



Amtrak Southwest Chief's Future in Doubt *ColoRail Background Paper (DRAFT)*

1. **Problem:** Amtrak's Los Angeles to Chicago Southwest Chief, currently operated over BNSF in New Mexico, Colorado and Kansas, faces an uncertain future between now and 2015. At issue is the future cost of track work, bridges and signals maintenance necessary for passenger train operations. There is not a Congressional funding mechanism for this presently available.

2. **Background:** In 1970 Congress chartered a government corporation, the National Railroad Passenger Corporation otherwise known as Amtrak, to assume responsibility for a national rail passenger system. A network of routes was established, two of which pass through New Mexico: the Sunset route along southern New Mexico from Las Angeles to New Orleans and the Southwest Chief route from Los Angeles to Chicago passing northern and central New Mexico. Unfortunately, Congress made no provision for a permanent funding stream to capitalize Amtrak equipment and infrastructure needs. Amtrak now covers about 80% of its own operating (non-capital) costs. The big issue for transportation is infrastructure costs.

3. **The Amtrak Relationship with Freight Railroads:** Amtrak negotiates multi-year contracts with the freight railroad's to operate its passenger trains over their right-of-way, for which Amtrak pays them compensation. Amtrak operates as a tenant railroad for all long distance routes outside the Northeast Corridor.

Freight railroads have long asserted that Amtrak contract payments do not adequately compensate them for maintaining this trackage to the standards Amtrak needs. They also claim it does not compensate them for the fact that Amtrak requires that its passenger trains take priority over the railroad's own freight business because it is a Congressional requirement.

The second point is also important because the Staggers railroad deregulation act of 1981 stimulated an increase in freight traffic that soon outgrew existing track capacity. Contractually the same freight railroads must find track space to handle Amtrak passenger traffic.

One response by each freight railroad to this was to adjust freight traffic patterns and routes, by concentrating traffic on some routes and reducing it on others. Another response was to make substantial investments to expand existing capacity, such as the BNSF's Abo Canyon double tracking project.

4. **Route of the Amtrak Southwest Chief:** The Southwest Chief 2200-mile route diverges from the BNSF main "Transcon" east-west line at Newton, Kansas. Amtrak then uses the passenger route through Garden City, Kansas and Lamar, La Junta and Trinidad, Colorado and over Raton Pass. Within New Mexico the route goes from Raton, through Las Vegas, and Lamy where BNSF ownership ends. From Lamy, it continues south through Albuquerque to Isleta where it returns to BNSF-owned track and heads west to Los Angeles. This segment of the route is about 686 miles long, about one third of the total 2200

mile route. The route Amtrak uses between Newton, Kansas and a point west of Isleta has very little freight Traffic. Within New Mexico, BNSF has no freight customers on the portion of the line it owns and maintains under contract for Amtrak. Thus Amtrak is the only user.

5. The future of line is in doubt: Its future is in doubt because of several factors. First, the line is wearing out and it is now time to undertake much needed, long-term maintenance. Second, Amtrak/BNSF contract renegotiations come due in 2015. A separate, but related, issue affecting the future of the line from Lamy to the Colorado border is the fact that the state and BNSF are currently in a standoff over completion of the state's purchase of the BNSF trackage from Lamy to the Colorado border. This complicates the issue. BNSF has provided Amtrak with its cost figures for maintaining the line for the Southwest Chief.

Ten Year Capital Needs: Amtrak has been told by BNSF that the 10-year capital needs for the 686-mile line in question are approx \$94.4 million For the New Mexico portion of the line (CO/NM border to Lamy where NMRX begins ownership) this amounts to approx \$ 3.8 million for bridges and structures.

Annual Routine Maintenance: The non-capital outlay identified is \$11.58 million per year for the entire line. The Colorado line's portion of this amounts to about 3.8 million for routine maintenance needed for Amtrak operation beyond BNSF's minimum requirements.

Amtrak/BNSF Contract Renegotiations: Funding from somewhere will be needed to maintain this route to adequate standards to continue operation of the Southwest Chief beyond 2015. The emergence of this funding issue as BNSF and Amtrak approach contract renegotiations is probably not a coincidence.

Possible Line Abandonment by BNSF: Amtrak is currently the only customer on the Lamy, New Mexico-Colorado border segment of the line owned by BNSF. BNSF can file for abandonment of the line when it reaches a point where there is no customer. Depending on the outcome of the stalled purchase of the line by the State of New Mexico, that point could be reached in 2015, if Amtrak no longer uses the line.

6. Current Situation: A coalition is forming in southeast Colorado, Kansas, and New Mexico to support continuance of the Southwest Chief.

