February 17, 2010

The Honorable Ted Strickland
Statehouse
Columbus, Ohio 43215

Dear Governor Strickland,

Regarding your proposal to restore passenger rail between Cincinnati, Dayton, Columbus and Cleveland, we can agree that a $400 million grant from the federal government is indeed a significant amount of money not to be taken lightly. I hope we can also agree that we have a responsibility to ensure that the state is making sound spending decisions with taxpayer dollars.

Based on what I have learned thus far, I am not convinced that the proposed 3-C Rail project put forth by your administration is the best use of our tax dollars. I am concerned that considering the tenuous structure of our state budget, Ohio does not have adequate resources to get the 3-C corridor up and running (even with $400 million from the federal government), that we will be unable to afford the cost of operating this service once it is restored, and that the speed and schedule of the trains as presented to date, virtually guarantee that few Ohioans will ride, which will require even greater taxpayer subsidies.

I am writing to ask for clarification and more information regarding the proposal based on our read of the December 2009 Amtrak commissioned by your administration. As you know, a provision inserted in the State Transportation Budget last year requires that before these funds may be expended in Ohio, the State Controlling Board must approve it by a supermajority vote. On behalf of our members who will be asked to vote on this project, I am asking that your administration provide answers to the attached questions. This information will help us to better evaluate the proposal and its impact on Ohio and whether or not this is a proper use of taxpayer dollars.

Sincerely,

Bill Harris
President of the Ohio Senate

cc. Jolene Molitoris, Director of the Ohio Department of Transportation
The Honorable Armond Budish, Speaker of the Ohio House
The Honorable Capri Cafaro, Minority Leader of the Ohio Senate
The Honorable William Batchelder, Minority Leader of the Ohio House
The Honorable John Carey, Chairman of the Senate Finance & Financial Institutions Committee
The Honorable Tom Patton, Chairman of the Senate Highways & Transportation Committee
The Honorable David Goodman, Member of the State Controlling Board
Questions Regarding 3-C Proposal:

1.) The final Amtrak study dated December 18, 2009 states on page 4:

_The Amtrak studies are not intended to be in-depth consultant type evaluations, which result in detailed cost and financial analyses, detailed operating parameters, long term revenue/ridership forecasts, highly developed infrastructure assessments, and engineering documents and financial reports that are “contract ready.” The results of the feasibility studies are intended to assist states in deciding whether the apparent merits of a state proposed project are justifiable in moving the project to the next steps toward implementation. In other words, the feasibility report serves as a barometer by which the state can judge whether the proposed project appears to be viable and worthy of further study and development._

- What additional studies will be required before the state knows the true costs of the project and can furnish “contract-ready” financial analyses, detailed operating parameters, revenues and ridership forecasts, infrastructure assessments and engineering documents?

- How soon will these studies be completed so that legislators and the general public have the critical information they need before a decision is made to commit $400 million dollars of taxpayer money and perhaps even more to this project?

2.) The final Amtrak study dated December 18, 2009 states on page 4:

_The feasibility report deliverables are presented in summary form and are developed through a process that combines Amtrak historical experience, empirical data from comparable operations, calculations based on rail industry standards and practices, and current material prices. A highly detailed breakdown of summary quantities has not been included in this report because many of the quantities are approximations developed through the process just described and are not supported by comprehensive technical and financial analyses._

- When will this “detailed” information be available?

3.) The final Amtrak study dated December 18, 2009 states on page 4:

_If, having reviewed the feasibility report, the state decides to move forward with the project, the next steps include refining schedules and operating parameters, developing detailed analyses of capital and operating funding requirements and securing actual sources of funding, negotiating contracts with service providers (such as Amtrak), negotiating grant contracts with the host freight railroads for infrastructure improvements (which typically requires the hiring of consultants to produce preliminary engineering documents and construction budgets, and to identify the various required permits and environmental approvals), negotiating agreements with station providers, and selecting and procuring equipment._

- When will the analysis of items referenced in this section of the study be completed and available?

4.) The final Amtrak study dated December 18, 2009 states on page 5:

_Following the release of Amtrak’s Draft Report for the Ohio 3-C Study on September 15, 2009, ORDC advised Amtrak that the State of Ohio has expressed serious interest in DMU (diesel multiple unit) equipment, potentially manufactured in Ohio by US Railcar (formerly Colorado Railcar), for use in the_
proposed 3-C service. While not operating DMU equipment in the Midwest today, Amtrak, nevertheless, does not oppose the use of this type of equipment per se, provided certain criteria are met.

Amtrak’s primary concern related to the type of equipment procured for any state corridor service is that it meets industry standards for manufacturing and safety, including full compliance with Federal Railroad Administration (FRA) requirements, that its use has the concurrence of the host freight railroads, over whose tracks the equipment operates, and that it meets the market needs of the traveling public.

- What is the status of negotiations with US Railcar in building this equipment in Ohio? Does DMU equipment comply with Federal Railroad Administration requirements?

