



Response to Oklahoma Department of Transportation Request for Qualification

June 17, 2016

Mr. John Rosacker
Oklahoma Department of Transportation
200 N. E. 21st St., Suite 30-6
Oklahoma City, OK 73105

Dear Mr. Rosacker,

Please find Amtrak's response to the Oklahoma Department of Transportation (ODOT) request for qualification, which is being submitted for consideration.

Sincerely,

A handwritten signature in blue ink that reads "Michael W. Franke".

Michael Franke
Sr. Director, State Government Contracts

A. Profile of Amtrak

The National Railroad Passenger Corporation (Amtrak) is America's intercity passenger rail provider. Since its founding in 1971, Amtrak has worked hard to sustain and grow intercity passenger rail traffic, culminating in ten years of record ridership and five consecutive years in which annual ridership has exceeded 30 million passengers. In FY 2015, Amtrak carried 30.8 million people, generating \$2.1 billion in ticket revenue.

Amtrak operates over 21,300 miles of the nation's 140,000-mile rail network, and maintains the locomotives and cars that sustain a service of more than 300 daily trains, serving more than 500 stations in 46 states and three Canadian provinces. While Amtrak owns and operates most of the Northeast Corridor, as well as portions of the infrastructure in Michigan, more than 97% of our route-miles (carrying 72% of the annually generated train-miles) are run on the tracks of freight or commuter host railroads.

Amtrak maintains operating agreements with the Class I railroads and many of the nation's largest commuter agencies, and funds staff at the major hosts who act as liaisons and manage our day-to-day coordination needs with those carriers. In addition, Amtrak oversees operations in, and has contractual relationships with, 19 state transportation agencies that currently support corridor routes, such as the existing *Heartland Flyer*.

Amtrak's 21,000 person workforce and management structure contains every skillset needed for the operation of a modern railroad in accordance with CFR Title 49 (Transportation), the industry's recommended practices, and the operating rules of the various railroad systems. Amtrak is a corporation organized under 49 USC § 24101 et seq. and the laws of the District of Columbia. Pursuant to 49 USC § 24301(b), Amtrak is authorized to do business in the States of Oklahoma and Texas as of the date of this RFQ.

While we tend to think of railroads in terms of infrastructure and trains, the people who make the system work are its most important component. Amtrak possesses a deep bench of talented employees who are supported by a training and evaluation system that includes our unique rail training facility and a longstanding testing and evaluation system under the close scrutiny of federal rail regulatory agencies. Amtrak developed and codified many of the procedures and practices that are now standard in the passenger rail industry, and many of our employees and managers are industry leaders. With respect to crew dispatching and job assignments, Amtrak has been a lead participant with the Federal Railroad Administration (FRA) in assessing all aspects of fatigue management in job assignments.

B. Historical Operation of the Heartland Flyer

Amtrak has been the operator of the *Heartland Flyer* since it began operation on June 14, 1999, providing clean, safe, reliable service including food and beverages. The *Heartland Flyer* has carried more than one million passengers since it began operation in 1999, serving Oklahoma and Texas communities and providing an alternative to highway, bus, and air travel.¹ In 2010-11, Amtrak was proud to partner with the Oklahoma and Texas Departments of Transportation on an 80%/20% diesel/biodiesel fuel test that earned accolades in *Time* magazine's annual review of the 50 best inventions of the year.

More recently, Amtrak has maintained an even closer working relationship with the states in order to efficiently transition *Heartland Flyer* service into the cost allocation methodology dictated by the Passenger Rail Investment and Improvement Act of 2008 (PRIIA Section 209 Cost Policy). The Section 209 Cost Policy went into effect on October 1, 2014.

Just two months ago, we added Thruway Bus service between Oklahoma City and Newton, KS. It allows passengers traveling on Amtrak's *Southwest Chief* between Chicago and Los Angeles to connect to/from the *Heartland Flyer* in Oklahoma City. The service is new, but preliminary ridership shows a modest number of

¹ <http://newsok.com/amtrak-recognizes-osu-student-as-millionth-passenger-on-heartland-flyer/article/3905206>

passengers utilizing the service to connect to/from the *Heartland Flyer*. Amtrak's close relationship with a number of Thruway Bus carriers allowed us to quickly implement this service.

