



PRIVATE PASSENGER RAIL Live Long and Prosper?



IOWA PACIFIC RAILROADS



STATE OF PLAY FOR PRIVATE RAIL PASSENGER OPERATORS

- Total number of private intercity rail passenger operators in the US: 1
- **Total number of trains per week: 8**
- **Total number of railcars in service: 4**



WHAT ARE THE COMPONENTS OF PRIVATE OPERATION

- Access to the infrastructure and facilities needed to run services
- Rolling Stock
- Compliance with all applicable regulations
- A business plan
- Funding

ACCESS TO INFRASTRUCTURE AND FACILITIES

- Only Amtrak has compelled access
- Private operators must negotiate access
- Amtrak controls many, but not all major stations
- PRIIA 217 gives access to states



ROLLING STOCK

- Amtrak owns a lot of rolling stock
 - Newest Amtrak passenger-carrying equipment is 20 years old
 - Amtrak rolling stock is high mileage, and has high failure rates
- Private operators have several options
 - State-supplied rolling stock
 - Heritage rolling stock upgraded to be compliant
 - New rolling stock



COMPLIANCE WITH APPLICABLE REGULATIONS

- FRA enforces many regulations
 - 238 – passenger rolling stock
 - 223 – windows
 - Many others including locomotive, operating crews, drug and alcohol, etc.
 - Also enforces ADA.
- FDA – Food service, water, commissary
- OSHA – worker safety
- States – Liquor license, public health



BUSINESS PLAN

- But passenger trains don't make money!
- Analyze revenues and expenses
- Key items include rolling stock maintenance cost, insurance, fuel, labor
- How do you make the numbers come out?



FUNDING

- State-supported trains
 - 19 states support intercity services
 - Many are looking for improvements vs what they have now
 - Indiana was the first to move private services
- Fast Act provision for private operation of long-distance routes
 - Up to three routes can be privatized
 - Private operator has to make agreement with track owner
 - USDOT provides up to 90% of the subsidy Amtrak receives

WHAT HAPPENS NEXT?

SOME POSSIBLE OUTCOMES

- Amtrak realizes that private investment can help them leverage their assets to provide additional train services, grow the network, and improve their financial situation
- States continue to look for alternatives that provide better service
- Private operators make direct access arrangement with track owners



THANK YOU

Questions?