5.) The final Amtrak study dated December 18, 2009 states on page 5:

Due to the natural attrition of the Amtrak fleet resulting from aging and damage to rolling stock, Amtrak’s fleet replacement needs have required it to retain stored/damaged rolling stock suitable for reconstruction and/or refurbishment for use in long-distance service and existing corridor service. Therefore, in this and all future corridor studies for new service or expanded existing service, the states should factor into their equipment capital estimates the cost of newly manufactured rail cars and locomotives.

- Since the announcement of the $400 million dollars in stimulus money, a number of individuals have been quoted as saying that one of the ways we can save money is to reuse rolling stock.

- What is the Administration’s position on this? Is Amtrak right or wrong? Is the state going to buy new trains as Amtrak says in their report or will the state reuse rolling stock?

6.) The final Amtrak study dated December 18, 2009 states on page 13:

Although there have been general operational discussions, field inspections, and review of preliminary capacity additions analyses with the host freight railroads, the freight railroads have not agreed to the reintroduction of passenger rail services to the 3-C Corridor, or the terms and conditions of that reintroduction, and have not agreed to the specific infrastructure improvement proposals, draft schedules and other freight railroad-related comments in this report. Instead, they reflect only the findings to date and best judgment recommendations of the study team. Detailed discussion and initiation of formal negotiations with the host freight railroads are required if the ORDC decides to proceed with implementation of the 3-C “Quick Start” service.

- What is the status of discussions between the state and the railroads on this subject? What has been discussed and has there been any resolution?

7.) The final Amtrak study dated December 18, 2009 states on page 13:

All proposed train schedules shown in this feasibility study are dependent upon timeslots made available by the host freight railroads. Timeslots are subject to further discussion based on traffic volumes, operating conditions and other considerations in existence at the time of actual service commencement on the route. Given likely freight growth following the current recession and the possibility of changing operating conditions on the route at the time of service commencement, revisions to the proposed schedules shown in this study may be required.

- What is the status of discussions between the state and the railroads on this subject? What has been discussed and has there been any resolution?
8.) The final Amtrak study dated December 18, 2009 states on page 15:

To develop a provisional schedule, the study utilized field inspection results, existing host freight railroads’ track profile charts, station dwell times, Amtrak’s standard schedule development methodology, and an assumed 79 MPH maximum authorized timetable operating speed. Woodside Consulting, a contractor for ORDC specializing in train operations modeling and railroad capacity analysis, was provided with the provisional schedule by Amtrak as a basis for conducting modeling and capacity analysis of the 3-C route. Projected freight traffic levels at the startup of passenger service were provided to Woodside by CSX and NS. Preliminary capacity analyses conducted by Woodside indicate that, with implementation of the recommended infrastructure improvements described in Section II.B.1, Table 4, the provisional schedule can be achieved. However, the host freight railroads have advised that they will not be able to confirm that the provisional schedules are acceptable until additional capacity analyses are completed.

- Have additional capacity analyses been completed and what is the status of discussions between the state and the railroads on this subject?

9.) The final Amtrak study dated December 18, 2009 states on page 15-16:

Station dwell time is the amount of time allowed for passengers to board or to de-train in a station. When a passenger train moves from the track of one freight railroad to the track of another freight railroad, control of the passenger train passes from one railroad’s dispatcher to the other railroad’s dispatcher. The time allowed for this transfer of control to occur is called “hand-off time.” A 15-minute allowance has been assumed for this study, but individual railroads may be willing to negotiate different hand-off times depending on dispatching protocols.

Some allowance is required to account for unforeseen delays that invariably occur in passenger train service, especially when operating over host freight railroads. Based on Amtrak experience, this delay time approximates 8% of a train’s over-the-road run time, excluding dispatcher hand-offs and station dwell time.

- Have these times been confirmed by the railroads? If so, please provide documentation.

10.) The final Amtrak study dated December 18, 2009 states on page 18:

In order to avoid added congestion and loss of operating fluidity on the host freight railroads, and to provide consistently reliable service for passenger trains, an analysis of the 3-C route capacity was needed to identify specific infrastructure improvements that must be in place prior to startup of service. The location of the recommended improvements that Woodside Consulting identified and the scope of work to be done are described in the following Table 4. With the exception of line items 11 and 12, the locations and extent of work for these infrastructure improvements are based on the results of the preliminary report prepared by Woodside and presented to ORDC, Amtrak, CSX and NS on July 22, 2009.

- Please provide us with a copy of the Woodside report.

11.) The final Amtrak study dated December 18, 2009 states on page 19:

While capacity projects named in the following Table 4 make intuitive sense and appear to be logical capacity improvements, the host freight railroads will not be able to confirm the utility of these projects until additional capacity analyses are completed. Additional capacity improvements may be necessary.
All recommended infrastructure improvements, whether in Table 4, or as a result of further capacity studies by the host freight railroads, must be reviewed and approved by the host freight railroads, and completed prior to startup of passenger service.

- What additional capacity improvements will be needed? How much will the additional capacity improvements cost?

