REVIVING PASSENGER RAIL ALONG AMERICA’S GULF COAST
PASSENGER RAIL MISSING BETWEEN NEW ORLEANS AND JACKSONVILLE

GULF COAST CORRIDOR

- Gulf Coast Corridor (to be restored)
- Existing Service
- Proposed Service

Passenger rail currently serves New Orleans and Jacksonville, but not in between.
GULF COAST PASSENGER RAIL ROUTE
REVIVE PASSENGER RAIL SERVICE
ON THE GULF COAST

The Gulf Coast had passenger rail service from 1894 to 2005. However, since Hurricane Katrina, the region has gone without any passenger rail service and its absence is exacting a price on the communities once served. It is time to revive passenger rail service on the Gulf Coast.

OUR ASK: Submit a support letter on behalf of the Southern Rail Commission (SRC)’s applications for two federal grants - Consolidated Rail Infrastructure and Safety Improvements (CRISI) and Restoration and Enhancement (R&E) Grants - that will bring back new, improved, daily passenger rail service between Mobile, AL and New Orleans, with two round trips starting and ending in Louisiana every day.

BACKGROUND
After Katrina, Congress created the Gulf Coast Working Group to determine a path forward for passenger rail service in the region. The group included the Federal Railroad Administration (FRA), the SRC, and elected officials and business leaders from the Gulf. In 2015, the Senators created new federal rail programs with set asides to restore passenger rail service in the Gulf: the CRISI program and the R&E programs. CRISI can fund the capital improvements necessary to restart service and R&E can cover most operating expenses for the first three years for the restored service.

In 2018, FRA issued notices of funding opportunities (NOFO) for FY17 and FY18 funding for the CRISI program and for FY17 funding for the R&E programs. The SRC submitted a grant application in May 2018 for FY17 R&E funds and a grant application in October 2018 for FY18 CRISI funding.
COSTS
- Total Project Infrastructure Costs: $50.91 million
- Total Cost of Infrastructure Improvements in Louisiana is $6.45 million
- Louisiana is expected to contribute $6.45 million through existing federal funds
- Louisiana DOT would prioritize their existing federal formula funds to pay for $115,000 million in required improvements at 2 grade crossings

OPERATING SUPPORT
- The SRC submitted an application for an R&E grant to offset the estimated $6.97 million in net operating cost annually. In addition Amtrak has agreed to help cover some of that operating cost. Louisiana would split equally with Mississippi and Alabama the amount that the R&E grant and Amtrak won’t cover.
- Louisiana has already committed the necessary matching funds for 3 years of R&E grants, bringing the total state commitment to **$9.5 million dollars**.
- Recently instituted state supported trains like the Lynchburg, Virginia service have seen ridership above projections and have not required any state subsidy for operating support.

BENEFITS
- **Two daily trains** operating during daytime business hours connecting New Orleans with the Gulf and the City of Mobile
- Links visitors, employees and state residents to Gulf casinos, military bases, historic sites, tourist attractions and colleges
- The possibility of brand new trains customized to reflect the uniqueness of the Gulf Coast
- **Creates 45 new full-time, permanent, high wage jobs** for operating the train

WHO WILL USE IT
- Anyone who wants access to the Gulf Coast jobs and tourism sites
- Businesses or Employees- a new transportation option that repositions the New Orleans and the Gulf region as a destination and employment center for millennials
- Residents in search of a faster, reliable transportation option for evacuation
- Louisiana aging population

BATON ROUGE TO NEW ORLEANS
As part of the Gulf Coast Rail CRISI application, the Southern Rail Commission submitted a request for $10 million to do preliminary engineering and a NEPA review of the Baton Rouge to New Orleans corridor. The Federal Railroad Administration has indicated that this review is necessary to determine the feasibility of restoring passenger rail service between Baton Rouge and New Orleans and the best route to restore service along.

The Southern Rail Commission is working, through an old grant from the Federal Rail Administration (FRA), with Baton Rouge, Gonzales and St. John the Baptist Parish to plan new passenger rail stations in anticipation of the service being restored. This planning work is scheduled to be wrapped up at the end of April 2019.
Released in 2014, the HNTB Feasibility Study estimated both operating and capital costs for 2 daily round trip trains — with travel time of 1.5 hour each way — from New Orleans to Baton Rouge if several improvements are made.

STEP 2: PLAN THE SERVICE

The 2014 Feasibility Study is current and can form a useful basis to begin negotiations with the other parties. Although the freight operators were consulted during this study, future work needs to be in closer partnership with freight operators, who will insist upon updating the 2014 evaluation to reassess current freight capacity needs and negotiate capital improvements necessary to accommodate freight and passenger service. Phased increases in passenger service frequency, speed and capital upgrades may also be negotiated. Then the state, Amtrak and host railroads will need to conduct a capacity study to consider how intercity passenger rail service will impact freight movement on the corridor. Once a service level is agreed upon by all parties, the various capital improvements needed to support that intercity passenger rail service will need to be fully designed and some components may require environmental review and/or permitting.

