



Rail Passengers Webinar Series: Passenger Rail Under the Big Sky & Beyond

An update from Montana's Big Sky
Passenger Rail Authority

February 23, 2022



RAIL PASSENGERS
ASSOCIATION



Today's Webinar

- **Welcome**
 - Joe Aiello, National Field Coordinator, Rail Passengers
- **Featured Presentation**
 - Dave Strohmaier, Chairman, Big Sky Passenger Rail Authority
 - Jim Mathews, President & CEO, Rail Passengers
- **Q&A**
- **A look ahead to RailNation:DC**



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Passenger Rail Under the Big Sky & Beyond

Dave Strohmaier, Chairman

Big Sky Passenger Rail Authority





**BIG SKY
PASSENGER
RAIL AUTHORITY**



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WHY WE EXIST

Passenger Rail Service through Southern Montana ended 42 years ago, and with it, tremendous economic, sustainability, and equity opportunities.



**BIG SKY
PASSENGER
RAIL AUTHORITY**

AND . . .

Simply trying the same thing and expecting different results will likely yield the same results



**BIG SKY
PASSENGER
RAIL AUTHORITY**



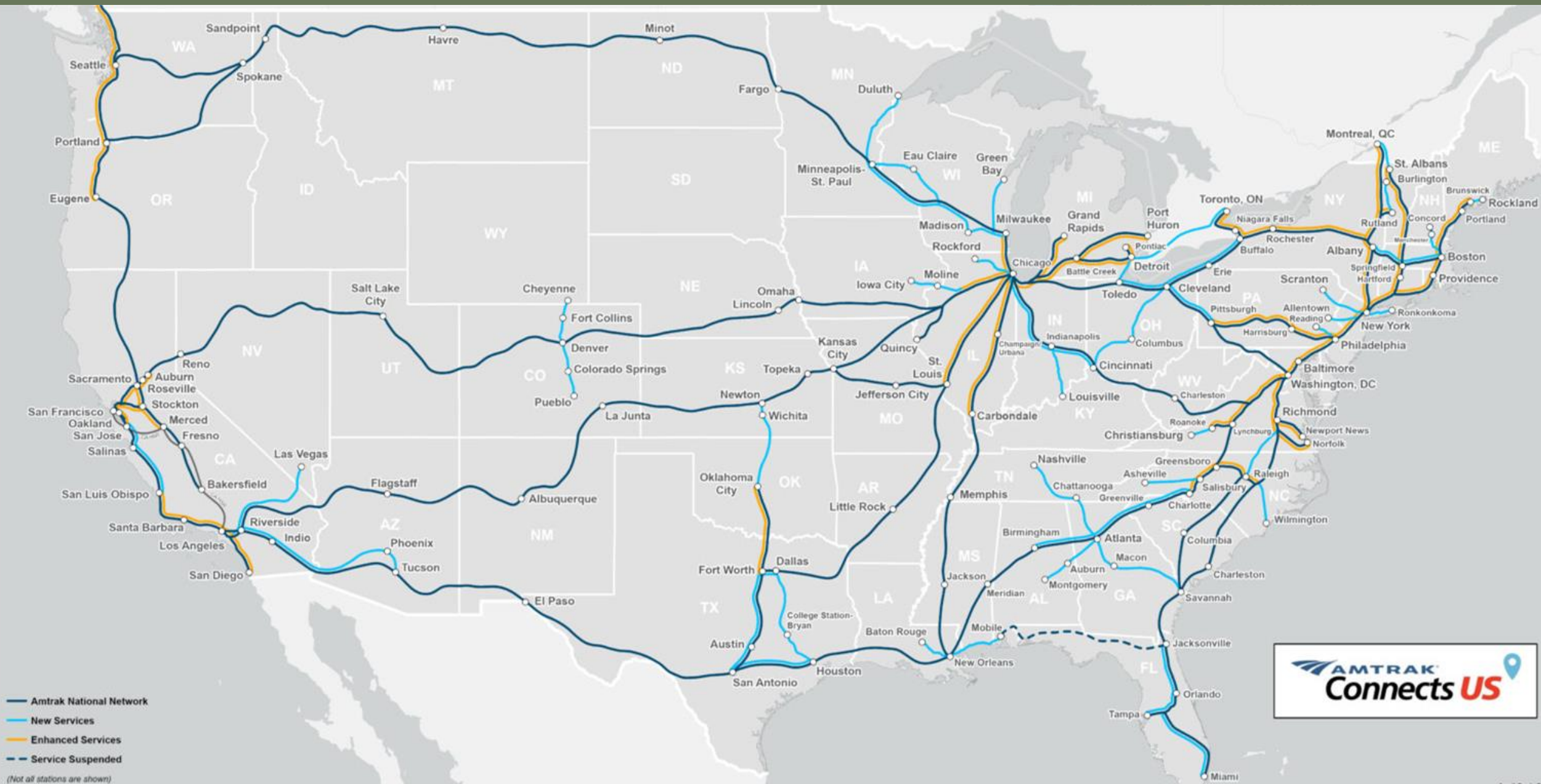
OUR MISSION

To Further The Health, Safety, And Economic Prosperity
Of The Region By Advocating For Rail As Public
Transportation Option.



