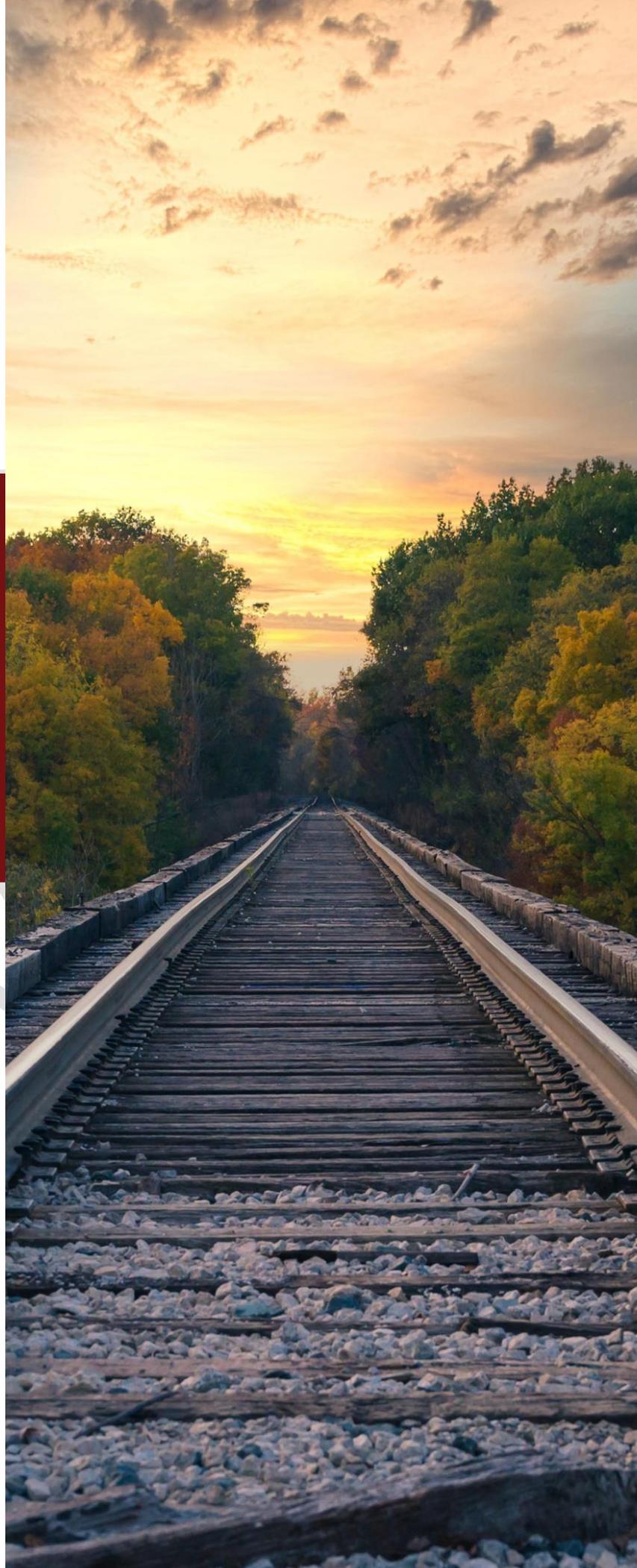


# Chapter 3: Proposed Passenger Rail Improvements and Investments (Draft)

South Dakota State Rail Plan

June 2022



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### INTRODUCTION

South Dakota does not currently have intercity passenger rail or commuter rail service. In lieu of analysis of existing passenger service operations, this chapter identifies potential future intercity passenger rail investments based on active plans and initiatives being undertaken at the regional, state, and local level as well as potential opportunities identified during outreach with stakeholders. This chapter includes a discussion of the existing frameworks under which intercity passenger rail services have been expanded or introduced, and their applicability to any future South Dakota services.

South Dakota's participation and inclusion in multi-state regional passenger rail efforts is also discussed, such as the Midwest Interstate Passenger Rail Commission activities and FRA's Midwest Regional Rail Planning Study.

