

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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Finance Docket No. 36025

**TEXAS CENTRAL RAILROAD AND INFRASTRUCTURE, INC. & TEXAS CENTRAL
RAILROAD, LLC – AUTHORITY TO CONSTRUCT AND OPERATE – PETITION
FOR EXEMPTION FROM 49 U.S.C. § 10901 AND SUBTITLE IV – PASSENGER RAIL
LINE BETWEEN DALLAS, TX AND HOUSTON, TX**

**SUPPLEMENTAL INFORMATION IN FURTHER SUPPORT
OF PETITION REQUESTING THAT THE BOARD
REQUIRE THE FILING OF UPDATED INFORMATION**

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Delta Troy Interests, Ltd. (“Delta Troy”) hereby files this Supplemental Information pursuant to 49 CFR § 1117.1. This information provides further support for the recent Petition Requesting that the Board Require the Filing of Updated Information (“Petition”), which Delta Troy filed on May 29, 2020. As described herein, supplementation is warranted to ensure that accurate information is before the Board in light of recent developments regarding Amtrak rail service. These recent developments occurred after May 29th, meaning that the supplemental information could not have been included in the Petition. In support hereof, Delta Troy states as follows:

Currently pending before the Board is the Petition to Reopen of Texas Central Railroad and Infrastructure, Inc. and Texas Central Railroad, LLC (collectively, “TCR”).¹ In support of the Petition to Reopen, TCR filed specific information in August 2019 in response to a directive

¹ The Petition to Reopen was filed May 4, 2018 in this proceeding.

issued by the Board earlier last year.² The information submitted by TCR included (1) reference to “daily” service on Amtrak’s Texas Eagle through Dallas as well as (2) reliance on Amtrak’s future ridership estimates, including a Verified Statement from Amtrak’s Senior Director, Demand Forecasting.³ Recent events reveal that information in both of these areas requires updating.

First, media reported last week that Amtrak has decided to reduce rail service on its Texas Eagle train from daily to three days per week, with the reduction to take effect October 1, 2020.⁴ According to these reports, this decision was announced via an Amtrak “Memo to Employees” on June 15, 2020, though the media did not begin reporting this service reduction until June 16th. While Amtrak apparently expressed a “goal” to return to daily service, no guarantee exists and no date has been established for a change to daily service.⁵ Instead, a return to daily service would depend upon whether “demand warrants,” but Amtrak has previously notified Congress that the transformative COVID-19 pandemic could result in permanent changes in Americans’ travel habits, which casts doubt on whether Amtrak’s future ridership will return to pre-COVID levels.⁶

² In response to the Board’s decision on June 20, 2019, TCR submitted responsive information on August 21, 2019.

³ See, e.g., TCR Response (filed Aug. 21, 2019) at page 6 (“The Texas Eagle provides one westbound train and one eastbound train daily....with a stop at Dallas”) and at page 9 (explaining reliance on Amtrak’s “ridership study...to estimate future ridership levels”).

⁴ See Exhibit 1 at page 1 (referencing October 1, 2020) and page 6 (“The following routes will go from daily operations to three times per week...Texas Eagle.”). Exhibit 1 is a news article titled *Amtrak is ending daily service to hundreds of stations. Blame the coronavirus pandemic, the railroad says*, authored by Luz Laro, THE WASHINGTON POST (June 16, 2020).

⁵ Exhibit 1 at page 5.

⁶ See, e.g., Amtrak letter to Congress (May 25, 2020) at page 2 (“when demand returns, we anticipate that changed behaviors, such as increased telework and reduced discretionary income, will likely impact ridership, along with capacity limits that may be needed to achieve social distancing”), attached as Exhibit 1 to Delta Troy’s Petition Requesting that the Board Require the Filing of Updated Information (filed May 29, 2020).

Second, the reduction in Texas Eagle service directly impacts the ridership estimates that TCR submitted to the Board in August 2019. Those estimates were developed by Amtrak using its forecasting model, which depends upon “key inputs” such as “[f]requency of service (daily, tri-weekly, etc.).”⁷ TCR acknowledged that the ridership estimate was based on “Amtrak...service frequency.”⁸ In light of Amtrak’s recent announcement, the ridership estimates submitted to the Board last year are not based on the most up-to-date information about Amtrak’s “frequency of service” to Dallas on the Texas Eagle. In fact, Texas Eagle service starting in October will be less than one-half of what is reflected in the ridership estimates submitted to the Board on August 21, 2019 – suggesting that the estimates should, at a minimum, be dramatically reduced.

These new facts provide further support for Delta Troy’s earlier Petition. The fundamental changes wrought by the COVID-19 pandemic on societal transportation trends and, most particularly, Amtrak service warrant a request from the Board that TCR submit updated ridership estimates. Delta Troy could not have included these developments in its Petition because they occurred on June 15th and 16th – long after the May 29th filing date of the Petition.⁹ Therefore, Delta Troy respectfully requests that the Board accept this Supplemental Information into the record in this proceeding in order to ensure that the most up-to-date data and accurate information is before the Board.¹⁰

⁷ TCR Response (filed Aug. 21, 2019) at page 10.

⁸ TCR Response (filed Aug. 21, 2019) at page 10.

⁹ In contrast, these developments occurred before TCR filed its Reply in opposition to the Petition on June 18th, yet TCR did not mention the Amtrak reduction in service.