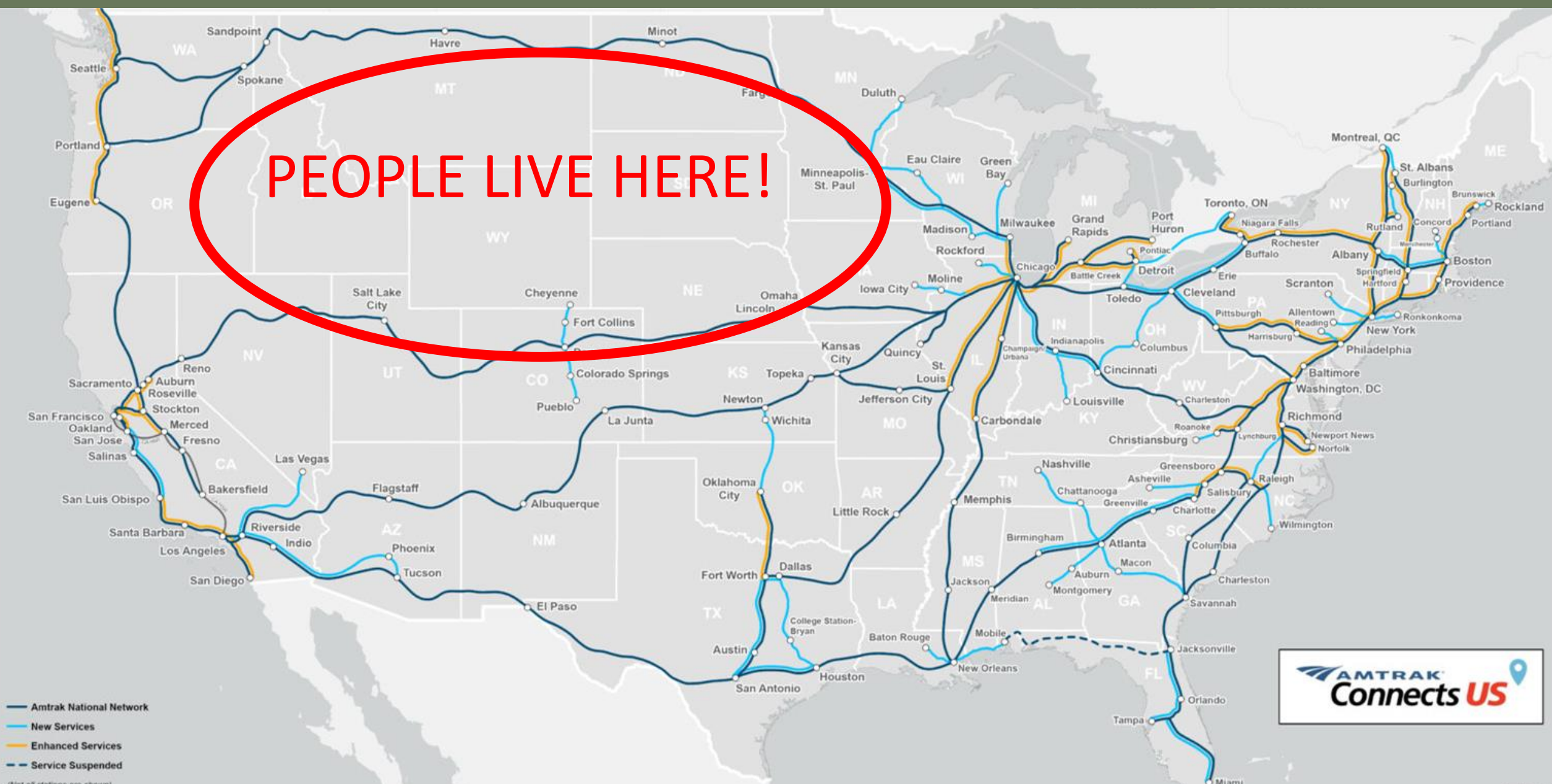
**BIG SKY
PASSENGER
RAIL AUTHORITY**

NATIONAL NETWORK: AN OPPORTUNITY FOR REVITALIZATION



NATIONAL NETWORK: AN OPPORTUNITY FOR REVITALIZATION

PEOPLE LIVE HERE!