### 3.1 LEGISLATIVE CONTEXT

#### 3.1.1 PASSENGER RAIL IMPROVEMENT AND INVESTMENT ACT

The passage of the Passenger Rail Investment and Improvement Act (PRIIA) in 2008 had multiple effects on the operation and expansion of regional passenger rail systems. PRIIA Section 209 mandated changes to Amtrak's cost accounting and how costs are shared with states for their state-sponsored trains.

Per PRIIA Section 209, passenger rail services 750 miles or less in length operated by Amtrak must be state-supported.<sup>1</sup> The operations and maintenance costs associated with state-supported routes not covered by farebox revenue from ticket sales must be funded by the state or by a coalition of states that requested the service. By contrast, operating costs associated with long-distance Amtrak routes in excess of 750 miles are funded directly by Congress through routine budget authorizations. However, no new long-distance Amtrak routes have been established in over 20 years. PRIIA defined the Amtrak long-distance network as those routes that were in operation at the time the legislation was drafted. The creation of new long-distance routes using the same funding structure as the existing long-distance routes would require additional legislation to amend the prior limitations imposed by PRIIA.

#### 3.1.2 INFRASTRUCTURE INVESTMENT AND JOBS ACT

The Infrastructure Investment and Jobs Act of 2021 (IIJA), also known as the Bipartisan Infrastructure Law (BIL), was signed into law on November 15, 2021. The IIJA is a comprehensive legislative package establishing more than \$1.2 trillion in infrastructure investments, and establishing significant programs and policies to guide the development of infrastructure improvements.

Specific to intercity passenger rail, Section 22214 of the IIJA establishes a new Amtrak Daily Long-Distance Service Study, which directs the USDOT to conduct a study to evaluate the restoration of daily intercity

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<sup>1</sup> U.S. Department of Transportation, The Implementation of the Passenger Rail Investment and Improvement Act of 2008, March 11, 2011. Retrieved from: <https://www.transportation.gov/testimony/implementation-passenger-rail-investment-and-improvement-act-2008>

rail passenger service along any Amtrak long-distance routes that had been previously discontinued at any point since Amtrak's initial formation in 1971.

Further, Section 22308 of the IJA establishes the Corridor Identification and Development Program, which requires the USDOT to start a program that will improve and expand intercity passenger rail corridors. States with corridors selected for further study would prepare a service development plan for each corridor outlining the capital projects that would be needed in order to establish or enhance the service.

## 3.2 AMTRAK PASSENGER RAIL PLANNING EFFORTS

### 3.2.1 NORTH COAST HIAWATHA ROUTE PASSENGER RAIL STUDY<sup>2</sup>

Section 224 of PRIIA mandated that Amtrak undertake a series of studies regarding the improvement and expansion of intercity passenger-rail service nationwide. Two former Amtrak routes were studied for reinstatement: the *North Coast Hiawatha* and the *Pioneer*.

From this effort came the *North Coast Hiawatha Route Passenger Rail Study*, released in 2009, which explored resuming Amtrak's *North Coast Hiawatha* service between Chicago and Seattle, passing through the southern tier of North Dakota. While the route was not proposed to pass through South Dakota, it would bring intercity passenger rail service closer to the state's borders.

As part of the planning effort, Amtrak consulted with host railroads to identify an initial set of infrastructure improvements needed to support the reinstatement of daily *North Coast Hiawatha* service on Canadian Pacific (CP) BNSF Railway (BNSF) and Montana Rail Link (MRL)-owned tracks between Chicago and Seattle. These improvements would enable the passenger train to maintain its schedule while minimizing conflicts with and delays to CP, BNSF, and MRL freight trains. The Amtrak study identified the potential service and routing options for the reinstated *North Coast Hiawatha*, with preliminary estimates of ridership, capital costs, and operating costs.

Amtrak noted in the study that reinstating the *North Coast Hiawatha* could provide public benefits but, because the route was not a component of the federally designated high-speed-rail-corridor network, one or more state governments along the train's route would need to apply or co-apply for federal American Recovery and Reinvestment Act (ARRA) funds for the capital needed to initiate the new service, as well as seek out additional federal and state funding sources to cover ongoing operating and maintenance costs. Amtrak stated in the study that although PRIIA recognizes the importance of Amtrak's existing long-distance routes, it does not provide funding for capital or operating expenses associated with expanding service beyond existing 2008 levels.

