

RAILCET INTELLIGENCE REPORT #8

APTA Intercity Passenger Rail Steering Committee Meeting Highlights

REPORT REVISED:

APTA Intercity Passenger Rail Chair Chad Edison opened today's meeting of the Steering Committee on Intercity Passenger Rail. The discussion was led by Chad and Art Guzzetti, Senior APTA VP.

AI Prohibited for meetings. Chad served notice the meetings will no longer be recorded nor will AI be used to describe them. I have talked to Chad about this offline, and apparently there was concern that previous AI reports had misrepresented the tone of a recent meeting.

California High Speed Rail. Chad reported on recent developments. Here is background from me—not Chad. On February 3, the Commission Inspector General (CHSRA) stated it is unlikely the project will meet its goal of service between Merced and Bakersfield by 2033. Republican lawmakers in Sacramento last week then sent a letter to President Trump asking for an investigation of the beleaguered project. Yesterday, Secretary of DOT Duffy held a press conference in Los Angeles and announced a federal funding review. He questioned whether the project “is worthy of investment.” The review will determine whether CHSRA will receive \$4 billion in federal funding already granted from the Biden administration. Despite these setbacks Chad sounded a hopeful note that California will find a way to move the project forward.

Passenger Rail Advisory Committee. Art Guzzetti noted there is a vacancy on the STB Passenger Rail Advisory Committee (PRAC). Apparently, Ron Pate, the PRAC representative for State Passenger Rail resigned from PRAC as he has switched jobs in Washington State. I urged Chad to produce a candidate we can all get behind. I made brief comments that PRAC could become important in the future development of intercity passenger rail policy. An early question before PRAC was whether their reports are restricted to STB regulatory jurisdiction issues or whether PRAC is free to address any area of interest that might improve intercity passenger rail. PRAC has chosen the wider mandate. At their February 11 meeting they voted to address Passenger Rail Liability/Indemnification Reform. In my view this is the top issue that must be resolved if passenger service is to enter a new golden age. Gregg Baxter, a PRAC Member for intercity passenger railroading, was elected Chair.

FRA Update—Spending and Personnel. – FRA's Sergio Coronado engaged in a discussion with the Steering Committee Members. He was most circumspect. He had no update on the future of the passenger rail or the FRA Corridor Identification and Development Program (where 69 Scoping Grants have gone to forty-one states for new intercity projects). There was vigorous discussion within the Steering Committee:

- *DOGE is demanding significant cuts in discretionary spending to offset tax breaks.* Apparently, the Administration plan calls for \$4.5 trillion in tax cuts to be offset with spending cuts. They are seeking \$2 trillion in cuts from domestic spending. Our question is how much of that will come out of the transportation budget?
- *Future grants* – In the worst-case DOGE may move to a “slash and burn strategy” and attempt to end all appropriated intercity passenger grants and kill the reauthorization of the Bipartisan Infrastructure Law (BIL). The alternative is a reform program centered on the Competition Model.
- *The future of already committed FRA grants.* It is not clear if the DOT plans to end current financial commitments for intercity passenger rail. While numerous grants have been awarded already, much of the money has not been transferred. One Committee Member suggested that even where the grants are committed many states and agencies have Diversity, Equity, Inclusion (DEI) programs. She is concerned FRA will determine this is against Administration Policy and will attempt to claw back those already awarded grants. The Trump Team has indeed suggested that any agency with a DEI program will jeopardize its federal funding. The extent to which that will apply to transportation grants already awarded is unknown. In the case of Amtrak, CEO Gardner has already announced the termination of DEI throughout the enterprise. However, there seemed to be consensus from the transportation accounts Amtrak Operations are most likely to be hit. It is not clear whether FRA will also block federal grants that subsidize ongoing Amtrak construction projects now underway.
- *FRA Personnel.* Ninety-two provisional employees have been terminated (Seventy at FTA). Many senior career employees managing the programs have accepted an offer to resign now with full pay and benefits until October 2025. My fear is that the agencies dealing with rail capital are on the brink of becoming dysfunctional.
- **Legislation – Budget Reconciliation.** The Trump Administration is calling for a single massive “reconciliation bill” covering all tax and spending proposals. Both the House and Senate have begun the process of working on reconciliation. The House Speaker has joined Trump and is pressing for the Single Massive Bill. Majority Leader Thune opposes that idea and the Senate has launched a Two-Bill Strategy—Spending & Tax. I reported on a recent conversation with senior House Transportation Professional Staff. There is agreement between the Chair Sam Graves (R-Mo) and Ranking Member Rick Larsen (D-WA) to craft a bi-partisan reauthorization. In my view this is good news for those of us who advocate intercity passenger rail growth. Whether this would be slotted into the Big Bill Reconciliation Strategy is unknown.

Speedlines Special Report on Corridor ID Projects. Ken Sislak, the lead on Speedlines Magazine, reported there has been a delay in publishing the winter issue. A special article was prepared tracking the status of the 69 Corridor ID Projects in forty-one states that received half-million-dollar Scoping Grants from FRA. The article grew to thirty-one pages. It was decided to create a separate Special Report on Corridor ID Projects. This will describe the status of each project. It will also frame public interest arguments for advancing the Corridor ID program. Ken called for an APTA committee to oversee the project. I asked to be on the Committee. I noted AIPRO-

RAILCET has completed an analysis of the sixty-nine projects to determine which might be open to the competition model. While the Report is privileged and confidential I would be pleased to share appropriate information. I supported the concept of the Special Report on CID and suggested it could provide a framework for states to present their project proposals in public outreach. Ultimately it should become an advocacy paper with the Administration and Congress as the target. I will be following up with Ken in the days ahead.

APTA Legislative Meetings.

- APTA Legislative Conference (May 18-20) Sun May 18
 - HS&IPR Committee meeting on Sunday, May 18
 - Group dinner Saturday, May 17?
- APTA Rail Conference in San Francisco (June 29 – July1)
 - HS&IPR Committee on Sunday, June 29
 - Pre-Conference Workshop – June 27 & 28
 - Group dinner Saturday June 28?

Upcoming Steering Meeting Dates:

- Friday, April 18
- Friday, June 21
- Friday, July 18
- Friday, August 15
- Friday, October 17
- Friday, November 21
- Friday, December 19

The full HS&IPR Steering Committee will meet in person on the following dates:

- Sunday, May 18: in conjunction with the APTA Legislative Conference in Washington, DC
- Sunday, June 29: in conjunction with the APTA Rail Conference in San Francisco
- Sunday, September 14: in conjunction with the APTA TRANSform Conference in Boston