— Amtrak National Network
— New Services
— Enhanced Services
- - Service Suspended
(Not all stations are shown)



MILESTONES

ESTABLISHED NOVEMBER 2020

2021
BOARD CONVENED JANUARY

FIRST IN-PERSON MEETING
AUGUST

ADOPTED FIRST BUDGET

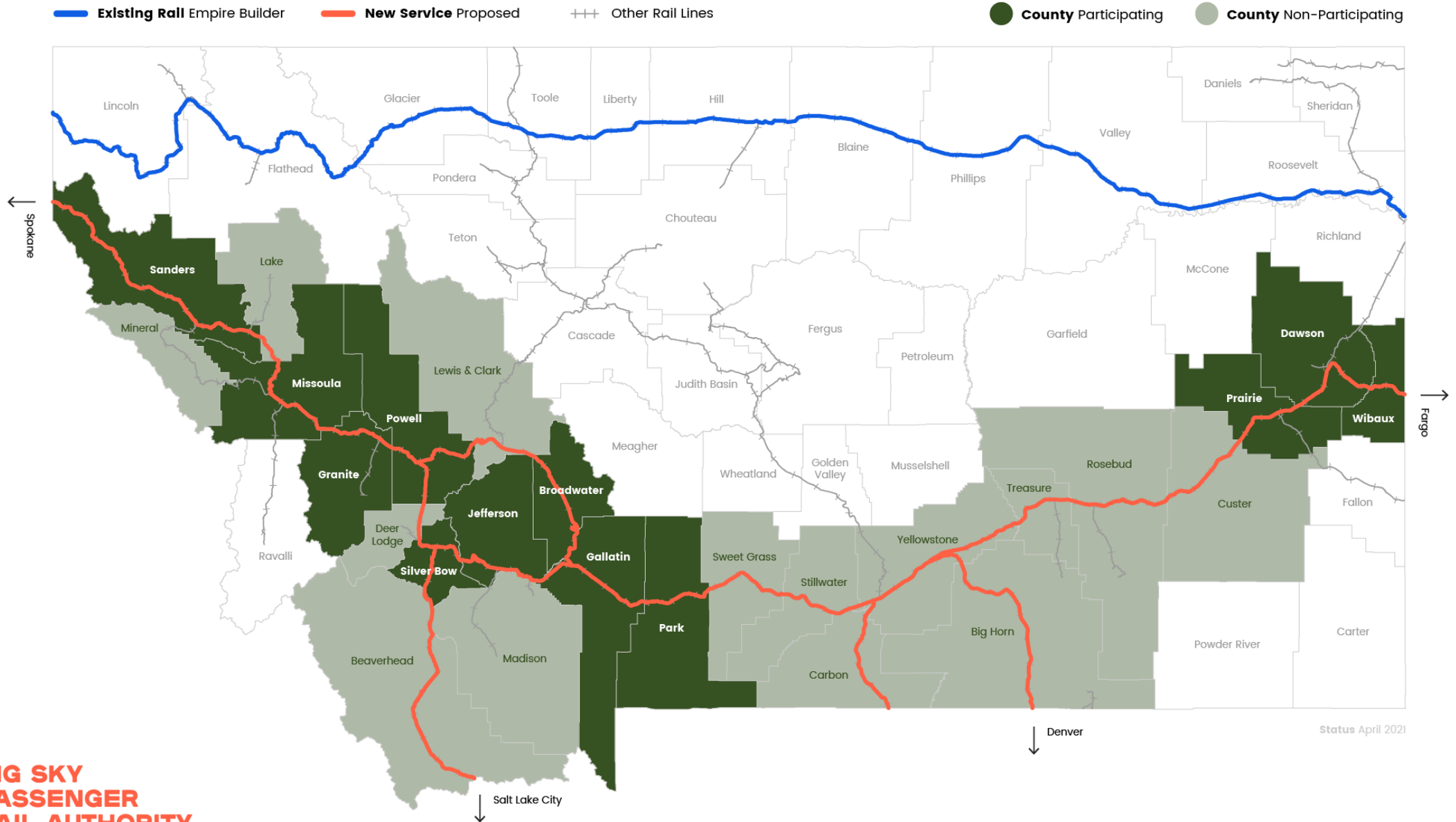
HELPED PASS KEY LEGISLATION



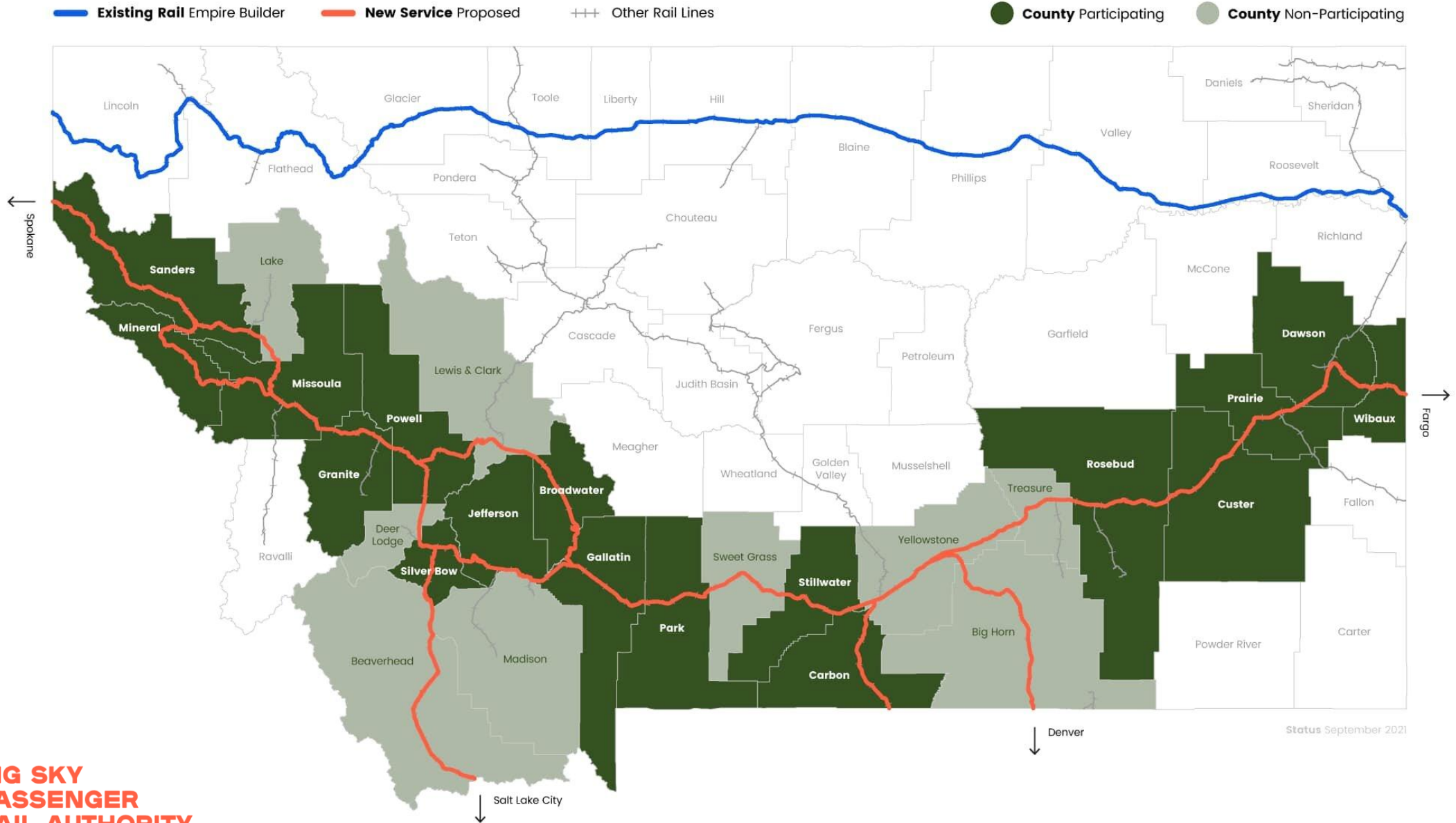
BSPRA



12 FOUNDING MEMBER COUNTIES

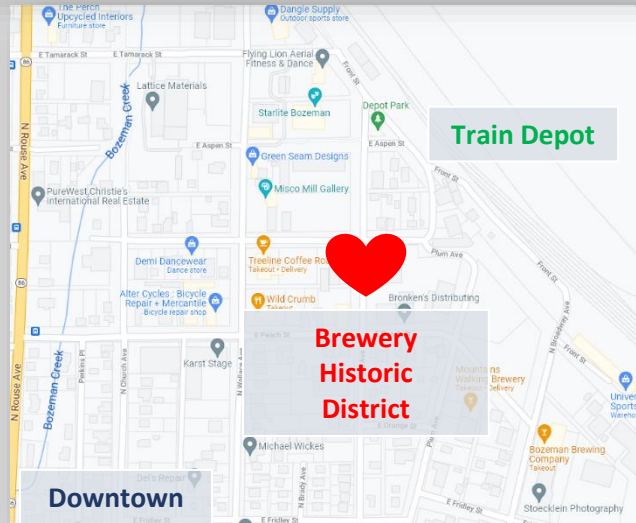
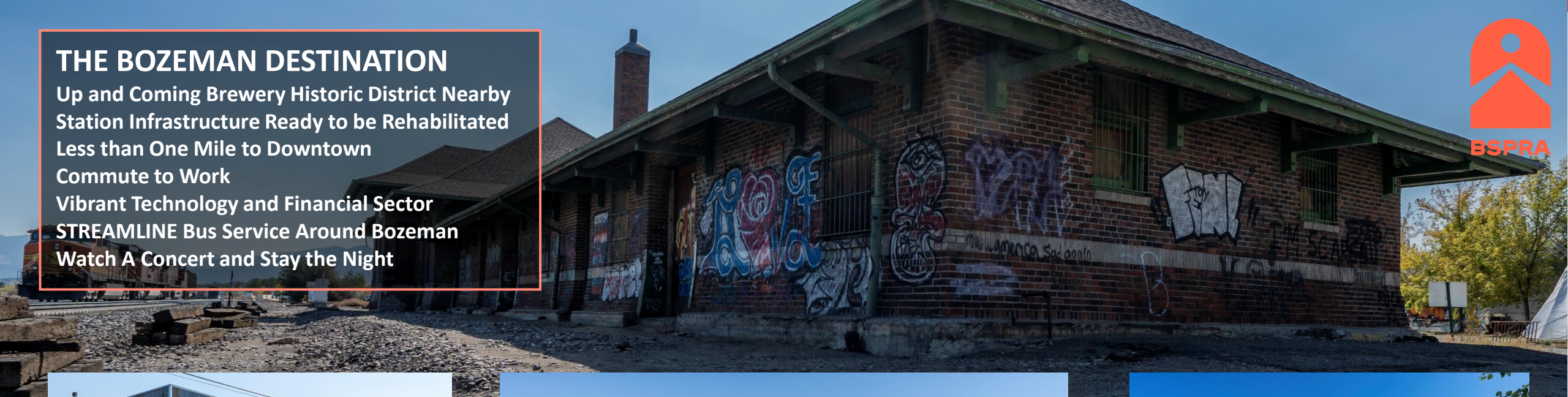


MONTANA: EXISTING & BSPRA PROPOSED LINES



THE BOZEMAN DESTINATION

Up and Coming Brewery Historic District Nearby
Station Infrastructure Ready to be Rehabilitated
Less than One Mile to Downtown
Commute to Work
