado, Kansas
9. City of Bel Aire, Kansas	10. City of Emporia
11. Edmond, Oklahoma CVB	12. City of Purcell, Oklahoma
13. City of Strong City, Kansas	14. Sumner County
15. City of Haysville, Kansas	16. City of Wellington, Kansas
17. City of Perry, Oklahoma	18. Cowley County
19. City of Rose Hill, Kansas	20. City of Ponca City, Oklahoma
21. City of Winfield, Kansas	22. City of Oxford, Kansas
23. City of McPherson, Kansas	24. City of Cassoday, Kansas
25. Mayor of Krum, Texas	26. City of Clearwater, Kansas
27. City of Park City, Kansas	28. City of Hesston, Kansas
29. City of Guthrie, Oklahoma	30. City of Peabody, Kansas
31. Harvey County	32. City of Midwest City, Oklahoma
33. City of Topeka, Kansas	34. City of Sedgwick, Kansas
35. City of Pauls Valley, Oklahoma	36. Ponca City, OK Main Street
37. City of Lawrence, Kansas	38. Mayor of Winfield, Kansas
39. Newton, Kansas Chamber	40. Mayor of Ponca City, OK
41. Arkansas City Chamber of	42. City of Emporia
Commerce	
43. Tallgrass Prairie National Preserve	44. Wichita Metropolitan Planning
	Organization
45. Wichita Downtown Development	46. Sumner County Economic Development
Corporation	Commission
47. Old Town Association, Oklahoma	48. Grand Central Hotel, Cottonwood Falls,
City, OK	Kansas
49. City of Cottonwood Falls, Kansas	50. Topeka Chapter of Retired Railroad
Chamber	Employees
51. Mulvane, Kansas Chamber	52. Chamber of Chase County, Kansas



# Northern Flyer Alliance, Inc. KU School Of Business Jayhawk Consulting Final Return On Investment Review

#### December 2009



#### **Executive Summary**

Final University of Kansas study results show that the states of Kansas, Oklahoma and Texas should proceed aggressively with passenger rail planning. Despite the fiscally conservative study approach used by the University of Kansas, a robust *Regional Taxable Revenue Ratio increase of 3.2:1*\* was projected for a Kansas City – Wichita – Oklahoma City route. Federal support for passenger rail through the *High Speed Intercity Passenger Rail* (HISPR) capital funding program would dramatically increase ratio benefit for Kansas, Oklahoma, and Texas taxpayers. The HSIPR program will inject \$8 billion in capital into select national projects during FY2010 alone. The HISPR program mimics federal interstate highway investment programs of the 1950's and 1960's. This visionary program could dramatically reduce required capital expenditures for Kansas, Oklahoma, and Texas and bring the benefits of passenger rail service back to our Tri-State area.

The KU study proves that passenger rail can become an effective and sustainable regional economic development tool even before HSIPR. Overall economic impact shows a break-even return after the first year with a continuing \$43 million annual impact.

These increases are due to direct, indirect, and induced economic factors. Regional employment increases through construction and operational staffing represent direct and positive economic effects. Employment increases and associated economic benefits through support industries (construction, real estate, healthcare, tourism, etc...) would flow into the regional economy. These indirect and induced after-the-fare-box effects are obviously substantial. They prove that rail travel infrastructure/operational investment and development can play a significant role in creating and improving regional economies. The region cannot afford to ignore the economic benefits analyzed by the University of Kansas.

\* For every dollar of investment taxable income increases by \$4.60.

#### 1.0 Background

The University of Kansas – School of Business – Jayhawk Consulting (KU) completed its Return On Investment study (ROI) with a presentation to the Northern Flyer Alliance, Inc. (NFA) board and the K. T. Wiedemann foundation on December 17, 2009 in Wichita, Kansas at PBA Architects. The intent of this independent and impartial study was to analyze potential economic impact based upon a passenger rail reintroduction between Kansas City, MO and Oklahoma City, OK.

This document represents the official NFA position regarding the study, based upon the current regional economic climate, contemporary passenger rail economics, and peer Amtrak operations in Missouri, Oklahoma, and Texas. The NFA wishes to thank the K. T. Wiedemann Foundation and KU for their contributions and work on this important and timely economic evaluation.

The criteria used to develop this study included an aggressively fast completion date, thus limiting the possibility of a more comprehensive and thorough overview. Many economic benefit criterions were excluded. If time had allowed, these additional benefits would have only improved economic benefit ratios as passenger rail costs are well understood. The appropriation source percentage, federal versus state, was seen as outside of project scope.

#### 1.1 Need Statement

Historically, Amtrak has not included quantitative economic benefit analysis within internal studies. Amtrak's pending cost study for the *Kansas City – Wichita – Oklahoma City – Fort Worth* rail corridor will likewise not include such data. Intensified fiscal scrutiny of state government programs demands a detailed economic benefit analysis. The NFA board deemed the production of a complementary economic benefit analysis to be imperative to its mission. KU produced a study based upon this need with financial contribution from the K. T. Wiedemann Foundation as owner of the study.