C. Corporate Resources

As America's only coast-to-coast passenger rail provider, Amtrak is unique in being a one-stop shop that can furnish all the planning, training, mechanical, safety, security, marketing, environmental, operational and infrastructure engineering resources necessary for the efficient and effective operation of the *Heartland Flyer*. Our Southwest Region staff includes experienced operational and environmental support personnel familiar with the goals of Oklahoma and Texas, as well as the operational conditions, physical characteristics and requirements of the railroads in the region. Amtrak also maintains national-scale legal, operational, and support capabilities, which are available to assist and backstop the efforts of local staff and ensure that we delivers a reliable operation. Amtrak's Southwest Region hopes to oversee and support the operation of the *Heartland Flyer* indefinitely, much as it does today.

On a day-to-day basis, this means the *Heartland Flyer* operation will continue to run with the support of systems that are designed to deliver a high level of reliability on a national scale. Crew dispatching, for example, will continue be performed by our Consolidated National Operations Center (CNOC) in Wilmington, Delaware, which will ensure that crews and dispatchers are always available to protect open assignments and that key requirements such as last-minute crew replacement is always covered. CNOC operates on a 24/7 basis, and forms the coordinating center for Amtrak's response to unplanned incidents. In an emergency, Amtrak maintains the capability to dispatch an "Incident Response Team" to the site of an accident involving an Amtrak-operated train. This team includes police, counseling, support, customer service, and claims capabilities designed to help passengers and their families, and it can be rapidly augmented with transportation, safety, mechanical, and engineering staff to assist in situations where investigative capability and function-specific knowledge may be required to augment the work of local management.

Over the longer term, Amtrak brings a high level of rail-specific hiring, training, and oversight capability to the operation of the *Heartland Flyer*. Key requirements such as the identification, recruitment, and education of new employees for dispatching and train/engine crews are currently handled by Amtrak, which will continue to ensure that all employees hired for such work will be trained and qualified to meet the rigorous standards we set for our own service. All new hires will be trained onsite at our Amtrak Training Center in Wilmington, which offers some of the most extensive passenger rail-specific training available in the United States. This training will be followed by extensive periods of on-the-job instruction under the supervision of a qualified employee who will ensure that new hires possess the knowledge, skills and abilities needed to do the job, as well as a very high level of familiarity with the territory they will be operating over or dispatching.

The Amtrak system will also continue to provide managers with a unique set of skills and capabilities, and will backstop and oversee onsite staff and managers, ensuring *Heartland Flyer* operations are conducted in a manner that meets our standards and your expectations. For the operation of the *Heartland Flyer*, both of the key operating craft specializations – engineers and conductors – are overseen by our System Operating Practices (SOP) staff, run by individuals who are highly experienced and certified to oversee work in accordance with the relevant Federal requirements. SOP personnel design and administer programs that validate the day-to-day testing and oversight process run by on-site managers, and ensure that the managers themselves are appropriately trained in the best practices for dispatching and train/engine operations.

In addition, Amtrak has worked with countless communities nationwide on new stations and platforms, often designing the facilities, or guiding design/engineering firms chosen locally. Our breadth of experience includes detailed knowledge of the Americans with Disabilities Act (ADA), and a comprehensive understanding of the requirements the ADA imposes on intercity passenger rail equipment and infrastructure. We already are bringing this knowledge to the process of evaluating the possible addition of Thackerville, OK as a station stop

on the *Heartland Flyer*, with the goal of increasing ridership and revenue. Our staff has participated with ODOT in discussions with community leaders in Thackerville, and also will bring a strong relationship with the BNSF Railway to this project.

D. Safety, Regulatory Experience, and Equipment Maintenance

Amtrak has 44 years of experience operating trains and maintaining railroad equipment and facilities in the United States. Amtrak staff participate in most of the railroad safety working groups sponsored by the FRA and the Association of American Railroads (AAR) that pertain to passenger rail. Some of these FRA Safety Groups in which Amtrak participates include:

- Locomotive Engineer Certification
- Electronic Device Distraction
- Fatigue Management Plans
- Hours of Service
- Locomotive Standards
- Passenger Hours of Service
- Passenger Safety
- PTC
- Railroad Operating Rules
- Risk Reduction and System Safety Plans
- Training Standards

Furthermore, as required by 49 USC §28103(a)(2), Amtrak carries insurance up to \$295 million per occurrence for bodily injury (including disease or death), personal injury and property damage (including loss of use) liability, with a \$295 million annual aggregate.