Colorado and Kansas: Amtrak has notified communities along the line in Kansas and Colorado about their developing problems with Southwest Chief cost issues. With the leadership of La Junta and ColoRail in Colorado resolutions or letters supporting continuance of the Southwest Chief have been passed by the cities of La Junta, Lamar and Trinidad, Counties of Otero and Las Animas, the Arkansas River Power Authority, and by Action 22, the association of 22 southeastern Colorado counties.

La Junta Meeting: The Colorado Rail Passenger Association brought the current situation and the need for a coalition to the attention of local Colorado communities in a series of recent meeting. Officials from La Junta then convened a meeting with local officials which was held at La Junta on November 10th. Forty representatives from La Junta, Trinidad, Lamar, and Pueblo, CO, Albuquerque and Colfax County, N.M., plus representatives from several Kansas communities attended and were briefed by ColoRail and Passenger Rail Kansas. An Amtrak representative commented on the 2012 budget. Staff from Colorado's U.S. Senators and two southeastern Congressmen also attended the meeting as well as a representative from the Colorado Department of Transportation.

New Mexico Counties: At this time, county and municipal officials from Mora, San Miguel, Santa Fe, Sandoval and Bernalillo Counties are likely unaware of these developments. Mid Region Council of Governments is aware of it, but is stretched thin attempting to address more immediate Rail Runner sustainability issues. It is unknown to what extent, if any Albuquerque is aware of it.

7. A Multi-state Approach: As one outcome of the November 10th meeting in La Junta, local officials took the first steps toward organizing a coalition of the affected towns and counties in the three state region. It is being called the Southwest Chief Coalition. Consensus among the local leaders was reached and a steering committee of one local elected official and one senior local manager from each state was formed. The steering committee will work out important issues including a common message across the states and regions, organizational structure, strategies, and future meetings.

Colorado's two representatives are Mayor Don Rizzuto and City Manager Rick Klein of La Junta. New Mexico's two representatives are County Commissioner Bill Sauble and County Manager Don Day of Colfax County. Kansas is represented by Mayor John Doll and City Manager Matt Allen of Garden City.

8. Impact: The potential end of rail passenger service would negatively affect Colorado and the other two states. First, the train is virtually the only transportation alternative to driving for many citizens. There is little or no bus or air service for much of the route. Second, the Amtrak Southwest Chief issue has the potential to significantly affect Colorado's tourism industry in the southern region of the state. Communities and tourist venues along the route are currently developing proposals for Amtrak Vacations which would be marketed by a sophisticated international marketing firm. The firm has pointed out that the venues in Colorado should have great appeal in Europe and Asia. Some European tourists already visit the region from Germany, attracted by the western history, culture and natural resources. Opportunities for tourists on charter rail services are also being investigated and great interest has been shown. Finally, loss of service has the potential to directly affect Denver, Colorado Springs and Pueblo. In the worst-case scenario abandonment of the parts of the BNSF line would forever foreclose many rail passenger or freight options along the Front Range, between Denver and El Paso.

9. Action Steps: Unfortunately, right now, many local elected officials including legislators are probably not aware that there is a railroad financing problem affecting the Amtrak Southwest Chief. You are in a position to communicate with affected county officials and legislators and other colleagues and contacts to make them aware of these developments.

Alert Local Officials: We ask that your help in alerting those officials (elected and otherwise) to the fact that Amtrak's continued service to their state and communities is in question beyond 2015. Local economic development interests and affected Chambers of Commerce also need to consider their positions on the issue.

Inform Affected Legislators: We ask that you alert legislators in counties and inform them about the problem and ask for support.

Colorado Legislative Council Services: We ask legislators to refer the issue to Legislative Council so that they can research the issue and make recommendations to you and other interested legislators about possible resolutions or other actions.

Governors and State Departments of Transportation: Governors and DOTs in all three states should be contacted to solicit their support. Representatives of the Coalition and ColoRail are in contact with the Governor of Colorado and the state's Department of Transportation.

Congressional and Federal Officials: Finally, this problem will only be resolved with action by officials in Washington, DC. Once local and state leaders are aware of the problem we can turn our attention there. Only a local and state driven effort by the affected people and businesses will generate action in Washington.

10. We hope you can alert appropriate stakeholders about this issue and will find this information useful. If you have any questions, we can talk to you at your convenience. The **Colorado Rail Passenger Association (ColoRail)** can also provide additional information or briefings. We can be reached at:

Jim Souby 303-355-7985
Gary Carter 719-406-6161

jsouby@comcast.net
pueblosilver@yahoo.com