Vibrant Technology and Financial Sector
STREAMLINE Bus Service Around Bozeman
Watch A Concert and Stay the Night

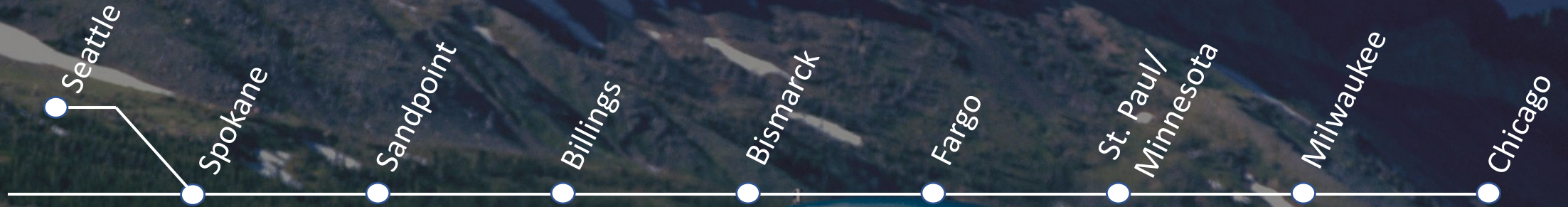


THE LIVINGSTON DESTINATION

- Vibrant Downtown
- Station Infrastructure Established
- Easy to Stroll
- Eat and Drink
- Art Galleries
- Go Shopping
- Spend an Afternoon or a Night



PROJECTED START-UP RETURNS FOR THE NORTH COAST HIAWATHA



**Annual Economic Return to U.S.
\$271 million**

**Annual Economic Return to Montana
\$44.6 million**

Annual Ridership of 426,000

IN THE NEWS



NEXT STEPS FOR BSPRA

IIJA	Utilize provisions of the IIJA to study and plan for passenger rail expansion
Create	Urge the secretary of transportation to form a Greater Northwest Working Group
Collaborate	Continue collaboration with partners throughout the region
Implement	Work with members of Congress, USDOT, FRA, Amtrak, and host railroads to implement to restore the North Coast Hiawatha

THE POWER OF LOCAL GOVERNMENT

Authority	Is there statutory authority to establish a regional rail authority/commission?
Think Big	Cross boundary, multi-jurisdictional, regionally, nationally, and internationally
Stay Focused	Don't be deterred by recalcitrant legislators, just-say-no bureaucrats, and well-meaning but circular firing squad passenger rail advocates!
Stay Positive	Passenger rail is bipartisan. We can do this!