#### 1.2 Amtrak Cost Study\*

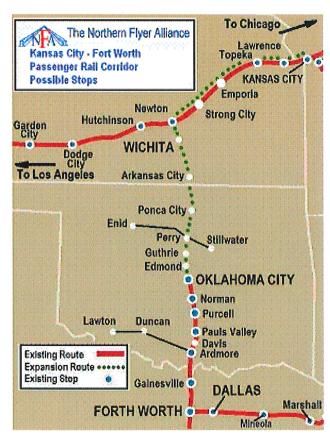
As mentioned, Amtrak is in the process of completing a cost study for the Kansas, Oklahoma, and Texas Departments of Transportation (KDOT, ODOT, and TxDOT respectively). Amtrak uses the AECOM model to analyze potential capital costs, operational costs, and ridership. The AECOM model likely differs significantly from the IMPLAN model used by KU. Simply stated, the Amtrak study will measure ridership and cost while the IMPLAN model measured economic benefit. The final Amtrak study will consider four scenarios:

**Scenario A.** A night-time roundtrip between Newton and Oklahoma City to connect with the eastbound and westbound *Southwest Chief* by extending the *Heartland Flyer* using the existing train set.

Scenario B. A night-time roundtrip between Kansas City and Fort Worth via connections at Newton and Oklahoma City. It would not connect to the Southwest Chief and would use the existing Heartland Flyer between Oklahoma City and Fort Worth and a new service between Kansas City and Oklahoma City. This option would require an additional train set to supplement the Heartland Flyer equipment.

Scenario C. The preferred Scenario of the NFA. A daytime roundtrip between Kansas City and Fort Worth via Wichita and Oklahoma City using a new, stand-alone service and two new train sets for the entire route.

**Scenario D.** A daytime roundtrip between Kansas City and Oklahoma City using a new, stand-alone service and two new train sets for the entire route.



**NOTE:** The *Heartland Flyer* makes a daily round trip between Fort Worth and Oklahoma City and the *Southwest Chief* operates daily between Chicago and Los Angeles. Their schedules do not change in the study scenarios.

\*Source: Kansas Department of Transportation

#### 1.3 KU ROI Study Overview

The aggressive schedule necessitated a drastically limited scope. While costs are strictly understood as defined, many benefits were intentionally excluded. Therefore, the final product quantifies only large economic benefits while neglecting other more time consuming analysis such as transportation cost avoidance, clean air, and congestion mitigation savings and other economic criteria.

#### 1.4 KU ROI Study Inputs

Study inputs were derived from several different sources. KU used the IMPLAN economic analysis model to study potential corridor economic impacts. A March 2000 KDOT passenger rail study, adjusted for inflation and energy prices, was referenced heavily for ridership, infrastructure cost, and operational cost. Regional travel and tourism data was collected for Kansas City, Lawrence, Topeka, Wichita, and Oklahoma City to approximate travel related cash flow. Only *scenario "D"*, as detailed in the Amtrak Study Scope from paragraph 1.2 was studied.

#### 2.0 Analysis Data Highlights

The NFA has taken the liberty of condensing KU results for quick overview. The preliminary net project economic return is nearly \$400 million over a ten year span. The project returns more than its original investment after the first year of operation or \$72.7 million with a \$66.5 million federal/ state investment. After five years the project will have returned \$217 million for a benefit ratio of 2.52 to 1. After ten years, the benefit ratio climbs to 3.58 to 1.

#### 2.1 Tax Considered Return on Investment

For each \$1.00 of net investment Amtrak scenario "D" produces \$3.22 in economic benefits after tax consideration, a 3.2 to 1 ratio. Analysis details are provided in Table 1.

Table 1: Jayhawk Consulting Return on Investment.

Return on Investment (after Tax Consideration)			
Net out of pocket Investment	\$1.00		
Value Produced from Investment	\$3.58		
Incremental Economic Benefit	\$3.22*		
Tax Considered ROI:	3.2:1		

<sup>\*</sup>Net of average 10% all taxes impact on value produced.

#### 2.2 Jayhawk Consulting Projected Ridership

KU used the March 2000 KDOT Passenger Rail study to project ridership figures. Table 2 shows potential figures which were used as inputs to the IMPLAN model. These figures were adjusted by ten-percent due to higher 2009 gasoline prices.

Table 2: Potential Kansas City - Oklahoma City Corridor Ridership Figures.

Benefiting City	Population	Projected Ridership
Kansas City	688,380	43,763
Lawrence	114,784	7,295
Topeka	174,709	11,107
Emporia	35,562	2,261
Strong City	2,804	178
Newton	33,675	2,141
Wichita	482,863	30,697
Winfield – Arkansas City	34,065	2,166
Newkirk – Ponca City	45,632	2,901
Perry	11,169	701
Guthrie	38,102	2,422
Edmond – Oklahoma City	706,617	44,922
Totals	2.4 Million	150,562

#### 2.3 Infrastructure and Operational Costs

Table 3 provides an infrastructure analysis. This information was derived from the March 2000 KDOT Passenger Rail study. Table 4 provides an operational analysis. KU adjusted these values to 2009 figures and allocated costs based upon a rail mileage basis between Oklahoma and Kansas.

**Table 3: Infrastructure Costs.** 

Total Infrastructure Costs By State					
State Miles of Rail Allocation Amount Spe					
Kansas	281.72	70.836%	\$33,791,783		
Oklahoma	115.99	29.164%	\$13,912,782		
Total Infrastructure Cost of Proposed Railway*			\$47,704,565		
* 2010 Figure (updated for inflation)					

Table 4: Operational Costs.

Calculation of Operational Costs by State				
State Miles of Rail Allocation Cost				
Kansas	281.72	70.836%	\$15,819,890	
Oklahoma	115.99	29.164%	\$6,513,378	
Totals	397.71	100.000%	\$22,333,268	

#### 3.0 Critical Analysis

The NFA has evaluated passenger rail industry costs associated with other regional passenger rail projects as provided by Amtrak, the states of Missouri, Oklahoma, and Texas. Table 5 provides an overview. While the cost and ridership elements of the KU study will be refined within the official Amtrak study the KU benefit analysis will remain valid. The NFA expects significantly reduced values for operational and capital costs based upon industry analysis. Further, because KU studied only scenario "D" potential ridership between Kansas City and Fort Worth will be dramatically lower than a through route (Scenario "C") without an overnight layover in Oklahoma City.

