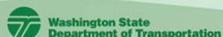


Pacific Northwest High Speed Rail Corridor Amtrak Cascades Passenger Service Update

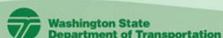
John Sibold
Cascade Rail Corridor Director
State Rail and Marine Director, WSDOT

International Mobility Trade Corridor
Bellingham, WA
October 18, 2012



Presentation overview

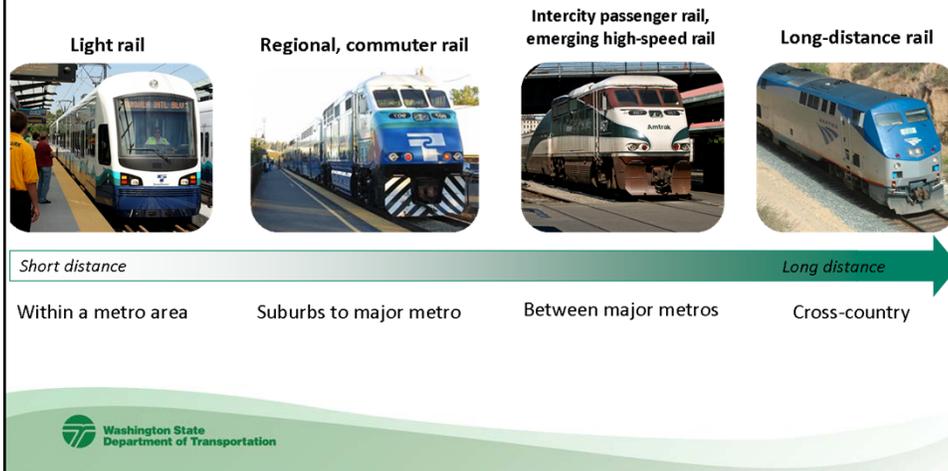
- Types of passenger rail
- ARRA Program
- Current performance
- Upcoming changes under PRIIA
- Corridor approach
- Corridor policy and project development
- Washington State Rail Plan



Types of passenger rail

Choosing the right tool for the right job:

Which is the *right* type of passenger rail to serve your transportation needs?



ARRA stimulus funding service requirements

- Federal funding for capital improvements requires WSDOT to commit to service outcomes for 20 years beginning 2017:
 - Two additional round trips between Seattle and Portland, for a total of six
 - 10-minute time savings
 - Improved on-time performance to 88%
- These service outcomes support our shared program goal of more frequent and reliable Amtrak Cascades service.
- **No new service will be planned or negotiated until after the completion of construction in 2017.**
- Adding capacity to existing trainsets is an option.

Northern corridor capital investments

Six projects totaling \$150 million

- Adding capacity to reduce congestion and freight train conflicts
 - Everett Storage Track - \$3.5 million, starts Nov 2012
 - Mount Vernon siding - \$8.5 million, starts Winter 2014
 - Blaine Swift Customs Facility Siding - \$5 million, starts Summer 2014
- Upgrading rail infrastructure and enhancing rail safety
 - Advanced Wayside Signal System (corridor wide) - \$60.1 million, starts late 2013
 - Corridor Reliability North (track upgrades) - \$57.3 million, starts Spring 2016
- Reducing mudslide disruptions
 - Corridor Reliability Slide Management Projects - \$16.1 million, starts Summer 2014



Preclearance update

- All indications point to delay in pre-clearance implementation by Dec 31, 2012
- State Department authorized CBP to begin drafting the Action Plan in Aug 2012
- CBP seeks to harmonize facilities and procedures for Air, Rail and Marine
- Many unresolved issues:
 - Security
 - CBP security and protection in Canada
 - CBP ability to carry arms in Canada
 - Advance passenger information and vetting
 - Facilities
 - Standardized facilities and procedures
 - Additional facility requirements at Vancouver Station likely
 - Canada must pay for facility improvements
- Stakeholder involvement unlikely to occur
- WSDOT and Amtrak will be meeting with CBP Seattle Regional office next week to discuss state's interest



Gateway Pacific Terminal proposal – common questions

The role of rail capacity in WSDOT's rail planning:

- Rail capacity is not static. The volume of traffic that can be accommodated depends not only on infrastructure, but also on the railroad's scheduling strategy, use of technology and many other business decisions.
- Rail capacity is not a concern for our passenger service. Under agreements with WSDOT, BNSF is obligated to ensure that Amtrak Cascades meets its performance requirements for on-time reliability and travel time reduction.
- Capacity analysis is one of many tools used to assess needs and develop recommendations for investments. Because capacity is dynamic it should not be used as a sole measure for decision making.

Passenger service performance measures

- Current on-time performance: 71%
- Year-to-date ridership: 647,024
- Year-to-date ticket revenues: \$23,430,321
- Current farebox recovery: 65%
- Projected allocation of costs for 2011-2013 biennium:
 - WSDOT: 47%
 - ODOT: 29%
 - Federal, through Amtrak: 24%

Funding challenges under PRIIA

Passenger Rail Investment and Improvement Act of 2008

- A 2008 law passed by Congress requires states to pay for all state-sponsored service.
 - The States for Passenger Rail Coalition, chaired by Washington Transportation Secretary Hammond, developed and endorsed Amtrak methodology
- WSDOT is working with Oregon to develop an implementation strategy.
- One Amtrak Cascades train between Seattle and Portland is currently funded by federal Amtrak dollars.
- Starting in October 2013, Washington and Oregon must absorb those costs.