BIG SKY PASSENGER RAIL AUTHORITY
www.bigskyrail.org



RAIL PASSENGERS
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Website: <https://www.bigskyrail.org/>

Facebook: <https://www.facebook.com/BigSkyRail>

Twitter: <https://twitter.com/bigskyrailmt>





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North Coast Hiawatha Restoration: A Solid Return for Taxpayers and Business

Jim Mathews, President + CEO

Rail Passengers Association



Bottom Line Up Front

Strong ridership, cost-recovery ratio, ROI

Compelling case for restoration

“Rail Passengers assesses that restoring the *North Coast Hiawatha* as a daily Amtrak service would generate **\$271 million each year in economic benefits** to the seven states served while costing Amtrak **roughly \$68 million per year to operate – a cost offset 66% by collection of \$41 million each year in fares and other customer revenue**. As many as **426,000** passengers can be expected to take this train each year once it reaches a steady state of operation, including perhaps as many as 29,000 new passengers who would not otherwise travel at all using any travel mode if the train did not exist.”

Summary of Findings

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- Broad benefits across the served states

Annual Estimated Economic Benefits of North Coast Hiawatha Service										
County/State (Station)	Visitor Spending	Reduced Pollution	Reduced Crash Fatalities	Avoided Road Maintenance	Avoided Travel Costs (vs Other Modes)	Rail Operations & Maintenance Spending	Labor Income	Value Added	Output*	Total Economic Benefit
Washington	\$ 1,487,513	\$ 139,143	\$ 204,670	\$ 6,634,689	\$ 9,364,669	\$ 21,407,785	\$ 15,262,713	\$ 28,441,928	\$ 50,589,566	\$ 89,828,035
Idaho	\$ 72,011	\$ 1,897	\$ 2,791	\$ 90,476	\$ 139,425	\$ 3,015,181	\$ 1,323,565	\$ 2,788,197	\$ 5,084,784	\$ 8,406,565
Montana	\$ 553,987	\$ 51,073	\$ 75,126	\$ 2,435,314	\$ 3,554,513	\$ 12,754,215	\$ 6,599,105	\$ 14,220,206	\$ 25,187,704	\$ 44,611,932
North Dakota	\$ 398,093	\$ 36,284	\$ 53,372	\$ 1,730,122	\$ 2,621,575	\$ 12,633,608	\$ 5,508,393	\$ 13,742,490	\$ 22,866,672	\$ 40,339,726
Minnesota	\$ 1,026,217	\$ 61,659	\$ 90,696	\$ 2,940,046	\$ 4,339,968	\$ 11,427,536	\$ 7,922,037	\$ 15,347,913	\$ 26,925,625	\$ 46,811,747
Wisconsin	\$ 991,376	\$ 34,285	\$ 50,431	\$ 1,634,783	\$ 2,400,475	\$ 7,085,675	\$ 4,989,067	\$ 9,421,957	\$ 16,583,080	\$ 28,780,105
Illinois	\$ 336,983	\$ 12,243	\$ 18,009	\$ 583,782	\$ 871,073	\$ 2,593,056	\$ 2,508,102	\$ 4,253,697	\$ 7,450,121	\$ 11,865,266
TOTAL	\$ 4,866,181	\$ 336,585	\$ 495,094	\$16,049,211	\$ 23,291,697	\$ 70,917,056	\$ 44,112,981	\$ 88,216,388	\$ 154,687,552	\$270,643,375

* - includes Labor Income and Value Added values, but will not total

Source: Rail Passengers Railway Benefits Calculator, IMPLAN Economic Modeling Tool

Summary of Findings

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- Significant benefits from service restoration
 - Value to the served states: **\$270.6 million annually**
 - Annual Amtrak op cost: **\$68.3 m** / Annual Amtrak op revenues: **\$45.1 m**
 - Benefits
 - New incremental visitor spending: **\$4.9 m**
 - Avoided road maintenance, pollution and fatalities: **\$16.9 m**
 - Traveler cost savings: **\$23.3 m**
 - New labor income: **\$44.1 m**

What Did We Study?

