

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION FACT SHEET COMMUTER RAIL LEGISLATIVE AND REGULATORY PRIORITIES January 1, 2024

Over the past year, 32 commuter rail agencies provided 316 million trips over 9,200 miles of railroad track. Commuter rail services are higher speed, higher capacity trains with less frequent stops. They are traditionally used to connect people from suburban areas to city centers. Commuter rail contributes billions of dollars to the U.S. economy, and two thirds of commuter rail spending flows to the private sector. Commuter rail agencies directly employ 32,000 workers and create and support a total of 190,000 public- and private-sector jobs.

Prior to the coronavirus pandemic, commuter railroads safely carried passengers on more than 500 million trips each year. As of September 2023, commuter rail ridership continues to recover from the pandemic and is currently 62 percent of pre-pandemic ridership, increasing 22 percent (compared to 2022 ridership).

APTA Commuter Rail Priorities

- Fully fund the Infrastructure Investment and Jobs Act's (IIJA) public transit and passenger rail investments in the Fiscal Year (FY) 2024 Transportation Appropriations bill, including Capital Investment Grants, Railroad Crossing Elimination grants, and Federal-State Partnership for Intercity Passenger Rail grants.
- Provide specific funding to commuter rail agencies for Positive Train Control operations and maintenance costs under the Consolidated Rail Infrastructure and Safety Improvements program.
- Ensure costs associated with any enactment and implementation of S. 576, the Rail Safety Act, are not borne by commuter rail agencies.
- Address issues associated with obtaining passenger rail liability insurance.

¹ A list of commuter railroad agencies can be found in Appendix A. APTA's list includes all commuter and hybrid rail agencies that receive funding from the Federal Transit Administration (FTA) and report data to the National Transit Database.



Background

Fully Fund FY 2024 Transportation Appropriations bill

Commuter railroads' primary Federal funding is provided by Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula grants and Section 5337 State of Good Repair grants. In addition, commuter railroads are eligible for FTA's Section 5309 Capital Investment Grants (CIG) program. Since 2000, 20 commuter rail projects have received Grant Agreements under the CIG program.

The Senate Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations bill (together with IIJA advance appropriations) provides \$21.1 billion for public transit. The bill includes \$4.05 billion for Capital Investment Grants, an increase of \$240 million (6.3 percent) from the FY 2023 enacted level and \$2.1 billion more than the House THUD Appropriations bill, which cut CIG funding to the lowest level in two decades. Today, 68 projects across the nation are seeking \$45 billion of CIG funds. FTA's CIG Project Pipeline includes six commuter rail projects, requesting more than \$12.2 billion of CIG funds. See the APTA CIG Project Pipeline Dashboard.

Commuter railroads are also eligible entities or partners for several Federal Railroad Administration (FRA) grants, including Railroad Crossing Elimination, Consolidated Rail Infrastructure and Safety Improvements (CRISI), and Federal-State Partnership for Intercity Passenger Rail. The Senate THUD Appropriations bill and IIJA provide \$16.7 billion for passenger and freight rail in FY 2024, an increase of \$48 million (0.3 percent) from the FY 2023 enacted level, and \$2 billion more than the House THUD Appropriations bill.

APTA urges Congress to provide at least \$21.6 billion for public transit, including \$4.6 billion for CIG, and \$20.2 billion for passenger rail programs in the FY 2024 THUD Appropriations bill.

Commuter Rail Positive Train Control Operation and Maintenance Costs

The commuter rail industry is dedicated to implementing positive train control (PTC) because safety is the agencies' top priority and promise to riders. APTA estimates that commuter railroads have invested \$4.1 billion implementing PTC and continue to provide approximately \$160 million each year for PTC operation and maintenance costs.²

In 2019, APTA recommended a statutory change to expand the eligibility of the CRISI grant program to commuter rail agencies and provide specific funding for operation and maintenance of PTC. Although the IIJA did not include CRISI grant eligibility or specific funding for PTC operations and maintenance for commuter rail, it did require the Government Accountability

² These figures are based on a 2019 APTA survey of commuter rail agencies.