Table 5: Regional Amtrak State Operational Funding Requirements.

Calculation of Operational Costs by State			
State or Entity	Annual Operational Cost (Million)	Daily Miles	Per-Mile Cost
Oklahoma-Texas	4.297	412	\$28.57
Missouri	7.400	1,132	\$17.91
KU/KDOT Projection	22.333	1,204	\$50.82

#### 4.0 Conclusions

Transportation corridors, regardless of mode, highway, aviation, and rail, are the arteries of local, state, and interstate commerce. These paths are a fixture of modern society. KU has provided a case study demonstrating a method to bring increased prosperity to the region. A passenger rail transportation market exists between *Kansas City – Wichita – Oklahoma City – Fort Worth* that can be served through Amtrak route expansion.

The NFA encourages lawmakers to seriously consider the KU report as positive economic news in depressed economic times. Kansas cannot afford to miss the economic development, job growth, quality of life, business and agri-business productivity gains, tourism, and life and limb savings this form of transportation would bring to the state. Related rail infrastructure improvements will encourage more rail freight shipping, reducing highway damage, and thus conserving precious taxpayer dollars. The reduction in fossil fuel burning automobile miles will improve air quality while conserving personal investments. Further, a fast track reintroduction along the entire corridor will aide downtown communities both large and small and provide transportation options that competing states use as a tool to lure away our citizens.

#### TESTIMONY

Shelby Smith
Senate Transportation Committee
February 3, 2010

In a political context, critical mass can often be difficult to measure. I'm increasingly confident, however, that we're approaching substantial support for high-speed long-distance passenger trains as a vital cog in both our regional and national systems of transportation.

While the debate intensifies around health care, and the various bailouts, the benefits – both immediate and long-term—of passenger rail service to the economy of every town, city, and state along its routes are very significant indeed. As a matter of fact, a recent Financial Impact Study conducted by the University of Kansas School of Business has demonstrated that increased travel, tourism, and employment along a passenger rail route will return a regional economic benefit of \$3.20 for every \$1.00 invested.

Oklahoma's experience is reassuring! Towns along the route averaged \$4 million in expanded economic activity the first year after the train's arrival.

All of the start-up capital costs: locomotives, passenger coaches, and necessary improvements to the track are federally funded. The Legislature will be required to subsidize operational costs sometime two or three years in the future.

The members of the Kansas T-Link Task Force, a large and diverse group charged with formulating long-range policy recommendations for transportation in the Sunflower State, have called for Kansas to capture this economic opportunity.

Amid all the talk of public investment in passenger rail, the private sector has recognized the value to our country and its people of a revitalized railway system. Consider Warren Buffett: America's most well-known and perhaps its most successful investor. He has completed a \$34-billion acquisition of the nation's second largest railroad, the Burlington Northern Santa Fe. Railroads will be able to move more people and more goods, using less energy, than do other modes of transportation. Railroads do it in a cost-effective, environmentally friendly way. BNSF last year moved on average a ton of goods 470 miles on one gallon of diesel.

Mr. Buffett has it right. According to data from the U.S. Department of Energy, Amtrak is almost 20 percent more efficient on a per-passenger-mile basis than domestic airline travel, and 28 percent more efficient than auto travel.

The Wall Street Journal's in-depth analysis of Transportation Secretary Ray LaHood's Vision for High-Speed Rail in America concludes-it could change the way Americans travel. In my view, it could be Obama's legacy.

Additionally, a Congressional Resolution reads "long-distance passenger rail is a vital and necessary part of out national transportation system and economy."

The arguments in favor of renewed passenger rail service for Kansas have now reached critical mass. ALL ABOARD now for this important new initiative for our individual and collective economic well-being.

Hurriedly.

Re SB 409 AN ACT establishing the passenger rail service program; providing for powers and duties of the secretary of transportation; establishing the passenger rail service revolving fund.

Dear Senate Transportation Committee Members,

SB 409 is the beginning of getting transportation for Kansas back to the future. There was a time when rail was treated as an important means of moving people and products. Since the late sixties, however, it has fallen on disfavor, with preference going to highways and air ports. The future of the Kansas economy will depend on taking full advantage of all modes of transportation: highway, air, and rail. We need to connect our communities, large and small, to economic opportunities across the Midwest and beyond. Rail, both passenger and freight, are essential, yet undeveloped, resources. Rail has the added benefit of being more fuel efficient and less environmentally harmful than cars, trucks, and planes. It is an essential component in the future of multi modal transportation. This bill is a critical step in that direction.

Passenger rail is 17% more energy efficient than either commercial airlines or automobiles. It has a much smaller carbon footprint. Cars use 3,445 *BTU*s per passenger mile. Planes use 3,264 *BTU*s per passenger mile. Trains use 2,709 *BTU*s per passenger mile. Freight rail has a fuel consumption rate 11.5 times more energy efficient on a BTU per ton mile basis than trucks. Trucks are responsible for 6-12 times more pollution than freight trains. Being out of compliance with the Clean Air Act reduces urban areas' highway subsidies. Rail mitigates this. A single intermodal freight train can take up to 280 trucks or 1,100 cars off the highways. This is a savings for the environment as well as a savings in the cost of highway maintenance. Furthermore, passenger rail-driven improvements help increase rail line capacity, and because freight lines use the same tracks as the passenger lines, freight lines benefit. Therefore, SB 409 helps protect not only the environment, but also the Kansas economy from a future when fuel will be scarce and expensive.

