

State Supported Rail Passenger Service Report
December 5, 2003
As required by PA 162 Section 711 (5)

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*) 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) 1999-2003:

	<i>International</i>		<i>Pere Marquette</i>	
	<u>Ridership</u>	<u>Subsidy \$\$</u> ⁽¹⁾	<u>Ridership</u>	<u>Subsidy \$\$</u> ⁽¹⁾
1999	113,702	1,300,000	68,091	750,000
2000*	107,878	1,300,000	63,002	750,000
2001	104,674	3,500,537	57,995	2,200,020
2002	89,739 ⁽²⁾	3,500,000	58,889	2,200,000
2003	78,570 ⁽³⁾	3,500,000	71,518	2,200,000

*An additional \$250,000 was contracted in FY2000 to market the Michigan Services in FY 2001.

- (1) The subsidy for each service is prorated by *service miles* from the total subsidy provided to Amtrak. FY 2001-FY 2003 is actual subsidy per train.
- (2) FY 2002 *International's* ridership was negatively impacted by consistent delays caused by Canadian National track work.
- (3) 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.

This fiscal year marked a slight increase in total ridership on Michigan's two subsidized routes. The *Pere Marquette* not only posted an increase of over 21% in ridership from FY 2002, but also marked the highest ridership in 13 years for this route. The *Pere Marquette* also posted gains in revenue of 3.8% over last year. The *International* was again hampered by extensive infrastructure work for most of the summer on the Canadian National owned railroad tracks located east of East Lansing. In order to accommodate the track work, buses were used for travel between East Lansing and Port Huron. This necessary track work, the train's poor on-time performance—which is due in part to continued delays at the Canadian border—and the *International's* inconvenient daily schedule are all negative factors that continue to plague this service.

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 a forum for discussion of service concerns and also permit the exchange of ideas that have led to improvements to Michigan's rail

passenger program. Some of these ideas have been implemented during the past year and others will be in the coming fiscal year.

After discussions with the coalition located in West Michigan, the Department agreed in FY 2003 to make the *Pere Marquette* an Amtrak “reserved” train. This allowed Amtrak the ability to promote this service on its web site and offer special rates. The promotion has been very successful in West Michigan and has been a factor in this train’s remarkable ridership growth. The coalition in West Michigan is called Westrain and it has been instrumental in the promotion and marketing of this service. Not only does Westrain work with Amtrak on their specific promotions, but they also contract with a local marketing firm to implement locally focused promotions. Westrain receives state dollars for this program and matches these dollars with local funds.

Another change on the *Pere Marquette* service has been associated with food service. During the past fiscal year the café car has been removed and replaced with cart service. This service replicates airline service and comes at a substantial savings to the State of Michigan. The Department continues to work with Amtrak to provide an appealing menu which includes a variety of Michigan products.

After several conversations with communities along the *International* route, the Department has determined that the current schedule offered by the *International* service does not adequately serve Michigan’s public. The Department has requested that Amtrak change the *International* service (Port Huron to Chicago) back to the former *Bluewater* schedule. The *Bluewater* scheduled train will leave Port Huron early in the morning and arrive in Chicago before noon. The return train will leave Chicago at approximately 3:00 p.m. and arrive in Port Huron at approximately 10:00 p.m. The *Bluewater* schedule allows travelers a two day visit in Chicago, requiring only one overnight stay, as compared to having to spend two nights under the current schedule. Constant delays associated with the Canadian border will be averted with the new schedule. Past history and passenger input indicate a preference to this schedule and the Department expects to see an increase in ridership and revenue when the *Bluewater* service begins in early spring 2004. Improvements will be made by the Department at the Port Huron station for the “overnighting” of the locomotive equipment.

In order to continue to accommodate international travel, the Department has asked Amtrak to consider establishing a bus connection through the Detroit Tunnel. This service will allow passengers to connect with any of the Detroit-to-Chicago corridor trains or with Via Rail in Windsor.

The Department and Amtrak will be working with the station communities, Travel Michigan and others to promote the reintroduction of the *Bluewater* service. This effort will include a marketing and advertising campaign that includes press releases, presentations at local events and the possibility of a special train event.

As part of the FY 2004 MDOT/Amtrak operating agreement, Amtrak will reintroduce station agents at the Port Huron, East Lansing and Flint stations. The agents, which have been missed by the passengers, will provide personal service to our travelers and a more pleasurable train riding experience. This is expected to occur in early February 2004.

The Niles, Grand Rapids, Holland, and St Joseph stations also have new LED signing that provides passengers with current train arrival information and can be viewed from the station lobby or from the parking lot.

The Department is currently working with Amtrak to complete the final details of the FY 2004 operating contract. This contract will provide Amtrak with a \$7.1 million subsidy for these two services. With this contract the *International* service will be converted to the *Bluewater* service. The Department feels this change will lead to increased ridership and revenues. As mentioned earlier, the station agents will be returned to three stations on this route and promotions to market these changes will begin at the first of the year. The *Pere Marquette* will continue the use of cart food service and food service options will be explored for the new *Bluewater* service. The Department will continue to monitor the effects of these changes on our rail passenger service and expects to see a reduction in costs and increase in revenues.

Amtrak has tentatively requested an \$8.0 million subsidy for FY 2005. The Department has not received any detail on this request and has not received a subsidy amount for FY 2006. These future subsidy requests will be affected by the federal reauthorization of Amtrak which should occur this fiscal year.