Office (GAO) to conduct a study on the annual PTC system operation and maintenance costs for public commuter rail agencies. APTA has had ongoing communications with GAO on its report. It is our understanding that GAO will release its commuter rail PTC operations and maintenance report early in 2024. See IIJA, § 22409.

The Senate FY 2024 THUD Appropriations bill provides \$573 million for CRISI grants, an increase of \$13 million (2.3 percent) from the FY 2023 enacted level. The Senate THUD Appropriations bill also allows CRISI grants to be used for commuter railroad projects that implement or sustain PTC systems. The House THUD Appropriations bill does not authorize any commuter rail project eligibility for CRISI funds.

APTA urges Congress to authorize CRISI grants to be used for PTC operations and maintenance for commuter rail.

S. 576, the Rail Safety Act

On May 10, 2023, the Senate Committee on Commerce, Science, and Transportation reported S. 576, the Railway Safety Act of 2023, by a bipartisan vote of 16-11. S. 576 was introduced in response to the February 3, 2023 Norfolk Southern freight train derailment in East Palestine, Ohio, in which hazardous materials were spilled, leading residents to evacuate.

S. 576 imposes a new safety regime for Class I freight railroads that operate high-hazard trains, including a new Class I freight railroad defect detector program (including required plans and installation of wayside defect detectors).

Commuter rail agencies that host Class I freight railroads operating high-hazard trains may be required to install and maintain these detection systems depending on the terms of their operating agreements. Commuter rail agencies have expressed concern about the costs of implementing this requirement, especially where the defect detection technology will not be beneficial to commuter rail operations.

Although S. 576 directs the FRA Administrator to establish a formula grant program to assist commuter railroads with the costs for installing defect detection technology, there is no guaranteed funding associated with the proposed program.

APTA strongly urges Congress to ensure that costs associated with any enactment and implementation of S. 576, the Rail Safety Act, are not borne by commuter rail agencies.



Commuter Rail Liability Insurance

In December 1997, Congress established a liability cap to protect the passenger rail industry from potentially catastrophic losses from passenger claims. While the statute does not mandate that commuter rail agencies carry liability insurance to the federal liability cap of \$323 million, many agencies are contractually required to maintain liability insurance to the cap because of negotiated access and vendor agreements.

Under the FAST Act, the U.S. Department of Transportation (DOT) is required to adjust the liability cap every five years to reflect inflation. In 2026, the statutory cap is set to increase to an estimated \$397 million, with a statutory 30-day implementation deadline. An already-constrained insurance marketplace will likely limit the ability of commuter railroads to meet the required coverage of any new statutory cap within a 30-day timeframe.

APTA urges Congress to extend the statutory implementation deadline to obtain this insurance.

In 2021, APTA released a report, <u>APTA Recommendation on Commuter Rail Liability Insurance</u>, urging Congress to establish a Commuter Rail Insurance Program at DOT to provide insurance to commuter rail agencies that operate commuter rail services in the United States. The report found that the number of insurers in the excess market willing to offer potential capacity for passenger rail liability coverage has drastically decreased over the past several years and it has become extremely difficult to obtain the needed coverage up to the required limits forcing commuter rail agencies to turn to foreign markets.³ Each policy is custom-made for the commuter rail agency, with negotiated terms and premiums.

Unlike many other insurance purchasers, commuter rail agencies have no flexibility to reduce their insurance limits if high-level excess insurance is unavailable or priced too high, because they are contractually required by their host railroads or PTC vendors to have this insurance to operate.

Without federal intervention, commuter rail agencies will continue to face a significantly reduced market capacity for coverage along with unreasonable premium costs. This will result in an uneconomic diversion of limited public resources from expenditures that could be made for improved or expanded commuter rail services in the future.

APTA recommends establishing a Commuter Rail Insurance Program at DOT to provide insurance to commuter rail agencies.

³ Notably, insurance underwriters are not limiting capacity or withdrawing from the market due to the risk that commuter rail agencies present. Overall, commuter rail has a relatively low loss history, especially with the significant investment made by commuter rail agencies in PTC. Neither the availability nor cost of excess liability coverage is commensurate with the current risk.