Finally, more of your constituents than ever before are reaching the age when driving and flying are out of the question. They not only want to stay connected with family and friends, but they want to be able to access medical attention outside their regions. They want transportation alternatives and they remember when Kansas trains provided this. Younger constituents are costing their companies losses associated with windshield time. Putting a business professional behind the wheel for 6 hours to drive from Kansas City to Oklahoma City is a loss of productive time. The businesses in your districts deserve the option of cutting this expense by having closer access to passenger rail lines. This makes travel time productive time for Kansas businesses that benefit from interfacing with businesses in our neighboring states. This bill opens doors for a variety of your constituents.

SB 409 provides a much needed jump start to our languishing public transportation system. Thank you for your vote in favor of SB 409.

Sincerely,

Carey Maynard-Moody

1645 Barker Avenue

Lawrence, KS 66044

careymm@sunflower.com

785.842.6517

Senate Transportation

2-3-10

Attachment 4



Mark Parkinson, Governor Deb Miller, Secretary

http://www.ksdot.org

#### TESTIMONY BEFORE SENATE TRANSPORTATION COMMITTEE

#### REGARDING SENATE BILL 409 RELATED TO ESTABLISHING A PASSENGER RAIL PROGRAM

**February 3, 2010** 

Mr. Chairman and Committee Members:

Good morning. I am Terry Heidner, Legislative Liaison for the Kansas Department of Transportation (KDOT). We appreciate the opportunity to testify regarding Senate Bill 409.

KDOT, as a matter of public policy, supports the general concept of passenger rail service, if economically feasible, and if the service would logically fit into the state's multimodal transportation network. The bill you have before you is a broad framework of enabling legislation to allow KDOT to develop and administer a passenger rail program for Kansas at such time that the Legislature decides that a passenger rail program, including funding, is needed and makes good economic sense for Kansas. This bill as currently written does not authorize funding for such a program and may be premature.

In an effort to determine whether such a program makes good economic sense, KDOT has contracted with Amtrak to perform a feasibility study of potential passenger rail service from Kansas City to Oklahoma City to Fort Worth. This Study, which is expected to be completed in February 2010, will provide estimates for costs, ridership, revenues and any annual operating subsidies that might be required. Any local costs associated with station development and annual station operating costs will not be included in the study. As part of KDOT's due diligence, this Study will provide Kansas with information critical to the decision making process pertaining to any type of passenger rail program in the state, potential expanded passenger rail service, and any estimated financial commitments that might follow.

In addition to the KDOT sponsored Amtrak Expansion Feasibility Study, the Northern Flyer Alliance sponsored a Return on Investment Study of that same Kansas City to Oklahoma City to Fort Worth route. KDOT staff is currently reviewing the content and findings of that study. Until we have completed the Amtrak Study and completed our review of the Northern Flyer Alliance Study it is difficult to know whether the authority provided in this bill is needed or not.

Late last week Kansas also received a \$250,000 federal grant to develop a "service development plan" for the aforementioned route from Kansas City to Oklahoma City to Fort Worth. This study would be a detailed, comprehensive business and operating plan for implementing passenger rail service along this corridor. This study should further inform Kansas' decision about whether to enter the passenger rail business.

Thank you, Mr. Chairman, for the opportunity to testify before the Committee. I will be glad to answer any questions at the appropriate time.

OFFICE OF THE SECRETARY OF TRANSPORTATION

Dwight D. Eisenhower State Office Building

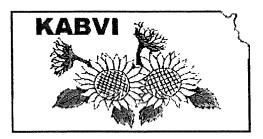
700 S.W. Harrison Street; Topeka, KS 66603-3745 • (785) 296-3461 • Fax: (785) 296-1095

Hearing Impaired - 711 • e-mail: publicinfo@ksdot.org • Public Access at North Entrance of Buildi

Senate Transportation

2-3-10

Attachment \_ 5



# Kansas Association for the Blind And Visually Impaired

603 S. W. Topeka Blvd.
Suite 304-B
Topeka, Kansas 66603
785-235-8990 – voice
800-799-1499 – toll free
785-233-2539 – FAX
www.kabvi.com
kabvi@att.net

**February 3, 2010** 

TO:

**Senate Transportation Committee** 

FROM:

**Mark Coates, Legislative Chair** 

Michael Byington, C.E.O. (volunteers), KABVI

SUBJECT:

**Support for Senate Bill 409** 

We are here in support of this legislation. That probably is not too much of a surprise given that KABVI represents a bunch of folks who either can not drive, or can drive only with extreme restrictions and limitations.

The only options people who can not drive have when they must go from one city to another, in Kansas, or to travel to cities in other states, is to use Greyhound or one of the other very few and limited bus lines that serve Kansas, or they can ride in the middle of the night on one of only two passenger trains that move back and forth through Kansas. If a City is not on a major highway, a person who can not drive there simply is not going unless they can get someone to drive them.

It used to be believed, that buses were more flexible than trains because they could serve small towns on secondary highways. That is no longer true. Greyhound and other bus lines simply are not doing it any more.

With the system of train tracks running through Kansas, and many quite renovateable, it may indeed be possible to serve a lot more of Kansas using increased passenger rail services.