Additional costs under PRIIA

	Today	Estimated impact, starting October 2013
Operations	Amtrak contributing 23.7% of costs in 2011-2013	Additional \$3 million per year for Washington; additional \$2 million per year for Oregon.
Equipment	Amtrak owns 2 of the 5 trainsets in the fleet	Additional \$1.5 million per year for Washington; additional \$350,000 per year for Oregon.
Facilities	Data not available	To be determined
Maintenance of capital improvements	Not applicable	Starting in 2017: additional \$3 million per year for 20 years



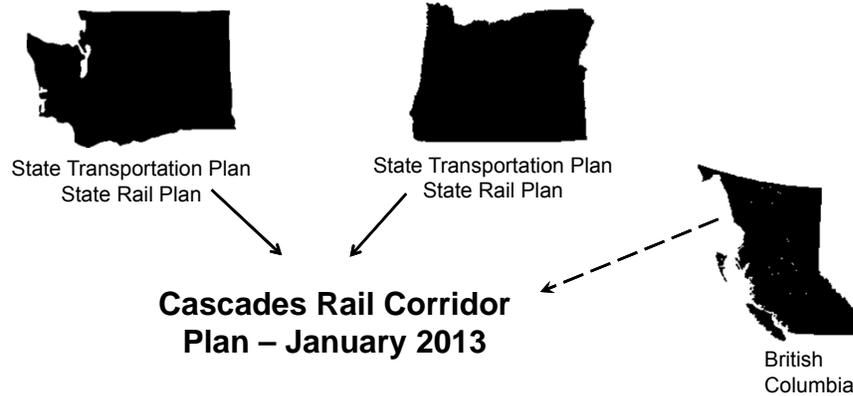
Increasing revenue to address funding challenges

- Understand our passenger profile
- Customer acquisition and loyalty through aggressive pricing strategies:
 - Fare increases in March and June 2012
 - Fare sales focused on off-peak travel, first sale in market on October 23
 - Pricing promotions and offers with discounts on targeted off-peak travel
- Micro-targeted marketing strategies
 - Mix of digital, print and radio advertising
 - Tourism partnerships
 - Email blasts to current and previous Amtrak Cascades passengers

Corridor approach to funding challenges Washington, Oregon & British Columbia

- Deliver consistently on customer expectations for HSR
- Build revenue to cover the cost of operations
- Grow ridership in the largest business centers
- Provide a competitive transportation alternative
- Pool resources for increased efficiencies
- Reduce costs
- Partners share in revenue and costs

Memorandum of Understanding Corridor partnership - Spring 2012



Corridor management workplan

Key elements:

- Initial corridor vision, goals and objectives;
- Roles and responsibilities of Corridor Director;
- Work program for day-to-day operation and oversight;
- Issues to be addressed agreement negotiations;
- Policy questions;
- Opportunities to include British Columbia in joint funding, revenue-sharing and decision-making.

WSDOT and ODOT will formalize this framework in an interagency agreement, anticipated in Summer 2013.

Considerations for new corridor stops

We do not anticipate any service changes until the capital program is completed in 2017, but we continue to plan for the future. Considerations include:

Operational feasibility	Does the stop meet the goals for High Speed Intercity Passenger Rail Service? Does the stop increase travel time? If so what stop should be eliminated to comply with travel time requirements?
Customer demand	Based on a ridership and revenue forecast model, what is the potential market demand for the stop? To what extent are there new riders or riders transferred from existing Cascades stops?
Station suitability	What are the strengths and challenges associated with using the building as a Cascades stop? What are the likely capital improvement needs?
Interconnectivity benefits	How would the station stop improve multi-modal connectivity and reduce vehicle miles traveled?
Financial viability	What is the benefit-cost ratio associated with the new stop? What level of ridership and revenue would be needed to cover costs? Is the city willing to guarantee ridership and revenue?

Corridor policy and project development

Now:

State rail plans, Oregon Passenger Rail EIS, Corridor management plan

- Oregon's EIS will determine an alignment to guide future investment.
- Washington is delivering its capital program to improve service.
- Washington and Oregon will manage the corridor jointly to improve efficiencies and reduce costs.
- Washington and Oregon will conduct joint service and fleet planning.
- Washington and Oregon will explore infrastructure improvement priorities for the corridor, in areas outside the scope of the EIS.

What's next:

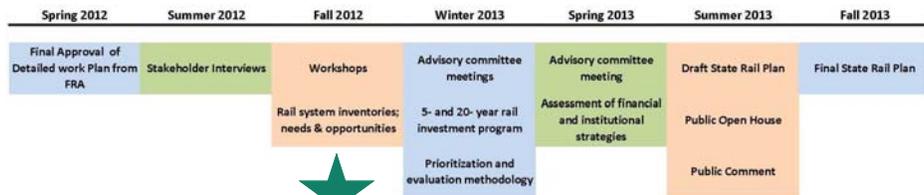
Corridor strategic plan, governance

- Washington and Oregon will identify infrastructure improvements and work together to seek funding.
- The states will work with British Columbia to develop business strategies and prioritize program initiatives.
- Washington, Oregon and British Columbia will explore options for cost allocation and revenue sharing.

Washington State Rail Plan

The plan will serve as a strategic blueprint for future investment in the state's rail transportation system.

Project milestones and opportunities to participate:



Public workshops:

October 30 in Spokane
October 31 in Seattle

Contact information

John Sibold

Cascades Rail Corridor Director
WSDOT State Rail and Marine Director
360.705.7900 or siboldj@wsdot.wa.gov