State	Primary City Name	Urbanized Area	Agency	Year Opened	2023 Ridership (Unlinked Passenger Trips)
Alaska	Anchorage	Anchorage	Alaska Railroad Corporation (ARRC)	1923	225,434
California	Los Angeles	Los Angeles	Southern California Regional Rail Authority (SCRRA) (Metrolink)	1991	4,836,151
California	San Diego	San Diego	North San Diego County Transit District (NCTD) (Coaster & Sprinter)	1995	2,596,275
California	San Francisco	San Francisco	Peninsula Corridor Joint Powers Board (PCJPB) (CalTrain)	1992	7,117,904
California	San Francisco	San Francisco	San Francisco Bay Area Rapid Transit District (Bart) (eBART)	2018	1,292,329
California	Santa Rosa	San Francisco	Sonoma Marin Area Rail Transit District (SMART)	2017	750,016
California	Stockton	San Jose	Altamont Commuter Express (ACE) (ACE Rail)	1998	578,546
Colorado	Denver	Denver	Regional Transportation District (Denver RTD)	2016	8,578,271
Connecticut	New Haven	New Haven	Connecticut Department of Transportation Shore Line East (SLE)	1990	168,198
Florida	Miami	Miami	South Florida Regional Transportation Authority (Tri-Rail)	1989	3,979,054
Florida	Orlando	Orlando	Central Florida Commuter Rail (SunRail)	2014	1,083,528
Illinois	Chicago	Chicago	Northeast Illinois Regional Commuter Railroad Corp (Metra)	1856	31,894,966
Indiana	Chicago	Chicago	Northern Indiana Commuter Transportation District (NICTD) (South Shore Line)	1908	1,526,836
Maine	Portland	Portland	Northern New England Passenger Rail Authority (NNEPRA) (Downeaster)	2001	558,502
Maryland	Baltimore	Baltimore	Maryland Area Regional Commuter (MARC & Maryland Transit Administration)	1830	3,681,266
Massachusetts	Boston	Boston	Massachusetts Bay Transportation Authority (MBTA)	1931	26,444,710
Minnesota	Minneapolis	Minneapolis	Metro Transit Northstar Commuter Rail (Northstar)	2009	97,265
New Jersey	New York	New York	New Jersey Transit Corporation (NJ TRANSIT) (Rail & River Line)	1839	60,023,582
New Mexico	Albuquerque	Albuquerque	New Mexico Department of Transportation (Rail Runner)	2006	586,309
New York	New York	New York	Metro-North Commuter Railroad Company (Metro-North)	1832	66,366,290
New York	New York	New York	MTA Long Island Rail Road (LIRR)	1844	75,186,669
Oregon	Portland	Portland	Tri-County Metropolitan Transportation District of Oregon (TriMet)(Westside Express)	2009	113,858
Pennsylvania	Harrisburg	Philadelphia	Pennsylvania Department of Transportation, Keystone Line (Keystone)	1980	588,170
Pennsylvania	Philadelphia	Philadelphia	Southeastern Pennsylvania Transportation Authority (SEPTA)	1834	19,623,027
Tennessee	Nashville	Nashville	Regional Transportation Authority (WeGo Star)	2006	107,922
Texas	Austin	Austin	Capital Metropolitan Transportation Authority (Metro Rail)	2010	486,036
Texas	Dallas	Dallas	Dallas Area Rapid Transit (DART), Trinity Railway Express (TRE)	1990	1,150,851
Texas	Denton	Denton	Denton County Transportation Authority (A Train)	2011	234,540
Texas	Fort Worth	Dallas	Trinity Metro (TEXRail)	2019	714,716
Utah	Salt Lake City	Salt Lake City	Utah Transit Authority (Front Runner)	2008	3,736,620
Virginia	Washington	Washington	Virginia Railway Express (VRE)	1992	1,536,895
Washington	Seattle	Seattle	Central Puget Sound Regional Transit Authority (Sounder)	2000	1,755,751

APTA's list includes all commuter and hybrid rail agencies that receive funding from the Federal Transit Administration and report data to the National Transit Database.

NNEPRA and Keystone are operated by Amtrak and are counted in the FTA National Transit Database.