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

PROPOSED ROUTES AND STATIONS

BAY ST. LOUIS:
Hollywood Casino 2.9 miles
Buccaneer Bay Waterpark 6 miles
Silver Slipper Casino 8.2 miles
Lazy Magnolia Brewery 11.5 miles
Infinity Science Center 16 miles
John C. Stennis Space Center 24 miles

GULFPORT:
Mississippi Aquarium *opening 2019 0.5 miles
Island View Casino 0.7 miles
Ship Island Excursions 0.7 miles
USM Gulf Park campus (Long Beach) 3.4 miles
Lynn Meadows Discovery Center 4 miles
Gulfport-Biloxi International Airport 5.6 miles
Gulf Island Waterpark 6.7 miles
Institute for Marine Mammal Studies 8.3 miles

BILOXI:
MGM Park Baseball Stadium 0.3 miles
Beau Rivage Casino 0.4 miles
Ohr-O’Keefe Art Museum 1.4 miles
Harrah’s Gulf Coast 1.6 miles
Maritime & Seafood Industry Museum 2.1 miles
Mississippi Gulf Coast Community College 2.5 miles
Keesler Air Force Base 4.8 miles
Walter Anderson Museum 4.8 miles
MS Gulf Coast Coliseum & Convention Center 5.6 miles
Beauvoir 6.1 miles
USM Gulf Coast Research Laboratory 7.1 miles

PASCAGOULA:
Pascagoula River Audubon Center 4.7 miles
Chevron Pascagoula Refinery 5.9 miles
Mississippi Sandhill Crane Wildlife Center 11 miles
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 daily stops at town centers across Mississippi.

BACKGROUND
After Katrina, Senators Roger Wicker and Thad Cochran 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.

The nationally recognized Trent Lott Center for Economic Development at the University of Southern Mississippi (USM) completed a study that used standard economic analyses to project the return on Mississippi’s investment. They found that the $14.82 million investment by Mississippi would yield an annual benefit of $282.58 million, assuming a 10 percent rise in tourism. In other words, this economic development opportunity could provide a 15:1 return on investment for the Mississippi Gulf Coast. Very few economic development projects have this type of return on investment.
CAPITAL COSTS
- Total Project Infrastructure Costs is $50.91 million.
- Total Cost of Gulf Coast Rail Infrastructure Improvements in Mississippi is $38.67 million.
- State of Mississippi is expected to contribute $13.95 million.
- Federal government is being asked to contribute $19.34 million through CRISI.
- Amtrak has agreed to contribute $5.389 million toward improvements in Mississippi.
- Mississippi DOT is contributing $1.09 million toward grade crossing improvement along the route and the CRISI application is asking for $1.09 million from the federal government to match MDOT’s commitment.
- The submitted CRISI application also contains the $8 million north connector project at the Port of Pascagoula. The Jackson County Port Authority committed $4 million and the CRISI application is seeking $4 million from the federal government.

OPERATING COSTS
- The SRC submitted an application for an R&E grant in May 2018 to offset the estimated $6.97 million in net operating cost annually. In addition to pursuing an R&E grant, Amtrak has agreed to help cover some of that operating cost. Mississippi would split equally with Alabama and Louisiana the amount that the R&E grant and Amtrak won’t cover.
- 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 four Gulf communities, Biloxi, Pascagoula, Gulfport, and Bay St. Louis
- Links visitors, employees and state residents to Gulf casinos, military bases, historic sites, tourist attractions and colleges
- $16.409 million annually in tax revenue to the State of Mississippi (assumes 10% increase in tourism)
- Creates 45 new full-time, permanent, high wage jobs for operating the train
- Creates 277 new full-time jobs to construct the rail and station improvements
- Newly renovated center city passenger rail stations that can incentivize new development

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 Mississippi Gulf region as a destination and employment center for millennials
- Residents in search of a faster, reliable transportation option for evacuation
- Mississippi aging population (In the four Gulf counties, one out of every 7 person is over 65)
STATE IMPACT
RESTORING GULF COAST PASSENGER RAIL SERVICE

TRAIN-ONLY SCENARIO:
A. Capital and Station Rail Improvements
Cost to Mississippi: $15.977 million
Benefit to Mississippi: $34.500 million
Benefit/ Cost ratio: 2.16:1

B-1. Operation of Train Impact (without grant)
Cost to Mississippi: $2.330 million
Benefit to Mississippi: $6.086 million
Benefit/ Cost ratio: 2.61:1

B-2. Operation of Train Impact (with federal R&E grant)
Cost to Mississippi: $1.010 million
Benefit to Mississippi: $6.086 million
Benefit/ Cost ratio: 6.02:1

C. Tourism
10% increase in tourism = $242 million annual impact
20% increase in tourism = $485 million annual impact

New Orleans receives 700,000 foreign visitors each year, all without cars and accustomed to rail travel. These guests represent a huge untapped market for our MS cities.

Total Impact to Mississippi
1 year, 10% increase in tourism, without grant for operating
Cost: $18.31 million
Benefit: $282.58 million
Benefit/ Cost ratio: 15.43:1
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).

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

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FREQUENTLY ASKED QUESTIONS

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

A: The right-of-way extends from Mobile to New Orleans and includes 85 miles of track and four passenger rail stations within the State of Mississippi. CSX owns the right-of-way and paid for the restoration of the track right-of-way following Hurricane Katrina.

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

A: 1) Making extensive improvements at Pascagoula Yard, 2) dealing with a complex interlocking at Gulfport station, 3) lengthening a siding east of Ansley and 4) installing a fully signalized passing track near Harbin. The Federal Railroad Administration, via the Gulf Working Group, did a study of the infrastructure and estimated that the total cost for these four improvements is $39.4 million, of which the federal government is expected to contribute $19.7 million, Amtrak will contribute $5.389 million and the State of Mississippi will contribute $13.95 million. Mississippi has the most infrastructure costs because the vast majority of the trackage is in Mississippi.

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 over time 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 new passenger rail service?

A: Four Mississippi cities would be served and each would have newly renovated rail station in the center cities that will also be anchors for other development. These cities include: 1) Biloxi, 2) Pascagoula, 3) Gulfport and 4) Bay St. Louis. Because the SRC will oversee the service, it can add temporary stops in other towns like Gautier for events like the Mullet & Music festival.
Q: Who is paying for the new rail stations?

A: SRC has already distributed funding for four newly renovated rail stations: $252,000 to Biloxi, $659,543 to Pascagoula, $190,000 to Gulfport and $55,000 to Bay St. Louis for station improvements. The cities have committed to match these funds. The scope of work for each station has been submitted to the FRA. We expect these scopes to be approved by FRA by the end of February 2019 and final design and construction would begin after that. Construction will take about 18-months.

Q: How much money are the States of Alabama and Louisiana providing to restore this service?

A: Louisiana has committed $6.45 million to build a bypass at Gentilly Yard east of New Orleans using other sources of federal money. This bypass is necessary for the train to run. Alabama is committing approximately three million dollars to leverage another $3 million from the CRISI program for improvements near Mobile.

Q: Who are the members of the Southern Rail Commission?

A: The members of the Southern Rail Commission from Mississippi are:
   Ashley Edwards
   Kay Kell
   Melinda McGrath
   Jack Norris
   Alice Perry
   Knox Ross Vice-Chairman of SRC
   Patrick Sullivan

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