



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GLORIA J. JEFF  
DIRECTOR

December 20, 2004

The Honorable Shirley M. Johnson, Chair  
Senate Appropriations Committee  
Michigan State Senate  
P.O. Box 30036  
Lansing, Michigan 48909

The Honorable Marc I. Shulman, Chair  
House Appropriations Committee  
Michigan House of Representatives  
P.O. Box 30014  
Lansing, Michigan 48909

Dear Senator Johnson and Representative Shulman:

In accordance with Public Act 361 of 2004, Section 711(4), enclosed is the Michigan Department of Transportation's State Supported Rail Passenger Service Report.

If you have any questions or comments regarding the report, feel free to contact me or Rob Abent, Director, Multi-Modal Transportation Services Bureau at (517) 335-9568.

Sincerely,

Gloria J. Jeff  
Director

Enclosure

cc: Members of Senate and House Appropriations Subcommittee  
C. Thiel, Senate Fiscal Agency  
W. Hamilton, House Fiscal Agency

MMTSB:RA:ADM:TH:djm

bcc: L. Hank  
K. Steudle  
V. Blaxton  
R. Abent  
T. Hoeffner 712  
M. Frierson  
E. Timpf  
L. Hostetler

**State Supported Rail Passenger Service Report**  
**December 9, 2004**  
**As required by PA 361 Section 711 (4)**

The purpose of this report is to provide a five year history of ridership and subsidies on Michigan's Grand Rapids-Chicago (*Pere Marquette*) and Port Huron-Chicago (*International/Blue Water*) Amtrak services. This summary includes the Department's efforts to promote public awareness of these services, increase ridership and revenues, reduce operating costs, and decrease the state operating subsidy.

The following is a ridership and operating subsidy summary for Fiscal Years (FY) 2000-2004:

<u>Year</u>	<u>International/Blue Water</u>		<u>Pere Marquette</u>	
	<u>Ridership</u>	<u>Subsidy \$\$</u>	<u>Ridership</u>	<u>Subsidy \$\$</u>
2000	108,266	1,300,000	64,825	750,000
2001	105,114	3,500,537	58,836	2,200,020
2002	91,714 <sup>(1)</sup>	3,500,000	60,127	2,200,000
2003	80,890 <sup>(2)</sup>	3,500,000	73,392	2,200,000
2004	94,378 <sup>(3)</sup>	4,500,000	87,767	2,600,000

- (1) FY 2002 *International's* ridership was negatively impacted by consistent delays caused by Canadian National track work.
- (2) FY 2003 *International's* ridership was again negatively impacted by track work east of East Lansing. This infrastructure work resulted in the use of buses between East Lansing and Port Huron for most of the summer.
- (3) FY 2004 marked the change in service from the *International* to the *Blue Water*. On April 25, 2004 the service no longer crossed the Canadian border and instead had a 5:15AM departure time from Port Huron, with an arrival at 11:10 AM in Chicago. The Departure from Chicago changed to 3:00PM with a scheduled arrival in Port Huron at 10:50PM.

This fiscal year reported an increase in ridership of over 18% on Michigan's two subsidized routes. The *Pere Marquette* posted an increase of nearly 20% in ridership over FY 2003. That makes for two consecutive years of double digit increases. The ridership on the *Pere Marquette* has never been higher! The success of this train was highlighted with a 20<sup>th</sup> Anniversary event which was celebrated in the station communities along this route on August 5, 2004. This event allowed the service to thank West Michigan for 20 years of support. The *Pere Marquette* also posted gains in revenue of 15.4% over last year. The *International* service became the *Blue Water* service on April 25, 2004. This change in service eliminated the border crossing and provided the traveling public along this route with an early morning departure to west Michigan and beyond. Since the implementation on this new schedule, the *Blue Water* has consistently made ridership gains. After several years of decline, this service posted nearly a 17% rise in ridership over FY 2003. The revenue on this train has also increased by 10% over FY 2003. The Department, Amtrak and the communities along the *Blue Water* service celebrated the new schedule with an inaugural run of the service on April 24, 2004. Both this inaugural run and the *Pere Marquette's* 20<sup>th</sup> anniversary served as excellent opportunities for the media to cover the services and for the station communities to show their support of passenger rail. Both events were captured on video and aired for public viewing on the Government TV channel this summer.

By continuing to confer with the communities along these two routes in the form of coalitions, the Department seeks input at the local level. These coalitions provide the public the opportunity to comment and be involved with the passenger rail service. This input leads to community based marketing opportunities, service upgrades and vendor awareness. Also, the Department has been actively involved with the Michigan Association of Rail Passengers (MARP). This association is very consumer-oriented and has served as a rail passenger watchdog. Their involvement has contributed to station improvements, community awareness and tourism.

The Department/Amtrak FY 2004 operating agreement required the return of station agents at the Port Huron, East Lansing and Flint stations. These agents were all in place by the end of April 2004. With the current increase in ridership along the *Blue Water* route this additional staffing has been a great asset to rail passenger services.

The FY 2005 operating agreement with Amtrak will allow for a \$7.1 million subsidy for the two state-supported services. This is the same amount of money contracted in FY 2004. This agreement will continue the use of the *Blue Water* schedule and run the *Pere Marquette* without a café car. These changes, which were implemented in FY 2004, will reduce our costs and continue to contribute to the increasing ridership and revenues that these routes are experiencing. As mentioned earlier, the station agents were returned to three stations and promotions to market both routes will begin at the first of the year. The Department will continue to monitor the growth of our rail passenger service and how this growth positively influences any future operating subsidies.

The Department has not received Amtrak's subsidy request for FY 2006 or FY 2007. This information and the detail associated with this request are expected in mid-January. These future subsidy requests are influenced by the annual federal reauthorization of Amtrak.