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- Four initial service scenarios outlined
 - **Due to limited time, only one was selected to model; the three others could be modeled at a later date**
 - RPA calculated 602 variables for 43 counties in which Big Sky suggests stations could be located, across Washington, Idaho, Montana, North Dakota, Minnesota, Wisconsin, and Illinois
 - Not included, but could be modeled later, were stops in Mineral, Powell, Deer Lodge, and Jefferson

How Did We Do It?

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- **Assessed county population, income data and ridership behavior**
 - Using updated Census data, compared population and income for the served counties to ridership data for similarly situated counties on the *Empire Builder*, the *Sunset Limited* and the *Texas Eagle* to derive estimated North Coast ridership
 - RPA modeling since 2016 suggests that most rural counties are outsized users of passenger rail, generating multiples of population for ridership

How Did We Do It?

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- **Calculated benefits generated by riders**
 - Spending on lodging, restaurants, shopping, entertainment and local travel; spending generated by Amtrak state-wide; savings to passengers using rail relative to costs of other travel modes; savings from avoiding vehicle miles traveled (VMTs); savings from reduced highway fatalities
 - This work relies on an in-house *Rail Passengers* model co-developed in 2017 with the University of Southern Mississippi's Trent Lott Center

How Did We Do It?

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- **Used off-the-shelf IMPLAN model to assess more benefits**
 - Spending and savings figures from the RPA/USM model were used as inputs to the IMPLAN tool to estimate additional effects as those economic benefits work through the larger economy
 - After Rail Passengers' model identifies the spending that enters a particular economy from the rail service, the IMPLAN tool traces the flow of that money through other parts of the local economy and the extent to which those flows generate additional labor income, value-added benefits, and tax effects.

What Did We Not Do?

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- **Model all possible scenarios**
 - Four potential service scenarios initially considered, and each could still be modeled
- **Conduct a full Operations Analysis**
 - Timetables, scheduling, crew basing options, qualitative adjustments for specific stations, etc., were all beyond the scope of this assessment
 - Adjustments to particular destination characteristics could take place in a subsequent study phase

What Did We Not Do?

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- **Determine specific alignments**
 - Significant changes have taken place since Amtrak's 2009 PIP study in the various territories, and these will need re-examination
- **Independently verify capital spending required**
 - Amtrak 2009 capital estimates were taken at face value and adjusted for inflation; benefits from a 5-10-yr capital program were considered, but not included in the final tally because a full study of the needed construction was beyond the scope of this assessment

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Source: Rail Passengers Railway Benefits Calculator, IMPLAN Economic Modeling Tool

Summary of Findings

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- Lodging, restaurants, entertainment, shopping, car rental sectors benefit from “induced visitors”

Annual Induced New State Visitor Spending From North Coast Hiawatha Service						
State	Lodging	Restaurants	Entertainment	Shopping	Local Transportation	Total New Spending
Washington	\$ 357,003	\$ 386,753	\$ 208,252	\$ 252,877	\$ 282,627	\$ 1,487,513
Idaho	\$ 26,644	\$ 17,283	\$ 7,201	\$ 10,802	\$ 10,082	\$ 72,011
Montana	\$ 86,140	\$ 152,357	\$ 98,528	\$ 64,605	\$ 152,357	\$ 553,987
North Dakota	\$ 65,743	\$ 120,197	\$ 51,220	\$ 87,124	\$ 73,809	\$ 398,093
Minnesota	\$ 143,667	\$ 246,286	\$ 256,560	\$ 256,560	\$ 123,143	\$ 1,026,217
Wisconsin	\$ 267,672	\$ 257,758	\$ 138,793	\$ 198,275	\$ 128,879	\$ 991,376
Illinois	\$ 104,426	\$ 74,743	\$ 27,121	\$ 34,595	\$ 88,837	\$ 329,722
TOTAL	\$ 1,051,295	\$ 1,255,377	\$ 787,675	\$ 904,839	\$ 859,734	\$ 4,858,920

Source: Rail Passengers Railway Benefits Calculator, IMPLAN Economic Modeling Tool

Summary of Findings

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- Lodging, restaurants, entertainment, shopping, car rental sectors benefit from “induced visitors”
 - Visitors who would not make the trip without the train
 - RPA modeling estimates this is between 5% and 7% of ridership at a given station
 - Visitor spending presented is only for the induced fraction; spending by visitors arriving by train is captured in Output values

Summary of Findings

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- Induced visitors also produce incremental tax receipts as their spending generates additional taxable activity at local, county, state and federal levels