Our experienced Mechanical group handles a wide range of tasks and programs – ranging from daily inspections to full equipment overhauls – under close scrutiny of regulatory agencies responsible for monitoring safe operation of rolling stock. Routine turnaround servicing for the *Heartland Flyer* is capably handled in Ft. Worth, but when more significant maintenance is needed, we simply attach the equipment to our other trains and bring it to one of our company-owned maintenance facilities (i.e. Chicago for locomotive servicing, Beech Grove for car overhauls, or elsewhere as needed) to ensure that the equipment remains functional, operational, and reliable.

E. State Partnerships & Experience

Amtrak works closely with State partners and various carriers to implement a wide range of improvements, ranging from increases in service and development of passenger amenities to the coordination of major engineering and investment projects. The State-Supported Corridors group includes personnel specifically hired to manage the relationships with clients at the departments of transportation and other authorities in 19 different states. These individuals work with states to manage contracts, negotiate pricing, and serve as liaisons when states have operational or other concerns they need to bring to Amtrak for resolution.

The State-Supported Corridors Group is also charged with making sure state partners have access to important operational and financial data. As a nationwide passenger railroad that has been in business for 45 years, Amtrak has developed a lengthy menu of metrics covering route-specific train performance, customer satisfaction, ridership and revenue statistics/trends, and operating/capital expenses. Much of this information is shared with our state partners in regular monthly mailings.

F. Cost Reduction Opportunities & Service Improvements

Amtrak is committed to operating the *Heartland Flyer* in the most financially and operationally efficient manner possible, while maintaining safe, comfortable, and reliable service for its passengers. Our FY '17 forecast shows a 7% reduction in state support from the FY '16 contract estimate. Plus, Amtrak's robust corporate resources design and develop initiatives to both enhance service and reduce costs.

In 2016, Amtrak's Operations Research & Planning Department is working with the State Supported Corridors Group and the Long Distance Business Line to identify possible service improvements, cost reductions, and revenue enhancements for the *Heartland Flyer* route. Some of the initial outcomes of this effort include:

- Additional Service Frequencies at Minimal Cost. As previously discussed with ODOT and TXDOT, Amtrak is thoroughly exploring if a section of the *Texas Eagle* train could be separated from the consist in Ft. Worth, and run to Oklahoma City, thus providing the second frequency long sought by the two states. It has been our experience elsewhere in the nation that "bookend" service – where it is possible for a passenger to go either way on a corridor during the morning and evening rush periods – makes rail travel much more attractive to potential corridor riders. To maximize this attractiveness, we would schedule the current *Heartland Flyer* so it is as complementary to the *Eagle's* schedule as possible. We are fully evaluating this idea from both a ridership/revenue and cost reduction perspective, as well as with the host railroads that would have to agree to the additional use of their tracks. We hope to continue working with the two states on this idea.
- Alternative Equipment Options. The team brainstormed ways to reduce equipment costs for the *Heartland Flyer* and has some recommendations and possibilities. These options, which include the substitution of lower-cost equipment and the turning of the train in both Oklahoma City and Ft. Worth to eliminate the cost of a "cab car" are available for further discussion.
- Wi-Fi. Amtrak has a strong Passenger Experience team that keeps up to speed with the latest technologies in the arena of Wi-Fi and on-board technology. The team is currently developing a next-generation Wi-Fi solution that could be deployed on the *Heartland Flyer*.

G. Moving Forward

Amtrak strongly wishes to remain in its role as operator of the *Heartland Flyer*, and is committed to both continuing and improving the reliable service we have provided since 1999. To that end, we will as always make ourselves available and accessible for any and all of ODOT's and TXDOT's needs. Should you have any questions about this RFQ response, please contact:



Thank you for your consideration.