Michael Byington has been giving most of the testimony for our Organization, but now that he is back in Graduate school and not always going to be available, some of us other KABVI officers are stepping up to talk with the Legislators. Let me tell you a little about my background. I am Mark Coates, and I am Vice President of KABVI. I was a professional salesperson, driving everywhere I needed to go, and selling everything from shoes, to manufactured housing, to furniture, to financial plans, until, at age 45, I was diagnosed with optic atrophy due to multiple sclerosis. I had to completely stop driving for several years because my vision was extremely unstable. It has now stabilized to a point that I drive in familiar areas only, but for trips out of town, I definitely have to use public transportation or get a driver.

I travel fairly frequently between Topeka and Denver. To take the bus, for example, I have to first take a bus to Kansas City, Missouri, and then wait three hours to get on a bus that will take me to Denver. It drives right past Topeka on the way, of course, but it will not stop there. That basically adds five hours of wasted lifetime before the trip can even progress toward Denver.

With the currently extremely limited train service we have in Topeka, I could take the only train to New Mexico, but would have to take a bus from there to Denver. With these types of public transportation options, it is no wonder that the thinking is

that Kansans just do not use public transportation. It is not that Kansans would not use public transit; The fact is, we can not.

The last time I went to Colorado, Just last week, I had someone drive me. That trip, given gasoline, and the care and feeding of a driver, ended up being over \$700.00. Public transportation, even at full cost, would have been a much better option, if only it were available. It would have been a better option for me even if I was not too visually impaired to drive there.

To save energy, assist in improvement of our environment, and to accommodate those of us who simply can not drive to other cities, it is imperative that every step possible be taken to encourage improvement of city to city public transit. As a representative of Kansans who are blind and visually impaired, we must take every opportunity to increase the frequency, convenience, and prevalence of public transit in our State.



#### Sierra Club, Kansas Chapter 9844 Georgia, Kansas City, KS 66109

#### STATEMENT OF CHRIS CARDINAL, LEGISLATIVE COORDINATOR

#### FEBRUARY 3RD, 2010

Before the Senate Transportation Committee Hearing on the Passenger Rail Service Program (SB 409)

Chairperson Umbarger and honorable members of the committee:

Thank you for the opportunity to testify today, and for the fine work this committee and its members do for the state of Kansas. My name is Chris Cardinal, and I am here on behalf of the Kansas Chapter of the Sierra Club, the nations largest and oldest grassroots environmental organization, to testify in support of SB 409 - the Passenger Rail Service Program.

Rail provides a solution for many of our most urgent transportation, energy and environmental problems. Rail can reduce pollution and our dependence on foreign sources of energy. Trains also require about one-third as much energy per passenger mile as automobiles and airplanes.

Investment in passenger rail would create jobs in both the near and long terms through direct job creation (temporary construction-related jobs during the building of the network) and indirect job creation (permanent jobs created as a result of the growth generated by the rail network). Also, when you upgrade the tracks - farmers and manufacturers - get their goods to markets faster.

SB 409 would spur economic growth in communities across Kansas, provide faster and more energy-efficient means of travel, and establish a new industry in the state that provides stable, well-paid jobs over time in areas like track-laying, manufacturing, planning and engineering, and rail maintenance and operations. As noted in the recently released study by Jayhawk Consulting of Kansas University's School of Business, the proposed Northern Flyer is also expected to produce a regional economic benefit of \$3.20 for every \$1.00 invested.

A major investment in passenger rail would decrease congestion at our airports and on our highways. A single railroad track, just six feet across, has the capacity of a superhighway 10 times wider. Increasing intermodal freight shipments on rail also can reduce greenhouse gas emissions; every ton mile of freight that moves by rail instead of long-haul truck reduces greenhouse gas emissions by at least two-thirds. A coordinated approach of rail and truck shipping is already showing substantial efficiencies and net reductions in potential carbon emissions.

This piece of the clean-energy transformation brings economic and environmental benefits from diversifying and de-carbonizing the transportation sector, but it is particularly relevant to improving U.S. national security, which remains severely compromised due to our heavy dependence on oil, and on foreign oil imports in particular. We will only kick this dependence by renewing and rebuilding our transportation infrastructure around efficiency, reduced vehicle-miles-traveled, and clean and domestic fuel resources.

Mr. Chairman and Members of the Committee, passenger rail is vital to the overall health of our economy. We offer huge societal benefits that need to be maximized, and while we are currently dealing with the economic downturn, we have a great future. Thank you for the opportunity to testify in support of this legislation, I urge you to vote favorably.

Senate Transportation
2-3-10
Attachment 7



TY E. DRAGOO DIRECTOR/CHAIRMAN KANSAS STATE LEGISLATIVE BOARD

3741 S.W. KINGS FOREST ROAD TOPEKA, KS 66610 OFFICE (785) 418-1280 CELL (785) 817-9607 FAX (785) 408-1420 EMAIL utukansas@att.net WEBSITE kansas.utu.org

February 2, 2010

The Honorable Dwayne Umbarger Chairman of Subcommittee on Transportation Kansas State Legislature Senate State Capitol, Room 441-E Topeka, KS 66612

#### RE: SB 409--ESTABLISHING THE PASSANGER RAIL SERVICE PROGRAM

Dear Senator Umbarger:

I am Ty Dragoo, Director of the Kansas State Legislative Board. I represent approximately 12,000 active and retired members and their families here in Kansas. I appear today as a **proponent of SB 409**.

As America and Kansas struggles to create jobs, Kansas needs better passenger rail service more than ever. A new rail corridor from Kansas City - Wichita - Oklahoma City - Fort Worth, will dramatically improve our state's long-term competitiveness. Investments in passenger rail create construction jobs, operating jobs, and improve our competitiveness. Trains consume less energy per passenger than cars and planes, so we can increase mobility while reducing pollution and our reliance on foreign oil.

