



NORTH CAROLINA

Department of Transportation



North Carolina's Passenger Rail Program

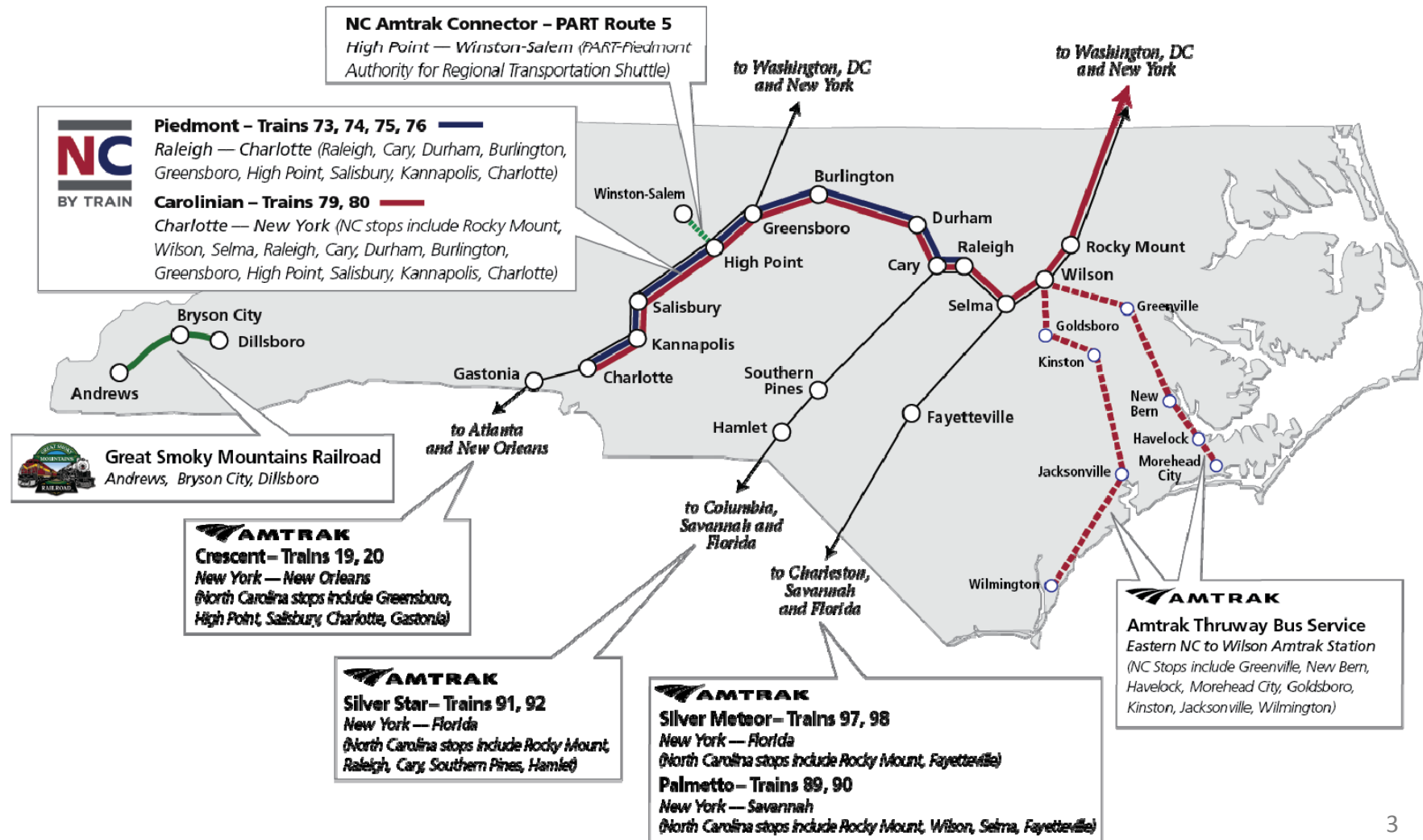
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The NCDOT Rail Division's mission is the safe and efficient movement of people and goods on North Carolina's railroads through freight, passenger and safety programs, supporting job creation and economic growth.

Passenger Train Services in NC

70% of North Carolinians live within a 30-mile radius of a passenger train station.