¹⁰ See, e.g., Tri-City Railroad Company – Petition for Declaratory Order, STB Docket No. 35915, slip op. at 2 (served Sept. 14, 2016); Oregon International Port of Coos Bay – Feeder Line Application – Coos Bay Line of the Central Oregon & Pacific Railroad, Inc., STB Docket No. 35160, slip op. at 4 (served Oct. 31, 2008).

Respectfully submitted,

s/David E. Benz

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June 24, 2020

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of June 2020, I served a copy of the foregoing upon counsel for Texas Central Railroad and Infrastructure, Inc. and Texas Central Railroad, LLC via electronic mail and U.S. first-class mail, postage prepaid. All other parties of record were served on this day via U.S. first-class mail, postage prepaid.

s/David E. Benz
David E. Benz

Exhibit 1

Amtrak is ending daily service to hundreds of stations. Blame the coronavirus pandemic, the railroad says.

Reduced schedules begin Oct. 1, affecting stations across the country

By **Luz Lazo**

June 16, 2020 at 5:33 p.m. EDT

Amtrak is ending daily service to hundreds of stations outside the Northeast, and you can blame the coronavirus pandemic, the railroad said this week.

Starting Oct. 1, most Amtrak long-distance trains will operate three times a week instead of daily, the company said in a memo to employees Monday.

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The carrier is also planning to enter fiscal year 2021 with reduced train frequencies in the Northeast Corridor, the busiest in its network, and on its state-funded routes, the company said.

The downsized operations come as Amtrak prepares to cut up to 20 percent of its staff in response to the financial crisis left by the pandemic. Demand for service — and the company's revenue — plummeted to historic lows starting in mid-March as

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“Congress is not going to support us indefinitely to run mostly empty trains,” Roger Harris, Amtrak’s executive vice president and chief marketing and revenue officer, said in the memo to employees. “We need to demonstrate that we are using our resources efficiently and responsibly.”

Amtrak said last month that it needs nearly \$1.5 billion in supplemental funding from the federal government to maintain “minimum service levels,” anticipating ridership will not recover to pre-pandemic levels in fiscal 2021. Even with the supplemental funding, the company said, it would need to cut service and personnel to stay afloat.

Amtrak estimates that ridership in the next fiscal year may drop to 16 million, or roughly 50 percent of pre-pandemic levels.

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Ridership was down 95 percent during the height of the pandemic, and the Northeast Corridor, which had several coronavirus hot spots, was hit especially hard. Even as states begin to reopen, ridership remains down 90 percent.

While the company's plan to slash long-distance daily service was not a surprise, some rail advocates said Amtrak is wrong to reduce daily service to communities across the country where the train is the only transportation option. Besides, they said, those routes saw the smallest declines in ridership during the pandemic. According to Amtrak, demand for its long-distance service is down by 70 percent.

“Let's be clear: this is penny-wise and pound-foolish,” Jim Mathews, president and chief executive of the Rail Passengers Association, said in a statement. “The long-distance services declined the least among Amtrak's three business lines during the coronavirus-induced slowdown, and its services remain essential to the hundreds of small communities across the United States with fewer options than Philadelphia or Boston or New York City.”

Mathews estimates that as many as 461 stations outside the Northeast Corridor will lose daily service. He said Amtrak could be “setting itself up for failure by losing operating slots on host railroads, losing employees it will need to restore service and possibly losing the rolling stock as well.”

The Long Distance Service, which includes 15 routes, is Amtrak’s least profitable. It also is the most dependent on government subsidies. But the routes also have a strong fan base of train aficionados who take to the tracks to travel across America and riders from parts of the country where airports are not easily accessible.

Ross Capon, president emeritus of the Rail Passengers Association, said having less than daily service on the long-distance trains will end up costing Amtrak more in the long term. One reason, he said, is the new schedules will not allow for good same-day connections.

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“This could be the last summer for reasonably scheduled long-distance trips,”

Capon said.

Amtrak also plans to operate trains 32 percent less often in the Northeast and 24 percent less often for state-supported services beginning Oct. 1.

In a statement, Amtrak attributed the decision to operate at reduced capacity through fiscal 2021 to “the long-term impact of Covid-19 on ridership” and said, “Our goal is to restore daily service on these routes as demand warrants, potentially by the summer of 2021.”

The Auto Train, which travels from the Washington suburbs of Lorton, Va., to the Orlando area, is the only long-distance route that will continue to operate daily, Amtrak said. According to the company, the Auto Train has remained strong, even during the pandemic, maintaining a loyal ridership of people who seasonally migrate between Florida and the Northeast.

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The Silver Meteor between New York and Miami will run four times a week, so the stations it shares with the Silver Star will be served daily, officials said.

Amtrak’s two existing triweekly trains — the Sunset Limited (New Orleans to Los Angeles) and the Cardinal (New York-Washington-Chicago) — will remain

triweekly.

The following routes will go from daily operations to three times a week: California Zephyr (Chicago to San Francisco), Capitol Limited (Washington to Chicago), City of New Orleans (Chicago to New Orleans), Coast Starlight (Seattle to Los Angeles), Crescent (New York City to New Orleans), Empire Builder (Chicago to Seattle), Lake Shore Limited (New York to Chicago), Palmetto (New York to Savannah, Ga.), Silver Star (New York to Miami), Southwest Chief (Chicago to Los Angeles) and Texas Eagle (Chicago to San Antonio).

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Luz Lazo

Luz Lazo is a transportation reporter at The Washington Post covering passenger and freight transportation, buses, taxis and ride-sharing services. She also writes about traffic, road infrastructure and air travel in the Washington region and beyond. She joined The Post in 2011.

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