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<sup>2</sup> Amtrak, *North Coast Hiawatha Passenger Rail Study*, October 16, 2009. Retrieved from: [https://nrvrc.org/nrvpassengerrailstudy/resources/research/national/Amtrak\\_North\\_Coast\\_Hiawatha\\_Study.pdf](https://nrvrc.org/nrvpassengerrailstudy/resources/research/national/Amtrak_North_Coast_Hiawatha_Study.pdf)

Since the release of the study, considerable support has been voiced by state and local governments and riders for resuming passenger service over the historic route, particularly in southern Montana and throughout the “Greater Northwest” region. However, funding and a potential service implementation schedule have not been identified, and operating agreements with Amtrak and host railroads CP, BNSF, and MRL have not been secured for the return of Amtrak long-distance service along this route.

### 3.2.2 AMTRAK FIVE-YEAR STRATEGIC PLANS<sup>3</sup>

Each year, Amtrak releases a five-year strategic plan to satisfy requirements under Section 11203(b) of the Fixing America’s Surface Transportation (FAST) Act. In May 2021, Amtrak released its Fiscal Year (FY) 2021 “Five Year Line Plans,” which outline strategic five-year initiatives for each service line and asset line between FY 2021 and FY 2026. These plans do not identify initiatives for individual trains but focus on overall improvements that benefit particular types of services, including long-distance trains and state-supported regional trains, regardless of location.

Amtrak’s five-year plan does not identify the establishment of new long-distance routes as a strategy or initiative. It does, however, support the introduction and expansion of regional, state-supported passenger rail corridors of up to 750 miles in length. The plan also lists the following overall improvement strategies for the Long-distance Service Line, which includes the services provided in neighboring states by the *Empire Builder* and *California Zephyr*:

- Sustain the company by restoring full-service to all long-distance routes in 2021, after reducing frequencies in 2020 to reflect greatly reduced demand resulting from the COVID-19 pandemic.
- Gain new customers through informational campaigns and technology advancements that emphasize the benefits of private sleeping compartments as an accommodation that offers customer space, privacy, and comfort; improve features on the Amtrak.com website and Amtrak app to enhance fare finding, search results, checkout processes, and other features for users; present seven-day calendars of available fares for app and website users planning trips, to improve the way in which long-distance customers can find available travel dates on trains operating less than daily.
- Build for the future by reimagining how traditional onboard dining is provided to both private room and coach customers and launch a refurbishment program for Superliner and Viewliner I car interiors that includes providing new cushions and upholstery coverings, carpets, curtains, and light coverings, along with deep cleanings of coaches, dining cars, and sleeping cars.

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<sup>3</sup> Amtrak, Five-Year Service and Asset Line Plans Fiscal Years 2021-2026. Retrieved from: <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/businessplanning/Amtrak-Service-Line-Asset-Line-Plans-FY21-26.pdf>

In its strategic plan, Amtrak identified the following initiatives for FY 2021 – FY 2026 to support the Long-distance Service Line strategies listed above:

- **Fleet Planning and Acquisition:** Acquire new locomotives and passenger cars to:
  - Offer modernized equipment and amenities to match updated service models and improve customer satisfaction
  - Redesign train to match passenger demand, create operating efficiencies, and reduce capital needs
  - Reduce car and locomotive maintenance and turnaround costs
  - Reduce engine and car-related mechanical delays to improve on-time performance
  - Reduce fuel consumption and greenhouse gas emissions
- **Address Reliability and On-Time Performance:** Continue to use a data-driven approach and work with host railroads to understand the causes of host railroad and Amtrak responsible delays, opportunities to mitigate them, and the actions required to improve OTP. Amtrak is also proposing enhanced authority to enforce existing laws giving Amtrak trains preference over freight transportation.
- **Experiential Service Model:** Develop a strategy for trains that operate over two nights to establish a more contemporary model and attract an expanded ridership. The strategy includes redesigning sleeper cars, reconfiguring seating in dining and lounge areas, updating menus, and providing specialized staff training.
- **New Food Service Model:** Continue to develop and enhance meal offerings that deliver customer satisfaction at reduced operating costs, and complete the roll-out of a food and beverage point-of-sale system with improved features.

