

Kansas Passenger Rail Update

May 12, 2009

Introduction

The five months since President Obama took office has seen a whirlwind of activity to revive and support the nation's passenger rail system. Building on strong grassroots support spearheaded by the Northern Flyer Alliance, the Kansas Legislature also showed interest in expanding state-supported passenger rail in Kansas. The Kansas Department of Transportation (KDOT) supports the concept of state-supported passenger rail. It will take steps (described below) to seek funds for rail infrastructure improvements and plan for the future in the event the Legislature funds state-supported passenger rail service.

The Feasibility Study is Still the Key

The Amtrak Expansion Feasibility Study remains the foundation for future expansion of state-supported passenger rail. The study is evaluating the potential costs of state-supported intercity passenger rail between Kansas City and Oklahoma City and Fort Worth. Amtrak is conducting the study and has indicated it will be completed sometime in 2009 – probably late in the year. The study will identify the infrastructure, capital and operating support needs (based in part on ridership estimates) and costs to start and support the service. Once the study is done, it will form the basis of recommendations for the Legislature to consider.

Federal Funding Opportunities Have Emerged

Two federal funding opportunities are now available – the American Recovery and Reinvestment Act of 2009 (ARRA) and the authorization of a new federal surface transportation program.

ARRA Funding – KDOT will apply for \$10 million

Congress appropriated \$9.3 billion for passenger trains, of which \$1.3 billion is devoted to Amtrak, and the remaining \$8 billion is devoted to high-speed rail corridor development, intercity passenger rail and congestion. The legislation makes funding available until September 2010. The Federal Railroad Administration (FRA) was directed to develop guidelines by June 17, 2009 for prospective applicants to follow when applying for grants. As of this writing, those guidelines have not been issued, so there is no information about deadlines or eligibility requirements.

KDOT will apply for \$10 million in ARRA funds to upgrade the highway/rail crossing signal timing between Newton and the Kansas/Oklahoma state line to

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handle 79 mph passenger train speeds. Currently, the signal timing along the route is set for slower freight trains. Upgrading the signals will be essential for crossing safety if that section of track is to be used for passenger train travel.

ARRA grants are more flexible than other federal passenger rail grant programs because 1) they don't require matching funds – projects can be fully funded with federal funds and 2) they don't require a Statewide or Passenger Rail Plan. Although a formal plan isn't required, the FRA has stated it will look for evidence that ARRA projects fit into an applicant's longer-term intercity passenger rail development plans, including evidence that projects are on a prioritized list of projects that meaningfully advance a longer-term corridor development program. A passenger rail plan is required for other federal passenger rail grant programs.

Grants from ARRA and other FRA grant programs cannot be used for operating support, only for infrastructure improvements and the purchase of train sets. At this time, other passenger rail grant programs are not accepting applications. If the FRA opens those programs for grant applications, KDOT will review them to identify additional funding opportunities. If KDOT is not successful in securing ARRA or other grants before a state-supported passenger rail service is started, it intends to seek any federal funding for which it is eligible if state-supported passenger rail service is adopted by the legislature.

New Federal Transportation Program – KDOT will apply for \$10 million

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was the largest surface transportation investment in our Nation's history. It provided funding for highways, highway safety, and public transportation totaling \$244.1 billion. It expires in September 2009 and the authorization process for a new federal surface transportation funding program provides opportunities to apply for funds for passenger rail projects.

Based on planning level judgments, KDOT will ask for \$10 million for planning, preliminary engineering and construction of safety and capacity improvements between Newton and the Kansas/Oklahoma state line. The improvements may include signal timing upgrades, track rehabilitation or siding additions. It may take more than a year for Congress to consider and take action on the legislation.

Amtrak Devotes ARRA Funding to Kansas

Amtrak announced in March that it will devote \$1,042,200 of its ARRA funding to improvements at the six stations in Kansas serving the Southwest Chief. The projects include signage, platform kiosks, wheelchair lifts and platform improvements. These upgrades would have been needed if Kansas starts a statesupported passenger rail.



The State Rail Plan will be Updated

KDOT will update its state rail plan, and it will include passenger rail, freight rail and short line rail components. KDOT issued a request for proposals from prospective consultants in April 2009 and expects the planning to begin in July 2009. Once the Amtrak Expansion Feasibility Study is completed, the plan's passenger rail component may need to be updated to reflect the study's results. A passenger rail plan is not required to seek ARRA funds, but is required to seek other federal grants for passenger rail service. An updated rail plan will position KDOT to develop a passenger rail program if it is authorized and funded, and to apply for other federal grants if the state implements expanded passenger rail.

Legislature Shows Support for Passenger Rail

During the 2009 session, the Legislature expressed interest in expanded passenger rail but fell short of authorizing funding for operating support. The Senate adopted Senate Concurrent Resolution 1617 on April 1, 2009 and the House drafted but did not act on House Concurrent Resolution 5014. Concurrent resolutions, as used in this case, express the Legislature's opinion or sentiment ¹ about an issue. They urged KDOT to apply for ARRA funds for the expansion of passenger rail in the state. In summary, the Legislature used the concurrent resolutions to resolve that:

- **a)** KDOT amend the state comprehensive transportation plan (CTP) to include intercity passenger rail development
- **b)** KDOT is encouraged to develop a long-range passenger rail plan to include in the CTP
- c) KDOT take immediate action to apply for funds provided by the American Recovery and Reinvestment Act of 2009 (ARRA) and that KDOT be enabled to prepare an application for ARRA funding
- **d)** The State of Kansas intends to further develop its multi-modal transportation plan incorporating supplemental funding contingent on the findings of the Amtrak Expansion Feasibility Study
- e) The State of Kansas seeks to enhance economic development opportunities in its communities through supplemental passenger rail operations
- **f)** Amtrak is encouraged to expedite completion and delivery of the Amtrak Expansion Feasibility Study.

The Legislature also began work in 2009 on a new state transportation program. HB 2382 stated in Section 1 (h), "Contingent on the findings of the Amtrak feasibility study, the transportation program may develop a passenger rail program to provide passenger service in the state." However, the bill did not include any funding. It was not acted on in this session. The Senate drafted SB 323 but did not act on it during this session. It addressed funding for a transportation program but not operating support for passenger rail.



Authorizing and Funding Expanded Passenger Rail

Absent official legislation, KDOT does not have the authority to fund the operating support that would be needed to bring expanded passenger rail to Kansas. For this reason, KDOT cannot apply for grants that would, for all practical purposes, commit the state of Kansas to provide operating support for passenger rail service. Crafting a new transportation program is the Legislature's responsibility. KDOT's role is to make recommendations and offer guidance in how it is structured.

These steps are needed to authorize and fund state-supported passenger rail:

- **a)** Complete the Amtrak Expansion Feasibility Study. Without the cost estimates from the study, KDOT cannot prepare a funding recommendation for the legislature to consider.
- **b)** If the study shows evidence that state-supported passenger rail should be considered, develop recommendations for the Legislature's consideration based on the study results.
- **c)** Draft legislation to authorize operating subsidies for a state-supported passenger rail program, which requires approval of 2/3 of both houses, and provide the funding.

<u>For More Information, Contact...</u> Ron Kaufman

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ⁱ Kansas Legislative Research Department, <u>Legislative Procedure in Kansas</u>, November 2006, pg 150, http://skyways.lib.ks.us/ksleg/KLRD/about/legproc.pdf. Retrieved May 6, 2009.