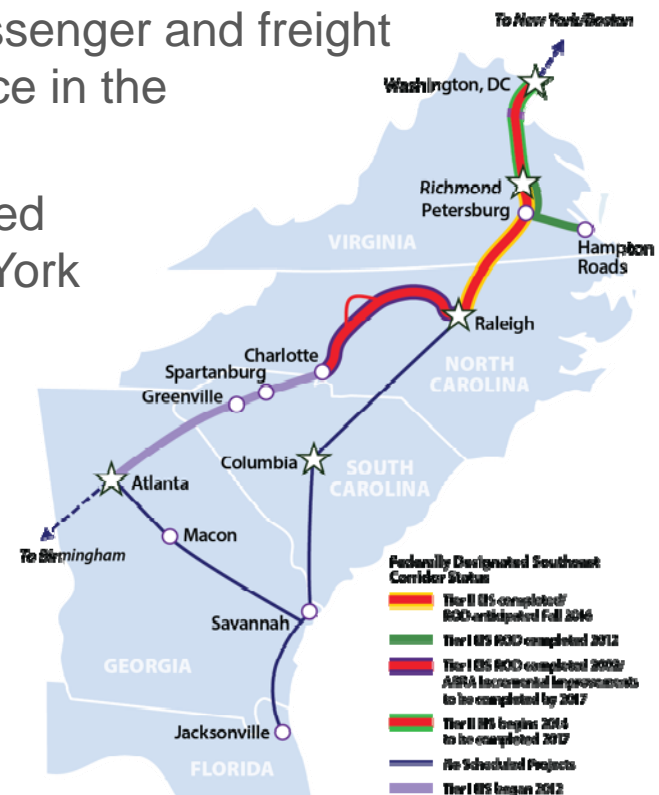


The *Carolinian* Service

- **1984-1985:** *Carolinian* Service first introduced; not renewed by NCDOT
- **1989 Governor's Passenger Rail Task Force Recommendations**
 - Preserve essential rail corridors for future passenger and freight use and provide intercity rail passenger service in the Charlotte to Raleigh Piedmont Corridor
- **1990** – *Carolinian* passenger rail service resumed after 5-year hiatus, Charlotte-Raleigh-DC-New York



- Amtrak is the exclusive contract operator.



The *Piedmont* Service

- **1992** – NCDOT begins consideration of additional service on the corridor – acquires rolling stock with state taxpayer funds
- **1995** – Began *Piedmont* passenger rail service between Raleigh and Charlotte – increases service in Piedmont Corridor to two daily roundtrips
- Amtrak chosen as the contract operator of the *Piedmont* service, Amtrak subcontractor initially responsible for mechanical services



Changes in *Piedmont* Service Delivery

2002



- Amtrak subcontractor was not meeting NCDOT standards/expectations with respect to quality of service and cost accountability.
- NCDOT shifts maintenance of state-owned equipment (MOE) via competitive procurement to a third-party contractor.
- Quality of service increases, costs increase slightly due to Amtrak requirement of insurance to cover liability of third-party contractor.
- NCDOT replaces staffed café car with self-service vending machines. Vending service reduces costs, pays for itself, and customer satisfaction remains high.

PRIIA Expands Opportunities for Innovation...

- PRIIA (in theory) embraces the strategies employed by NCDOT in its delivery of the *Piedmont* service by establishing a “menu approach” to Amtrak services.
- Amtrak and State sponsors are still working through issues relating to determination and allocation of costs of state-supported service.
- Realizing the practical benefits of Congressional intent to increase sponsor options is still a work in progress.



...But is There a Cost?



- **2008** – The FRA Chief Counsel’s Office issued a letter determination that NCDOT “is a ‘railroad carrier’ within the meaning of the railroad safety laws and is therefore subject to the FRA’s jurisdiction.”
- NCDOT filed a Petition for Review of the FRA’s Determination in the U.S. Court of Appeals for the D.C. Circuit.
- The Court granted to FRA’s motion to dismiss on the ground that the determination was merely preliminary.
- FRA did not pursue the issue further, until FRA initiated the System Safety Program (SSP) rulemaking in 2012...