



August 15, 2018

Yesterday we learned that Amtrak issued an employee advisory concerning the Southwest Chief and its proposal to break the line in two with a bus bridge. Rail Passengers Association analyzed the advisory, and we found several troubling claims.

"The Southwest Chief currently loses more than \$50M every year."

The best way to make the situation worse would be to truncate it with a bus bridge, as proposed by Amtrak. Having analyzed the Chief's passenger load throughout its route, Rail Passengers estimates significant ridership and **70% of the trains' current revenue would be at risk**. The proposed bus bridge would be of a significant enough duration – 6-12 hours—to decimate high revenue sleeping car ridership. Even worse, using concepts developed by the Volpe Transportation Center for Amtrak in 2009, suggests that as much as **80% of the costs that Amtrak allocates to the Chief may represent fixed costs** for shared facilities and overhead, which would simply make every other train in the system look worse.

"We are responsible for all maintenance and capital costs for a 219-mile stretch of the route between Colorado and New Mexico."

A coalition of state, federal, and private entities has been working for years to address the line's funding needs. The U.S. DOT recently awarded a federal TIGER Grant worth \$16 million for such work with locals, BNSF Railroad, and Amtrak each committing to a \$3 million match. Amtrak blocked the grant by renegeing its promised match, throwing away \$22 million in outside funds to "save" \$3 million.

"Positive Train Control is not installed on a 348-mile stretch between Dodge City, Kan., and Albuquerque."

The Raton Route in question is considered safely exempt by the Federal Railroad Administration, save for the Rail Runner district in Albuquerque; the Rio Metro Regional Transit District is currently working with the FRA to ensure that it meets all PTC requirements in a timely fashion. Going beyond FRA standards sets a precedent that [puts at least a dozen other routes at risk](#).

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“This is an issue for us because we have a clear mandate from Congress, which is stated in the FAST Act, to deliver our services in a cost-effective manner, and we are falling short of this mandate with the Southwest Chief.”

The FAST act also authorized Amtrak’s current network footprint, making it an awkward law to lean on. It is also very likely that **eliminating the Chief will not lower taxpayer costs**, given that Amtrak doesn’t capture the incremental cost of operating it. Again, as much as 80% of the Chief’s costs may be fixed.

“We are continuing to have conversations with members of the Kansas, Colorado and New Mexico congressional delegations and state and local leaders about the various options and funding needs. In addition, we will have senior executives onboard the Southwest Chief next week to talk with our stakeholders along the route.”

Amtrak did not announce their Southwest Chief proposal until state legislatures in Colorado, Kansas, and New Mexico and already adjourned for the year. These three states invested over \$9 million in state funds (\$6 million in previous TIGER grant applications with another \$3 million in the current round of TIGER grants), based upon an explicit agreement between Amtrak-served communities, BNSF Railroad, and until recently, Amtrak. After the company’s sudden reversal, Amtrak will need to rebuild trust with these customers in the talks that take place going forward.

Most troublingly, the advisory fails to mention the Southwest Chief related amendments in the minibus, indicating that the railroad does not believe final passage is certain. However, the arguments employed are essentially unchanged from what they have said before, and that already proved ineffective in the Senate. It is important that Members of the House of Representatives understand that Amtrak’s treatment of their stakeholders is unacceptable in this case. The solution they need is before them: the Senate Minibus, H.R.6147, as passed in-tact, will ensure that years of well-intentioned work in the Southwest amount to something.

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