Feasibility studies have concluded that a 1 mile stretch of new rail line cost approximately \$2 million to construct, while for the same 1 mile stretch of highway it can nearly 10 times as much. This is an affordable investment in Kansas' future. Included with my written testimony you will find An Amtrak 2009 Fact and Figure sheet for Kansas. Support Resolutions and Letters from Towns and cities all over Kansas that have supported this type of legislation. Also included is a map representing how Kansas could potentially become the key state to someday provide the critical Mid Continent North-South link that the National Passenger Rail System so desperately needs.

Now is the time for Kansas to act. The federal government has just committed to investing \$8 billion to improve our nation's passenger rail system through the stimulus bill, but Kansas is going to need to make a commitment to compete for these federal dollars.

Importantly, the vast majority of these vital investments will stay close to home where citizens can see the energy and environmental benefits of rail service. UTU has and will continue to encourage the Kansas congressional delegation to support federal funding towards this type of legislation. I look forward to our continued strong working relationship and cannot say enough about the excitement growing in the state in anticipation of passenger rail once again becoming an integral part of our nation's surface transportation system.

Senate Transportation 2-3-10Attachment 8



As always, we appreciate your continued leadership and support for passenger rail development in the United States and Kansas.

If there are any questions I will be happy to try and answer them.

Thank you for your consideration.

Sincerely,

Ty E. Dragoo, Director/Chairman

Kansas State Legislative Board

United Transportation Union

TED/elh

Attachments

CC: The Honorable Marshall, Vice Chairperson

The Honorable Pat Apple

The Honorable Les Donovan

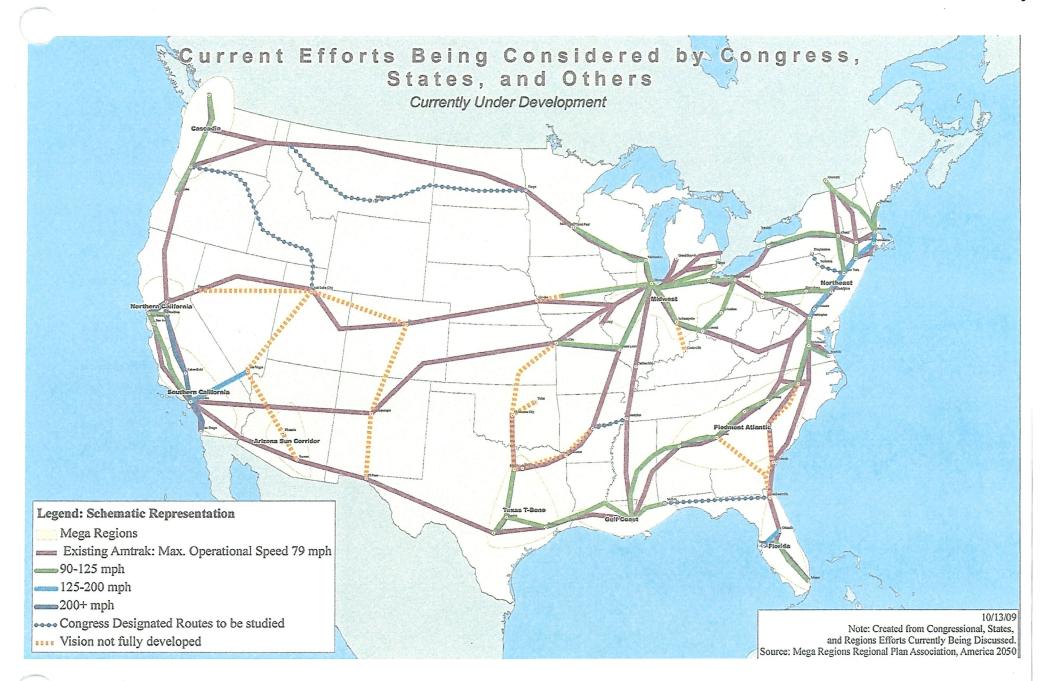
The Honorable Terrie Huntington

The Honorable Mike Petersen

The Honorable Vicki Schmidt

The Honorable Kelly Kultala

The Honorable Anthony Hensley, Ranking Minority Memeber





# Amtrak Fact Sheet, Fiscal Year 2009 **State of Kansas**

#### **Amtrak Service & Ridership**

Amtrak operates one long-distance train through Kansas, the *Southwest Chief* (daily Chicago-Kansas City-Los Angeles via Topeka and Newton).

During FY08 Amtrak served the following Kansas locations:

City	<b>Boardings + Alightings</b>
Dodge City	4,248
Garden City	6,930
Hutchinson	4,045
Lawrence	4,500
Newton	12,751
Topeka	7,513
<b>Total Kansas Station Usage:</b>	39,987

#### **Procurement/Contracts**

Amtrak expended \$24,502,021 for goods and services in Kansas in FY09, \$23,529,633 of which was spent in Wichita.

#### **Employment**

At the end of FY09, Amtrak employed 12 Kansas residents. Total wages of Amtrak employees living in Kansas were \$779,229 during FY09.

#### **Expansion Planning**

Kansas Department of Transportation requested a study of options for the return of passenger rail service along a route between Kansas City, Missouri, and Oklahoma City, Oklahoma, running via Lawrence, Topeka, Newton, and Wichita. Amtrak is analyzing potential service scenarios, schedules, ridership and revenue estimates, required state operating contribution, and capital requirements to establish new service. The results of a route study should be complete in late 2009 and delivered to the State at that time.

