



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

GLORIA J. JEFF
DIRECTOR

December 21, 2005

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

The Honorable Scott Hummel, Chair
House Appropriations Committee
Michigan House of Representatives
P. O. Box 30014
Lansing, Michigan 48909

Dear Senator Johnson and Representative Hummel:

In accordance with Public Act 158 of 2005, Section 711(4)(5), 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,


for Gloria J. Jeff
Director

Enclosure

State Supported Rail Passenger Service Report
December 13, 2005
As required by PA 158 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 Michigan Department of Transportation's (MDOT) 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) 2001-2005:

<u>Year</u>	<i>International/Blue Water</i>		<i>Pere Marquette</i>	
	<u>Ridership</u>	<u>Subsidy \$\$</u>	<u>Ridership</u>	<u>Subsidy \$\$</u>
2001	105,114	3,500,537	58,836	2,200,020
2002	91,714 ⁽¹⁾	3,500,000	60,127	2,200,000
2003	80,890 ⁽²⁾	3,500,000	73,392	2,200,000
2004	94,378 ⁽³⁾	4,500,000	87,767	2,600,000
2005	111,630	4,500,000	96,471	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 14% on Michigan's two subsidized routes. The *Pere Marquette* posted an increase of 10% in ridership over FY 2004. This route has experienced three consecutive years of double digit increases. The *Pere Marquette* also posted gains in revenue of 11% over last year. The revenue and ridership on the *Pere Marquette* is the highest in its history. 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 an early morning departure to southwest Michigan and beyond. Since the implementation of this new schedule, the *Blue Water* has consistently made ridership gains. This service has posted its highest ridership since FY1999 and over an 18% rise in ridership over FY 2004. The revenue on this train has also increased by 21% over FY 2004.

By continuing to confer with the communities along these two routes in the form of coalitions, MDOT seeks input at the local level. These coalitions provide the public the opportunity to be involved with their passenger rail service. This input leads to community based marketing opportunities, service upgrades and vender awareness. In May 2005, the Convention and Visitor Bureaus and Chamber of Commerce from several communities along all Michigan's rail passenger routes joined MDOT and Travel Michigan in the planning and execution of the first "Michigan Day" at Chicago Union Station. This event set up booths in the Great Hall of Chicago

Union Station and distributed tourism packets to thousands of Chicago's commuters. This was a major effort to bring people to the many wonderful travel destinations in Michigan. The increases in ridership and revenue statewide can in part, be attributed to this event. Also, MDOT 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 FY2006 operating agreement with Amtrak will provide a \$6.1 million subsidy for the two state-supported services. The annual operating subsidy required to operate Michigan's two state supported routes for FY2006 is \$7.1 million. This \$1 million appropriation shortfall will result in the state-supported services discontinuing service after August 10, 2006.

As the result of increased ridership and revenue Amtrak's subsidy request has remained the same for three years, despite significant increases in fuel and health care costs. This agreement will continue the use of the *Blue Water* schedule and run the *Pere Marquette* service without a café car. These changes, which were implemented in FY 2004, will continue to control costs as the program strives to continue increasing ridership and revenues of these passenger routes. MDOT will continue to monitor the growth of our rail passenger service and how this growth positively influences any future operating subsidies.

MDOT has not received Amtrak's subsidy request for FY 2007 or FY 2008. 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.