Annual Tax Revenues Created By North Coast Hiawatha Service						
State	Sub County General	Sub County Special Districts	County	State	Federal	Total Tax Revenue
Washington	\$ 95,970	\$ 108,837	\$ 63,395	\$ 439,867	\$ 670,222	\$ 1,378,290
Idaho	\$ 743	\$ 1,749	\$ 3,175	\$ 7,372	\$ 11,621	\$ 24,661
Montana	\$ 12,148	\$ 24,828	\$ 25,968	\$ 102,221	\$ 248,120	\$ 413,286
North Dakota	\$ 12,470	\$ 10,020	\$ 6,022	\$ 113,297	\$ 203,634	\$ 345,444
Minnesota	\$ 49,646	\$ 48,918	\$ 55,737	\$ 230,793	\$ 297,435	\$ 682,528
Wisconsin	\$ 38,295	\$ 52,809	\$ 29,675	\$ 116,213	\$ 212,234	\$ 449,226
Illinois	\$ 22,156	\$ 34,848	\$ 7,207	\$ 42,012	\$ 119,816	\$ 226,039
TOTAL	\$ 231,429	\$ 282,009	\$ 191,180	\$ 1,051,774	\$ 1,763,082	\$ 3,519,474

Source: Rail Passengers Railway Benefits Calculator, IMPLAN Economic Modeling Tool

Summary of Findings

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- Induced visitors' spending generates sales taxes on their purchases, as well as stimulating taxes on transactions between businesses

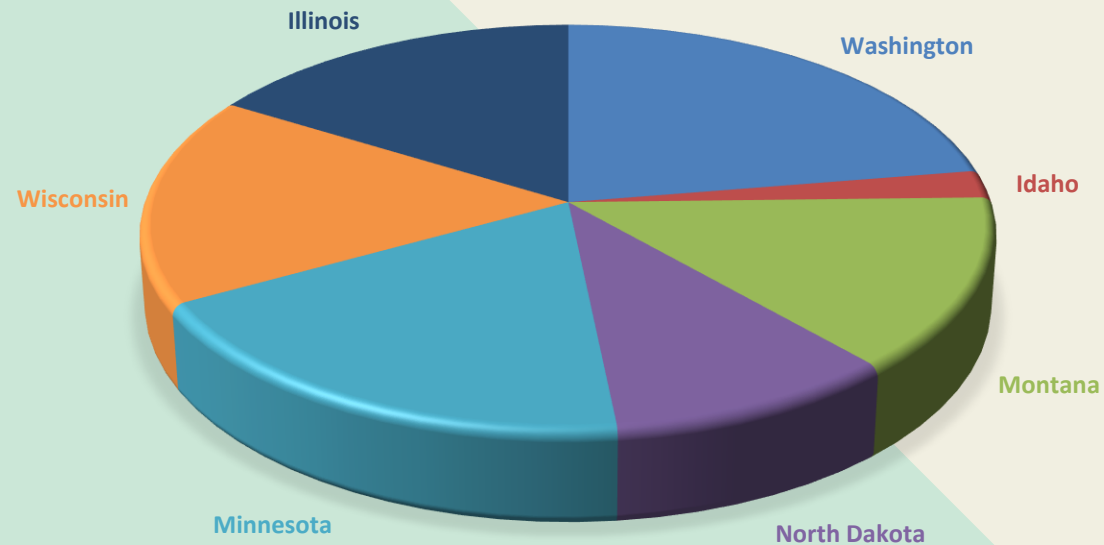
Ridership

Estimated ridership is strong at 426K

Broadly distributed among the seven served states, with the exception of Idaho

NORTH COAST STATE RIDERSHIP SHARES

Estimated State Ridership	
Washington	95,692
Idaho	9,265
Montana	58,956
North Dakota	42,284
Minnesota	79,438
Wisconsin	71,237
Illinois	69,513
TOTAL	426,384



What About The *Empire Builder*?

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- Ridership diversion is likely to be minimal
 - Visitors who would not make the trip without the train
 - In sheer numbers, ridership is almost always induced at a higher rate than seats made available, much like the phenomenon of induced demand that plagues new urban highways instantaneously with gridlocked traffic
 - Our ridership estimate is based only on “organic” traffic generated by population size and other Census factors

Other Notes, Considerations

Strong ridership, cost-recovery ratio, ROI
Compelling case for restoration

- VMT savings are extremely conservative
 - Emissions costs could be re-examined and increased with newer data
 - US DOT currently estimates the value of a saved life (VSL) at \$11.7 million, or more than twice the figure we modeled
- Annual benefits are ongoing operations; estimated ~\$795 million in capital spending and construction would significantly increase benefits in the first decade



RAIL PASSENGERS
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Q&A

NEXT EVENT:

**RailNation:DC
Spring Advocacy Summit & Day On The Hill**

Sunday, March 27 – Wednesday, March 30

Embassy Suites by Hilton
1900 Diagonal Rd
Alexandria VA 22314

MORE INFO: railpassengers.org/spring2022