12.) The final Amtrak study dated December 18, 2009 states on page 21:

In addition to capital infrastructure improvements and track upgrading, another cost item that must be considered is the implementation of Positive Train Control (PTC). The Amtrak Reauthorization Act (PRIIA) of 2008 requires installation of PTC on certain rail lines by the year 2015, but the scope, costs and funding responsibility associated with this requirement cannot be determined at this time and it is therefore not addressed in this report. PTC is defined as a system to prevent train-to-train collisions, over-speed operations, incursions into established maintenance of way work zone limits, and the movement of a train through a switch left in the wrong position.

- What is the cost of this going to be and how will it be paid for?

13.) The final Amtrak study dated December 18, 2009 states on page 22 and 23:

Therefore, this study recommends the construction of a shop and repair facility in Cleveland to perform all maintenance, repairs, washing, fueling and sanding, as well as layover and turnaround servicing, for the entire fleet of 3-C cars and locomotives. This should include the capability in future years to perform heavy repairs as the equipment ages. It should be noted this facility is planned, not only for the maintenance needs of the initial 3-C Corridor, but also for the future Cleveland Hub System with passenger train service proposed to be initiated from Cleveland to Pittsburgh, Buffalo, Detroit, and other points.

The property that is proposed for a Cleveland maintenance site, is a mostly abandoned yard (known as the East 26th Street Yard) located approximately 1 mile east of the existing Amtrak Lakefront Station. East 26th Street Yard is connected to the station via an existing track adjacent to and parallel with the CSX main line. Currently in FRA Class I condition (10 MPH maximum speed), this track will require upgrading to handle efficient train movements between the maintenance facility and the station. Based upon an Amtrak evaluation in 2005, it is believed the extent of property required to accommodate a facility capable of supporting the Ohio 3-C corridor service, as well as the entire Ohio Hub System operation, will include vacant property currently owned by Amtrak, CSX, and other unknown owners adjacent to East 26th Street Yard. Exhibit 9 describes a conceptual location layout for the proposed maintenance facility and its proximity to the existing Cleveland Lakefront Station. No substantive discussions have taken place with CSX or other property owners by either ORDC or Amtrak regarding the acquisition of this property.

- The cost estimate for this facility is $49.3 million. Since the announcement of the $400 million in stimulus money, a number of individuals have been quoted as saying that one of the ways money can be saved is abandon the construction of this planned facility. Does the state plan on building this facility or doing something different?

- Has the state had any further discussions with CSX or other property owners about using this site? What is the status of those discussions?

14.) The final Amtrak study dated December 18, 2009 states on page 24:
In addition to the primary maintenance facility in Cleveland, the proposed 3-C operating schedule will require layover and turnaround facilities at Columbus and Cincinnati. Two potential sites, neither of which has been discussed in detail with the host freight railroads, are the NS Grandview Yard in Columbus, roughly 1.5 miles west of the proposed Convention Center Station, and the IORY Undercliff Yard in Cincinnati, about 5 miles east 24 of the proposed Boat House Station.

- Have discussions been held with the host freight railroads and have they agreed with this proposal? If they do not agree, where will the layover and turnaround facilities be built and will it cost more or less than the original estimates?

15.) The final Amtrak study dated December 18, 2009 states on page 26:

The summarized annual 2009 financial information, presented herein is provided for illustrative purposes only and has been based upon the hypothetical 12-month operation of the contemplated 3-C Corridor Service described in this report. Due to the potential future variability of key operational factors such as changes in host railroad operations, proposed levels of daily service, and/or the placement of station locations, all of which may have a material effect upon the projected results developed for this study, estimated results for only the 2009 year have been presented in this report.

- It is troubling that the financial information in the report, upon which we are supposed to make decisions, is for illustrative purposes only and is based on hypotheticals. When will the state have more concrete projections that give us better information on which to make our decisions?

16.) A significant concern for members of the Republican Caucus and others I have spoken with is the cost of the project. Last March (2009), the Administration suggested the cost would be $250 million dollars. Three months later it stated that costs could reach $400 million dollars. Three months later the new cost estimate was $343 million dollars. And then, a month later, the state asked the taxpayers for $564 million dollars in federal stimulus money. Last month, when the state only received $400 million, you and others said the project can be completed for $400 million.

- Can we be assured that costs will not exceed $400 million dollars?

17.) Another significant concern for members of the Republican Caucus and others I have spoken with is the schedule contained on page 17 of the Amtrak report. The arrival and departure times make it difficult to see the advantages of riding the train for most business or leisure travel.

When questioned about this, members of your administration and other rail proponents say that it is only a draft schedule and that adjustments can be made to make it more convenient.

- With only four trains in service at any given time, can you provide us with any alternative schedules to better assure the public that riding the train would make sense? Additionally, how would such changes affect current ridership projections?

18.) Another concern that has been raised by many is that the train will travel at an average speed of only 39 mph. Many believe this isn’t fast enough to incentivize travel by train. Members of your administration have responded to this concern by saying this is the first step towards high speed rail in the 3C corridor.

- Is it possible to upgrade the tracks on the proposed routes to high speed rail or would it require new and separate tracks?
• If the answer is that it would require new and separate tracks, how much would it cost to build a high speed rail system in this corridor? Where would the additional money come from?

• Does the state or railroads own all of the right away that would be necessary to lay new tracks? Is there enough right away in the corridor that would allow for building these new tracks?