Amtrak Government Affairs: November 2009

#### **Station Development**

Amtrak has worked with the City of Lawrence and a local citizens group in developing plans for acquiring the former Santa Fe Railway depot from the BNSF Railway for a thoughtful rehabilitation, returning it to its as-built, 1955 "moderne" styling. Local citizens have sponsored heritage exhibits and art fairs to enliven the depot at all hours. Late night musical performances have been held to entertain passengers waiting to board the nightly *Southwest Chief*. Amtrak has contributed to the project by installing a new display kiosk that provides train schedules, and ticketing, safety, and security information while enhancing the Amtrak brand visibility.

#### Stimulus Funding, Fiscal 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) provided Amtrak with \$1.3 billion for capital investments, including \$446 million for security and life safety improvements and \$842 million for rebuilding and modernizing infrastructure and equipment. Included in the latter category is a Mobility First program, designed as an immediate-action program to reduce as many accessibility barriers as possible prior to Amtrak's deadline of July 26, 2010, to bring stations into compliance with the Americans with Disabilities Act. Mobility First investments can include wheelchair lifts, connecting walkways, and designated parking spaces. Investments planned for Kansas include:

Dodge City	Information kiosk	\$ 11,000
Dodge City	Mobility First	\$ 79,200
Garden City	Mobility First	\$ 27,000
Hutchinson	Information kiosk	\$ 11,000
Hutchinson	Mobility First	\$ 14,000
Hutchinson	platform tactile edge	\$ 75,000
Lawrence	Information kiosk	\$ 10,000
Lawrence	Mobility First	\$ 9,000
Lawrence	new 550-foot platform	\$ 600,000
Newton	Information kiosk	\$ 11,000
Newton	Mobility First	\$ 70,000
Topeka	Information kiosk	\$ 11,000
Topeka	Mobility First	\$ 14,000
Topeka	platform tactile edge	\$ 100,000
Total Kansas ARRA funds:		\$ 1,042,200

## **Support Resolutions and Letters**

June 2009

 The Wichita Area Metropolitan Planning Organization issued a letter supporting the Northern Flyer Alliance and extension of Amtrak service between Oklahoma City and Kansas City, with a stop in Wichita.

January 2009

 The City of Arkansas City passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### December 2008

- The Wichita Downtown Development Corporation issued a *letter* of support for expanding passenger rail service to Wichita.
- The City of El Dorado passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### November 2008

- Cowley County passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Haysville passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Wellington passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Udall passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Rose Hill passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Mulvane passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- Sumner County passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### October 2008

- The City of Winfield passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Cassoday passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

- The City of *Park City* passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of *Oxford* passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Clearwater passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of *McPherson* passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### September 2008

- The City of *Peabody* passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Bel Aire passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Halstead passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### August 2008

- The City of *Guthrie* passed a *resolution* supporting the extension of passenger rail through Guthrie.
- The City of Midwest City passed a resolution supporting the extension of passenger rail northward from Oklahoma City.
- Ponca City Main Street sent a letter to Oklahoma Gov.
   Brad Henry supporting extension of the Heartland Flyer north into Kansas.
- The Old Town Association endorsed the extension of passenger rail from Oklahoma City to Kansas City through Wichita.
- The City of Hesston passed a resolution endorsing passenger rail service in the 10-year Comprehensive Transportation Plan.
- The Edmond Convention & Visitors Bureau sent a letter to Oklahoma Gov. Brad Henry supporting the extension of Amtrak service to Newton.
- Harvey County passed a resolution endorsing passenger rail service in the 10-year state-wide comprehensive transportation plan.
- The City of Sedgwick passed a resolution endorsing passenger rail service in the 10-year state-wide comprehensive transportation program.

#### **July 2008**

 The mayors of Ardmore, Pauls Valley, Purcell, Norman, Oklahoma City, Edmond, Guthrie, Perry, and Ponca City sent a *joint letter* to Oklahoma Gov. Brad Henry requesting support for northward expansion of the Heartland Flyer.  The City of Pauls Valley passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.

#### June 2008

- The City of *Derby* passed a *resolution* supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.
- The City of Edwardsville passed a resolution supporting the NFA and extension of Amtrak service between Oklahoma City and Kansas City.

#### May 2008

- The City of *Ponca City* passed a *resolution* supporting the expansion of Amtrak from Oklahoma City through Perry and Wichita to Kansas City.
- The Mayor of Guthrie sent a letter to Oklahoma Governor Brad Henry expressing support for an expansion of Amtrak service to Kansas.
- The City of Oklahoma City passed a resolution supporting the NFA and the expansion of the Heartland Flyer.
- The City of Perry passed a resolution supporting the expansion of the Heartland Flyer through Perry to Kansas City.