### 3.2.3 AMTRAK CONNECTS US VISION PLAN<sup>4</sup>

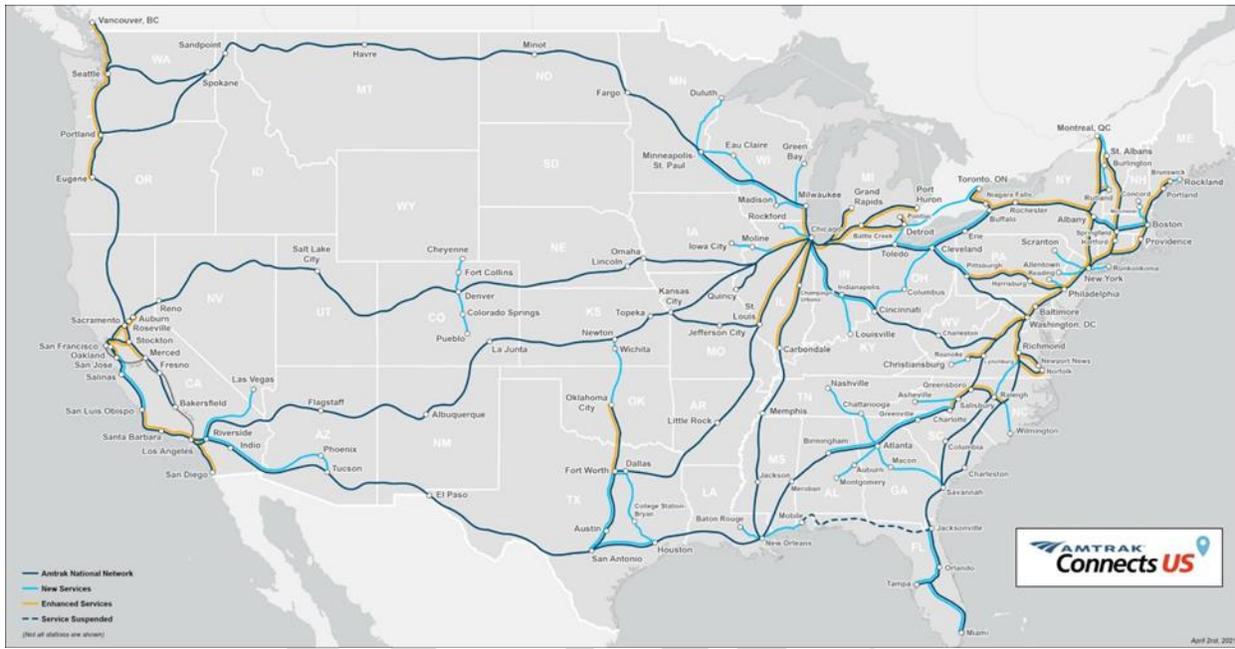
On March 31, 2021, Amtrak released a vision plan, called “Amtrak Connects US,” that identified locations where new corridors and enhanced service on existing routes could be developed in conjunction with state partners by 2035. (In accordance with Section 209 of PRIIA, the operating losses of an Amtrak corridor service on routes of 750 miles or less must be covered through a combination of farebox revenues and state financial contributions. Long-distance trains, by contrast, serve routes that are more than 750 miles in length and are funded by Amtrak as part of its national network.)

The vision is centered on developing and enhancing intercity passenger rail corridors several hundred miles long located within or between regions of the United States that are expected to experience significant population growth. Amtrak’s vision plan would add intercity passenger rail service on up to 30 potential new routes, expand service on more than 20 existing routes, introduce passenger rail service in up to 160 communities in 15 states, and attract 20 million additional riders beyond the 32 million

<sup>4</sup> Amtrak Connects Us - Amtrak Media. Retrieved from: <https://media.amtrak.com/amtrak-connects-us/>

passengers that rode Amtrak trains in FY 2019. **Figure 1** shows the candidate routes targeted for potential improvement or an introduction of service under Amtrak’s plan.

**Figure 1: Amtrak Connects US Vision Plan Proposed Route Extensions**



Source: Amtrak

No new or enhanced services in South Dakota are currently identified on the map. However, the corridors shown represent an initial view of where Amtrak believes intercity passenger rail could be expanded in the coming years. It is not a final proposal, nor does it include a prioritization plan or implementation timeline. As Amtrak continues its coordination efforts with federal, state, host railroad, and supply industry partners, the corridors that will be advanced for implementation likely could change.