Further planning, such as station area planning and value capture possibilities surrounding the new stations, would also be beneficial to analyze ways to support the service’s operating expenses and economic development potential. Meridian, Mississippi’s $6.5 million multimodal Union Station development has lured residents back downtown and leveraged $135 million in public-private investment in the area.

Denver’s nearly $500 million investment in its Union Station has leveraged more than $1 billion in residential and commercial development. In fact, its tax-increment financing district formed to pay for the new station in downtown Denver is outpacing bond and loan repayment schedules by 8 to 10 years.

This initial planning work will benefit by tapping into existing expertise at the Department of Transportation and Development (DOTD), the regional planning commissions, and the local governments, rather than having the Rail Authority duplicate efforts through hiring and training new staff to manage the effort. But all planning and analysis must be done in full cooperation with the intercity passenger rail operator and the freight railroads.

The proposed service includes seven stops:

1. Downtown Baton Rouge
2. Suburban Baton Rouge
3. Gonzales
4. LaPlace
5. Suburban Kenner (Airport)
6. Jefferson Parish
7. New Orleans Union Terminal
RESTORATION AND ENHANCEMENT GRANTS SUMMARY

The R&E Grants program provides federal support for operating costs for the first three years for new or enhanced passenger rail service.

This program reflects the fact that historically, new passenger rail service was subsidized until it could build brand awareness and become financially sustainable.

The R&E Grants program funds a service’s net operating costs up to:

80% IN YEAR ONE
60% IN YEAR TWO
40% IN YEAR THREE
[DATE]

The Honorable Elaine L. Chao  
U.S. Department of Transportation  
1200 New Jersey Avenue  
Washington, DC 20590

The Honorable Ronald Batory  
Federal Railroad Administration  
1200 New Jersey Avenue  
Washington, DC 20590

Dear Secretary Chao and Administrator Batory:

I write to convey my strong support for restoring passenger rail service along the Gulf Coast. Restoring this service is critical to the economic recovery, and future economic growth, of the Gulf Coast communities I represent. To achieve this important goal, the Southern Rail Commission (SRC) has applied for two critical federal grants. Specifically, the SRC seeks $32,995,516 in FY2018 Consolidated Rail Infrastructure and Safety Improvements (CRISI) funding from the Federal Railroad Administration (FRA) – matched by $32,995,516 from Amtrak, the City of Mobile, State of Mississippi, Mississippi Department of Transportation, Jackson County Port Authority, and private sources – to re-establish a passenger route between New Orleans and Mobile, as well as complete the environmental assessment between Baton Rouge and New Orleans. The SRC has also submitted an application for approximately $4.80 million in FY17 Restoration and Enhancement (R&E) program funding to provide operating support for this restored service. I am pleased to support each of these applications and ask that you give them your full consideration.

As you may know, the Gulf Coast had passenger rail service from 1894 until 2005. However, since Hurricane Katrina, the region has gone without any passenger rail service and its absence continues to hurt the communities once served. Working in a bipartisan manner, Senator Thad Cochran and other members of the Gulf Coast delegation created the Gulf Coast Working Group (GCWG) in 2015 to determine a path forward for passenger rail service in the region.

The Gulf Coast Working Group includes the Federal Railroad Administration (FRA), Amtrak, the host railroad, the SRC, and elected officials and business leaders from the Gulf Coast. The GCWG final report, released on July 17, 2017, identified one service option as a daily business train, making two round trips a day, between New Orleans, Louisiana to Mobile, Alabama that links Mississippi coastal cities. The report identified the capital costs and operating costs to restore this level of service and potential sources of federal funding to cover the projected costs of restoration. The segment that would be restored under this proposal would be New Orleans to Mobile. Several key capital improvements were identified as needed to implement a viable service. The States and local communities, along with the SRC have been working diligently to identify local funding sources necessary to secure the federal funding to restore this crucial service.

Thanks to the leadership of former Senator Cochran and the Gulf Coast Delegation, Congress demonstrated its strong commitment to improving passenger rail by appropriating $593 million for the CRISI program in FY18 and furthermore specifically setting aside $35 million of that $593 million for restoring or initiating passenger rail service. Congress additionally directed USDOT in the FY18 THUD Appropriations Report to prioritize funding for the restoration of rail along the Gulf Coast:
“The (Appropriations) Committee expects Amtrak, SRC, and the gulf coast region to seek funding through these programs for the preferred routes and encourages the Secretary to prioritize funding provided by this Committee for these routes” (Page 74, Senate THUD Appropriations Report).\(^1\)

With CRISI funds, the SRC will work with the States of Mississippi and Alabama to make the necessary capital improvements to reestablish passenger rail service between New Orleans, Louisiana and Mobile, Alabama. A study completed in April 2018 by the nationally recognized Trent Lott Center at the University of Southern Mississippi, in partnership with the University of Southern Alabama, has determined restored improved passenger rail service is a critical component of the continued economic recovery of our communities devastated by Hurricane Katrina. The Trent Lott Center study found that restoring improved passenger rail service along the Gulf Coast would provide profound economic benefits, enhance corridor mobility and safety, and allow for safer and more efficient hurricane evacuations for those who live and work in the region by providing a daily passenger service that is business and tourism friendly.