#### April 2008

- The Chase County Chamber of Commerce sent a letter of support encouraging consideration of a Strong City stop on an extended Heartland Flyer.
- The Edmond Chamber of Commerce sent a letter to Oklahoma Governor Brad Henry asking that the city be included in any future expansion of the Heartland Flyer.
- The City of Newton passed a resolution supporting the NFA and the expansion of Amtrak service between Oklahoma City and Kansas City.
- The City of Norman passed a resolution supporting the expansion of Amtrak service from Oklahoma City through Wichita to Kansas City.
- The City of *Topeka* passed a *resolution* supporting the NFA and extending the Heartland Flyer to Kansas City through Topeka.
- The Mayor of *Strong City* sent a *letter* to Amtrak requesting that Strong City be considered a stop on a passenger rail route through Kansas.
- The Topeka Santa Fe Railroad Retired Employees Club sent a *letter* to the NFA supporting the expansion of passenger rail service in Kansas.
- The Superintendent of *Tallgrass Prairie National Preserve* sent a *letter* of support for including Strong City as a stop on passenger rail service through Kansas.
- The Arkansas City Area Chamber of Commerce sent letters of support for the NFA to Kansas Governor Sebelius, State Sen. Goodwin, KDOT, and State Rep. Ed Trimmer.
- The National Association of Retired and Veteran Railroad Employees #140 sent a letter to the NFA

- supporting expansion of passenger rail service from Kansas City to Oklahoma City, via Topeka.
- The Executive Director of Camp Wood YMCA sent a letter of support encouraging inclusion of Strong City as a stop on passenger rail service through Kansas.
- The City of Valley Center passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.
- The Mayor of Edmond sent a letter to Oklahoma Governor Brad Henry requesting inclusion in an extended Heartland Flyer.
- The City of *Wichita* passed *resolution* supporting the extension of Amtrak service between Oklahoma City and Kansas City, with a stop in Wichita.
- The proprietor of the Grand Central Hotel sent a letter urging inclusion of Strong City as a stop on passenger rail route through Kansas.
- The City of Cottonwood Falls sent a letter of support encouraging inclusion of a Strong City stop on an extended Heartland Flyer.

#### March 2008

- The Shawnee County Commission passed a resolution supporting the expansion of Amtrak services in Topeka and Shawnee County.
- The City of Winfield's Mayor and Chamber of Commerce sent letters of support for the NFA to KDOT and State Representative Ed Trimmer.
- The City of Osage City passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.
- The Sumner County EDC sent a letter of support for the extension of Amtrak services through Mulvane.
- The City of *Peabody* passed a *resolution* supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.

#### February 2008

- The Mayors of Krum and Denton sent a letter to TxDOT indicating they are investigating a stop in Krum on the existing Heartland Flyer route.
- The Mulvane Chamber of Commerce passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.
- The City of Lawrence passed a resolution supporting the NFA and the extension of Amtrak service through Lawrence between Oklahoma City and Kansas City.
- The City of Arkansas City passed a resolution supporting the NFA and passenger rail expansion from Oklahoma City through Arkansas City to Kansas City.
- The City of Mulvane passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.

#### January 2008

 The City of Sedgwick passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.

#### December 2007

- The City of Strong City passed a resolution supporting the NFA and passenger rail expansion between Oklahoma City and Kansas City.
- The City of Emporia passed a resolution supporting the NFA and passenger rail expansion in Kansas.

#### October 2007

 The U.S. Senate passed S.294 (Passenger Rail Investment and Improvement Act of 2007) with a 70-22 vote; referred to House of Representatives the following day. The 6-year authorization provides matching funds for capital costs to start or improve state-sponsored routes.

#### **July 2007**

 The Kansas Department of Transportation requested that Amtrak study an extension of the Heartland Flyer between Oklahoma City and Kansas City through Wichita.

#### March 2007

 The Colorado Passenger Rail Association sent a letter of support to Kansas Gov. Kathleen Sebelius for passenger rail expansion in Kansas. See KDOT's response.

#### November 2004

 The Newton Chamber of Commerce sent a letter to Kansas Governor Kathleen Sebelius supporting the expansion of the Heartland Flyer to Newton.

#### October 2004

 The Mayor of Ponca City sent a letter to the Oklahoma Department of Transportation in support of making that city a stop on the existing Heartland Flyer.

## TESTIMONY TO THE SENATE TRANSPORTATION COMMITTEE February 3, 2010 8:30 a.m.

My name is Matt Zimmerman and I am serving as the City Manager for the City of Emporia. Emporia is an initial stakeholder in the proposed passenger rail service between Kansas City and Dallas-Ft. Worth via Wichita and Oklahoma City. Emporia has been a supporter of restoring daytime passenger rail, and the Northern Flyer Alliance, since 2007. Daytime passenger rail is a unique way to bring more quality of life, and economic development dollars, to a community of our size. Emporia has a historic downtown that was the first National Main Street community in Kansas. Daytime passenger rail will bring visitors to shop and dine in our downtown. The City has a location selected right on the commercial corridor for a stop if service is funded. It would also provide affordable and safe transportation for citizens from Emporia to Topeka, Kansas City and Wichita for work, shopping and recreation. The City and Emporia State University also recognize the benefits in easily and securely getting students to and from their homes. ESU has over 500 foreign students on campus with plans to double this number in the next 5 years. Train service would ensure a safe cost-effective method of bringing these students to campus. The proposed train station is less than a mile from campus.

Emporia is not the only community that supports new daytime passenger rail. Over 55 communities have adopted resolutions supporting new passenger rail. They also see significant economic development opportunities from this service. A list of communities that have passed resolutions is attached. Many of these communities have expressed hope to the NFA that passenger rail will be extended to their region in the future.

The proposed service will have a second benefit, of connecting many college communities in Kansas. The proposed route would include Kansas, Washburn, Emporia State and Wichita State, 4 of the 6 Regents universities. K-State students would have a reasonable drive from Topeka. The train service would also connect many Big 12 universities, including KU, K-State, Oklahoma State, and OU. Short train connections to Missouri, Texas, Baylor, and Texas A&M are all currently available.

Thank you for this opportunity to provide my testimony on the value of daytime service to the Emporia area.