

Southwest Chief Routing

Kansas Legislature March 14, 2013

Ray Lang, Chief, State Government Relations



Situation



- BNSF has shifted through freight traffic from the current route of the Southwest Chief to its parallel "Transcon" route
- Local freight, coal, and commuter traffic remain on some portions of the current route
- Although BNSF traffic patterns are subject to change, there are no prospects for routine through freight traffic to resume on the *Chief's* current route
- BNSF requires lesser track speeds and ride quality on the line for its remaining purposes
- This will make the current 700-mile Newton-Albuquerque route unsuitable for through passenger service



Situation

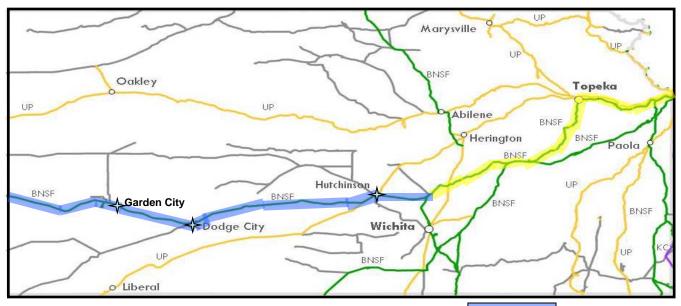


- Alternatives include funding maintenance on the current route, or re-routing the *Chief* to the "Transcon" main line
- Both Amtrak and BNSF railroads are committed to work with the affected communities to find a solution to the issue, with Amtrak and BNSF saying the current route is the best for the Southwest Chief.
- Many communities and others have made investments in their stations and in otherwise supporting the service – and those efforts are recognized and appreciated.



Current Southwest Chief Route - Kansas





Current Route in Question

| Affected Communities | FY12 Boardings & Alightings |
|----------------------|------------------------------|
| Hutchinson | 5,239; up from 5,185 in FY11 |
| Dodge City | 5,174; up from 5,149 in FY11 |
| Garden City | 7,887; up from 7,511 in FY11 |



Current Southwest Chief Route - Colorado





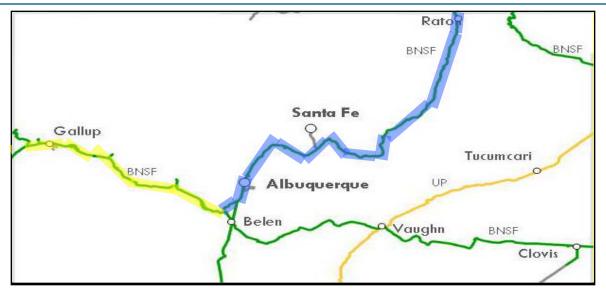
Current Route in Question

| Affected Communities | FY12 Boardings & Alightings |
|----------------------|--------------------------------|
| Lamar | 1,936; up from 1,840 in FY11 |
| La Junta | 6,566; down from 6,653 in FY11 |
| Trinidad | 4,770; up from 4,535 in FY11 |



Current Southwest Chief Route - New Mexico





Current Route in Question

| Affected Communities | FY12 Boardings & Alightings |
|----------------------|----------------------------------|
| Raton | 16,292; down from 16,749 in FY11 |
| Las Vegas | 5,653; up from 4,952 in FY11 |
| Lamy | 12,589; up from 12,579 in FY11 |



Preserving the Current Route



- Maintaining passenger service on the current route will involve annual maintenance and capital costs, plus onetime major capital needs
 - Annual maintenance costs are estimated at \$10 million and must be funded starting January 2016 at the latest
 - One-time capital needs are in the \$100 million range and must be funded within the next 10 years
 - If capital costs are not funded through a one-time grant, they must be funded over time through increases in the annual cost
 - Cost estimates are based on Amtrak analysis of data provided by BNSF



Preserving the Current Route



- As Amtrak cannot absorb these costs on its own, one solution is equal cost-sharing among the five affected parties: Amtrak, BNSF, Kansas, Colorado and New Mexico
 - About \$2 million per party per year, with a 20-year commitment
 - Plus \$100 million in one-time capital within 10 years



Preserving the Current Route



Other funding possibilities

- Existing federal grant programs
 - Address the one-time capital costs
 - Passenger capital grants may require a non-federal match and a 20-year commitment to operate the passenger service
 - Highly competitive and subject to future federal appropriations
- Legislation in Congress
 - Last year, the Senate passed S. 1813 (known as "MAP-21")
 - Section 35107 of the bill would create a Federal grant program that could be used for the capital costs of preserving longdistance Amtrak routes, including the Southwest Chief
 - Amtrak or states could apply for the grants, which would not require a match
 - Would be subject to future federal appropriations
 - Would need to be re-filed in this Congress



Conclusion



- Decisions and financial commitments will be needed in 2014. Costs must be funded starting January 2016 at the latest.
- If they are not in place, steps will need to be taken to operate the train via a different route between Newton and Albuquerque by 2016.