The Amtrak Connects US vision plan depends on funding from Congress. The IIJA includes \$66 billion in new passenger rail funding, of which \$22 billion is authorized to Amtrak for activities associated with the Northeast Corridor and the National Network and \$36 billion is authorized to USDOT’s Federal-State Partnership for Intercity Passenger Rail grant program to upgrade, expand, or establish new state-supported and long-distance intercity passenger rail services.<sup>5</sup> The plan also depends on a commitment from the state partners that ultimately would be responsible for providing the annual operating support to maintain the proposed new and expanded regional passenger rail services in the long term.

<sup>5</sup> *Bipartisan Infrastructure Investment and Jobs Act Summary*. Retrieved from: <https://www.cantwell.senate.gov/imo/media/doc/Infrastructure%20Investment%20and%20Jobs%20Act%20-%20Section%20by%20Section%20Summary.pdf>

### 3.3 REGIONAL, AND MULTI-STATE PASSENGER RAIL PLANNING EFFORTS

#### 3.3.1 MIDWEST REGIONAL RAIL PLANNING STUDY<sup>6</sup>

The Midwest Regional Rail Planning Study (MWRRP) is a multi-state intercity passenger rail network planning study led by the Federal Railroad Administration (FRA), in partnership with stakeholders from across the Midwest region. The MWRRP sets forth a strategic long-term vision for passenger rail in the Midwest, addressing topics including potential network configuration, service levels, financing, and governance. This study builds on established rail initiatives as well as other ongoing state planning efforts and is intended to support existing plans.

The Midwest is a large and economically robust region located at the geographic crossroads of North America. The rail network in the Midwest is dense and provides numerous potential existing route options for future passenger rail corridors. The MWRRP evaluated developing rail plans within the context of this regional outlook, which included a current network of passenger, commuter, and freight rail systems.

FRA's regional rail plan framework identifies the potential for a long-term visioning process to create multi-state intercity passenger rail networks. A regional rail plan study process analyzes existing conditions, estimated future travel demand, and the potential role of passenger rail service within a broader multimodal transportation context.

Most federal and state passenger rail planning activities have historically focused on either individual corridors connecting major cities or comprehensive rail planning within individual state boundaries. However, the MWRRP demonstrates that there are several benefits to developing rail plans within the context of a broader region, including:

- Improved integration of rail projects with other transportation mode
- Greater involvement by stakeholders and consensus building
- Minimization of potential conflicts between the development of individual corridors in a region
- Identification of priorities that support both the logical sequencing of developing networks and the efficient use of limited funding
- More cost-effective investments

Consistent with the sketch-level network planning that is undertaken in developing regional rail plans, the conclusions presented in these plans are limited to those that can be reasonably supported by that relatively high level of analysis. As such, regional rail plans focus primarily on ruling out those options for a region's future intercity passenger rail network that the analysis demonstrates would be particularly

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<sup>6</sup> Federal Railroad Administration, *Midwest Regional Rail Plan*, October 2021. Retrieved from: <https://railroads.dot.gov/sites/fra.dot.gov/files/2021-10/Final%20Report-MWRRP%20with%20Appendices%20PDFa.pdf>

disadvantageous, and only presents more precise conclusions where they can be reasonably supported by that analysis.

In keeping with these objectives, the network planning undertaken in developing regional rail plans focuses on the following goals:

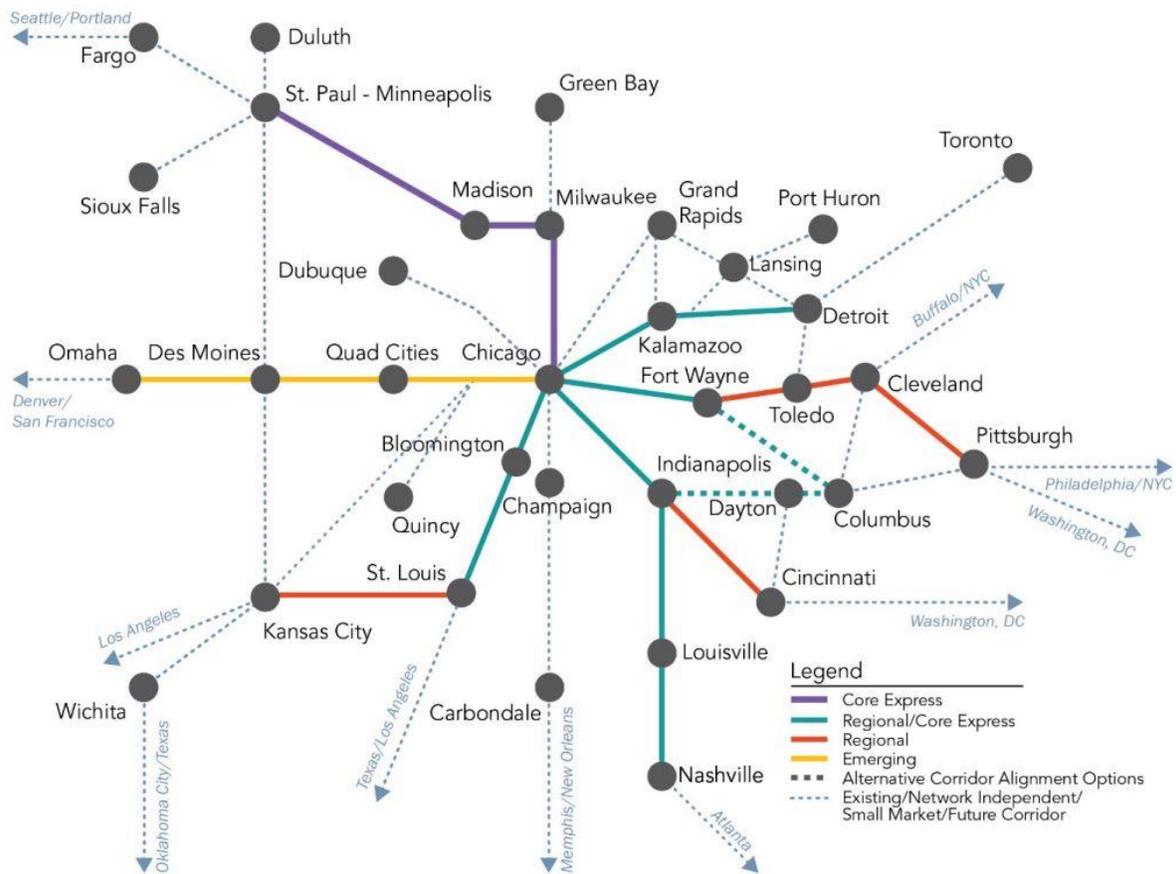
- Define the corridors within the future regional network in terms of the geographic markets the analysis shows must be served for the corridor to fulfill its full potential (i.e., the “corridor-defining markets”)
- Define the appropriate level(s) of service on each corridor in terms of generalized categories reflecting sets general service characteristics (i.e., “service tier”)
- Likewise, regional rail plans are not intended to result in more detailed conclusions of the type that cannot be supported by a sketch planning analysis. As such, regional rail plans do not:
  - Define the specific alignment or rights-of-way (including existing or abandoned rail lines) that would be traversed by each corridor
  - Define the specific intermediate geographic markets (i.e., those beyond the “corridor-defining markets”) that would be served by each corridor
  - Define the specific service characteristics (e.g., frequency, trip times, fares, train capacity, etc.) for each corridor

The study established three “service tiers” to define the types of service frequencies, service characteristics, and infrastructure levels proposed for each corridor. The service tiers can be summarized as follows:

- Core Express: Core express service would operate on corridors serving major metropolitan centers. Trains would operate under electric power on dedicated tracks except in terminal areas at speeds of 125 mph or higher, with frequent service provided.
- Regional: Regional services would operate on corridors connecting mid-size urban areas with each other or with larger metropolitan areas. Trains could operate under electric or diesel power, using both dedicated and shared tracks, at speeds between 90 and 125 mph, with frequent service provided.
- Emerging: Emerging services would operate on corridors connecting mid-sized and smaller urban areas with each other or with larger metropolitan areas. Trains would operate on shared tracks at speeds of up to 90 mph.