A commitment from the Federal Government will be matched by substantial commitments by other parties including, the Mississippi Department of Transportation, the Jackson County Port Authority, Amtrak, the State of Mississippi and the City of Mobile, Alabama. These funding commitments demonstrate broad support and a comprehensive partnership between federal, state and local entities.

An R&E grant would help facilitate the restoration of passenger rail along the Gulf Coast by ensuring the passenger rail service has sufficient time to increase ridership and revenue and integrate itself into the fabric of the communities it will serve. Historically, state supported passenger trains had 100% of their operating expenses covered by the federal government. An R&E grant to offset some of the operating expenses for the Gulf Coast passenger rail service would be consistent with this historical practice and lower the financial burden initially to the states of operating the train while the states work with local and private partners to raise ridership and revenue. The SRC’s FY17 R&E application is matched by robust funding commitments from the States.

Ever since the demise of passenger rail service because of Hurricane Katrina in 2005, the Gulf Coast and its citizens have dreamed of a day with restored passenger service along the Gulf Coast. A federal CRISI award would go a long way toward making that dream a reality.

For these reasons I am writing in strong support of the SRC’s application for FY18 CRISI funds.

Sincerely,

Name
Member of Congress/US Senator
State/Congressional District

FREQUENTLY ASKED QUESTIONS

Q: How long is the right-of-way between New Orleans and Mobile that will be restored and who owns it?

A: The right-of-way extends from Mobile to New Orleans and includes 38 miles of track within the State of Louisiana and the New Orleans Union Passenger Terminal. CSX owns the most of the right-of-way while Norfolk Southern owns about three miles of the right-of-way.

Q: What are the key capital improvements that need to occur in Louisiana to make restoration of rail service on the Gulf Coast possible and how much will they cost?

A: One key capital improvement in Louisiana is needed to implement a practical service. That improvement is building a bypass around Gentilly yard, which is an active Class I freight yard, so passenger trains can avoid the freight congestion that causes delays. Fixing Gentilly yard is also a must for implementing any future Baton Rouge to New Orleans service. The total cost of fixing Gentilly Yard is estimated to be $6.45 million.

Q: Who would operate the service?

A: Amtrak would be the operator of the service, though the Southern Rail Commission would oversee Amtrak and ensure that the service fits what the Southern Rail Commission and the three states want. At the appropriate time, the Southern Rail Commission will negotiate an operating agreement with Amtrak.

Q: When would construction begin and when would the first train be put into service?

A: Rail service would be initially restored between New Orleans and Mobile with two trains per day. It is possible to add additional trains based upon ridership demand. Construction could begin shortly after the FRA awards its CRISI and R&E grants in the early spring of 2019. Initial rail service would likely begin in 2021.

Q: What cities would be served by the new Gulf Coast passenger rail service?

A: New Orleans would be served initially. The restored service would connect New Orleans to four Mississippi cities 1) Biloxi, 2) Pascagoula, 3) Gulfport and 4) Bay St. Louis, with service terminating in Mobile, AL.

Q: How much money are the States of Alabama and Mississippi providing to restore this service?
A: Mississippi is committing $13.95 million dollars to leverage another $19.34 million from the CRISI program for track and rail improvements throughout Mississippi. Alabama is being asked to commit $2.767 million to leverage another $3.58 million from the CRISI program for capital improvements near Mobile.

Q: What cities would be served by a Baton Rouge-New Orleans rail service?


Q: Who is paying for the new rail stations?

A: SRC has distributed from the FRA grant, $250,000 in funds to Baton Rouge to plan two new stations, $50,000 to Gonzales to plan a new station and $65,000 to St. John the Baptist Parish to also plan a new station in LaPlace. The Southern Rail Commission and the local communities could pursue funding for final design and construction for these stations through future federal grant opportunities.

Q: What are the next steps to restore passenger rail service from Baton Rouge to New Orleans?

A: The immediate next step is to do the preliminary engineering and environmental review of the Baton Rouge to New Orleans service with the CRISI funds, if awarded. After that, the State of Louisiana would need to decide the frequency of service and corresponding capital improvements needed to implement that service it wants to pursue.

Q: Who are the members of the Gulf Coast Working Group and the Southern Rail Commission?

A: The members of the Southern Rail Commission from Louisiana are:

Representative Steve Carter
Tommy Clark
Phil Jones
Speaker Pro Tempore Walt Leger III
John Spain-Chairman of SRC
D. Jerome Wall III
Shawn Wilson (Governor’s Designee)
Roy Woodruff

For questions or more information, please contact John Robert Smith at jrsimth@t4america.org or 601-527-5040.
Y'ALL ABOARD.