While the regional rail planning network analysis necessarily makes certain assumptions regarding these more specific network characteristics in order to allow for the generation of useful outputs, these assumptions are intended to be “illustrative” or “representative,” rather than recommendations for a precise set of network characteristics. **Figure 2** shows the conceptual network identified by the study.

Figure 2: Midwest Regional Passenger Rail Conceptual Network Map



Source: Midwest Regional Rail Plan (2021)

The 12 states located in the Midwest encompass over 820,000 square miles and include Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. Complementary jurisdictions from some bordering states and Canada were also included in analyses for key markets that were within 500 miles of Chicago.

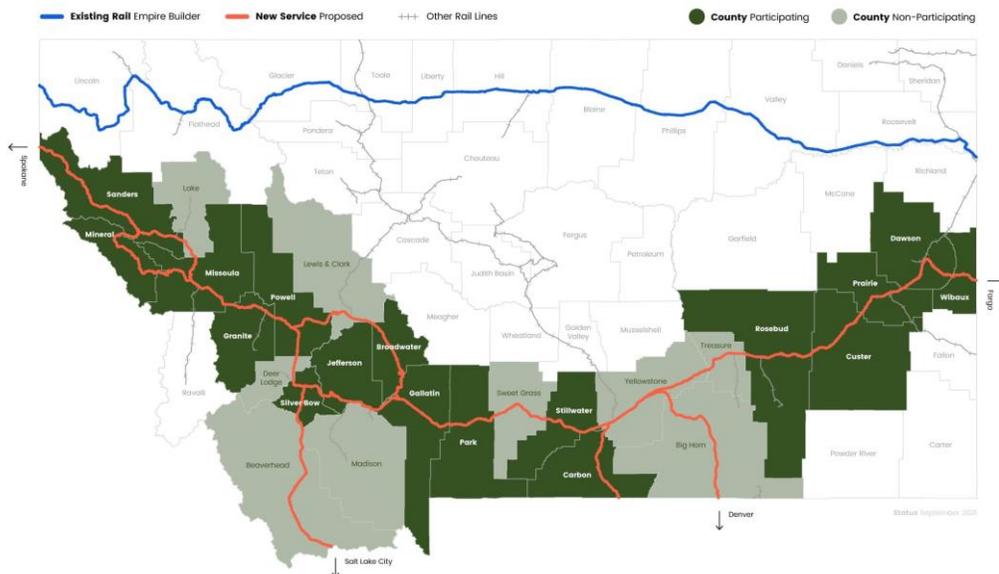
The plan identified a corridor linking St. Paul-Minneapolis, Minnesota with Sioux Falls as a potential future independent or small market corridor but not yet warranting core express, regional, or emerging network service operated through a multistate compact.

### 3.3.2 MONTANA BIG SKY PASSENGER RAIL AUTHORITY

Efforts to the west of South Dakota are underway to establish intercity passenger rail service in Montana. In July 2020, several Montana counties began laying the groundwork to establish the Big Sky Passenger Rail Authority (BSPRA), which would be a regional rail authority with a governance structure to study, seek, or accept funding for, and facilitate the implementation of passenger rail service across southern Montana. A proposed extension of service eastward through North Dakota, outside of BSPRA's jurisdiction, would connect with the existing Amtrak Empire Builder long-distance route at Fargo, bringing intercity passenger train service in closer proximity to South Dakota. BSPRA was formally established on November 18, 2020, pursuant to Montana state law, and now has 17 participating counties.<sup>7</sup> BSPRA has an independent governing board with members appointed by county commissioners. BSPRA serves as a coordination point among government, Amtrak, host freight railroads, and private partners. In addition, BSPRA would partner with other states in any future multi-state compact or regional rail authority established to support regional passenger rail networks in the Intermountain West.

According to BSPRA's website, it is willing to explore a range of potential new passenger rail route options, including cross-state services through the southern part of Montana as well as north-south links connecting Montana with Denver and Salt Lake City. **Figure 3** shows existing and potential intercity passenger rail routes in Montana, and the participating counties.

Figure 3: Existing and Potential Intercity Passenger Rail Routes in Montana and Participating Counties



Source: Big Sky Passenger Rail Authority

<sup>7</sup> Big Sky Passenger Rail Authority. Retrieved from: <https://www.bigskyrail.org/about>