

When Rural Communities Lose Passenger Rail Service

Some rural areas have recently had cutbacks in passenger rail service. While the loss of this service usually does not, by itself, threaten a town's economic survival, it may have adverse effects that can be offset by public policy. This article explores some of the options available to these communities.

Passenger rail service is an integral part of rural America's transportation network, serving as one of the few options for intercity public transportation for many small communities. Especially for rural residents without automobiles, access to passenger trains can provide a relatively inexpensive, safe, and environmentally friendly mode of transportation. Some nonmetro communities have recently experienced cutbacks in passenger rail service, encompassing both reductions in the frequency of service and, in some cases, outright abandonment. This article explores the issues surrounding the provision of passenger rail service to nonmetro communities and discusses some of the options available to these communities.

Background

Responding to pressure from the railroad industry, Congress passed the Rail Passenger Services Act in 1970 which established Amtrak. Amtrak is a federally subsidized, for-profit corporation, providing nationwide intercity passenger rail service. Before Amtrak, Federal regulations required rail freight companies to provide passenger service. This activity was, however, very unprofitable. By 1970, combined annual losses for passenger rail service were estimated to be \$1.7 billion (in 1995 dollars) and were increasing annually (U.S. General Accounting Office, 1995). Amtrak service began in 1971. Still, many smaller communities were not served by the new system because only about half of all passenger routes were taken over by Amtrak and many rural towns lost passenger rail service at that time (Due and others, 1990).

Dennis Brown is a regional economist in the Rural Business & Development Policy Branch of the Food & Rural Economics Division, ERS. The terms "rural" and "nonmetro" are used interchangeably.

Amtrak Operates a National Network

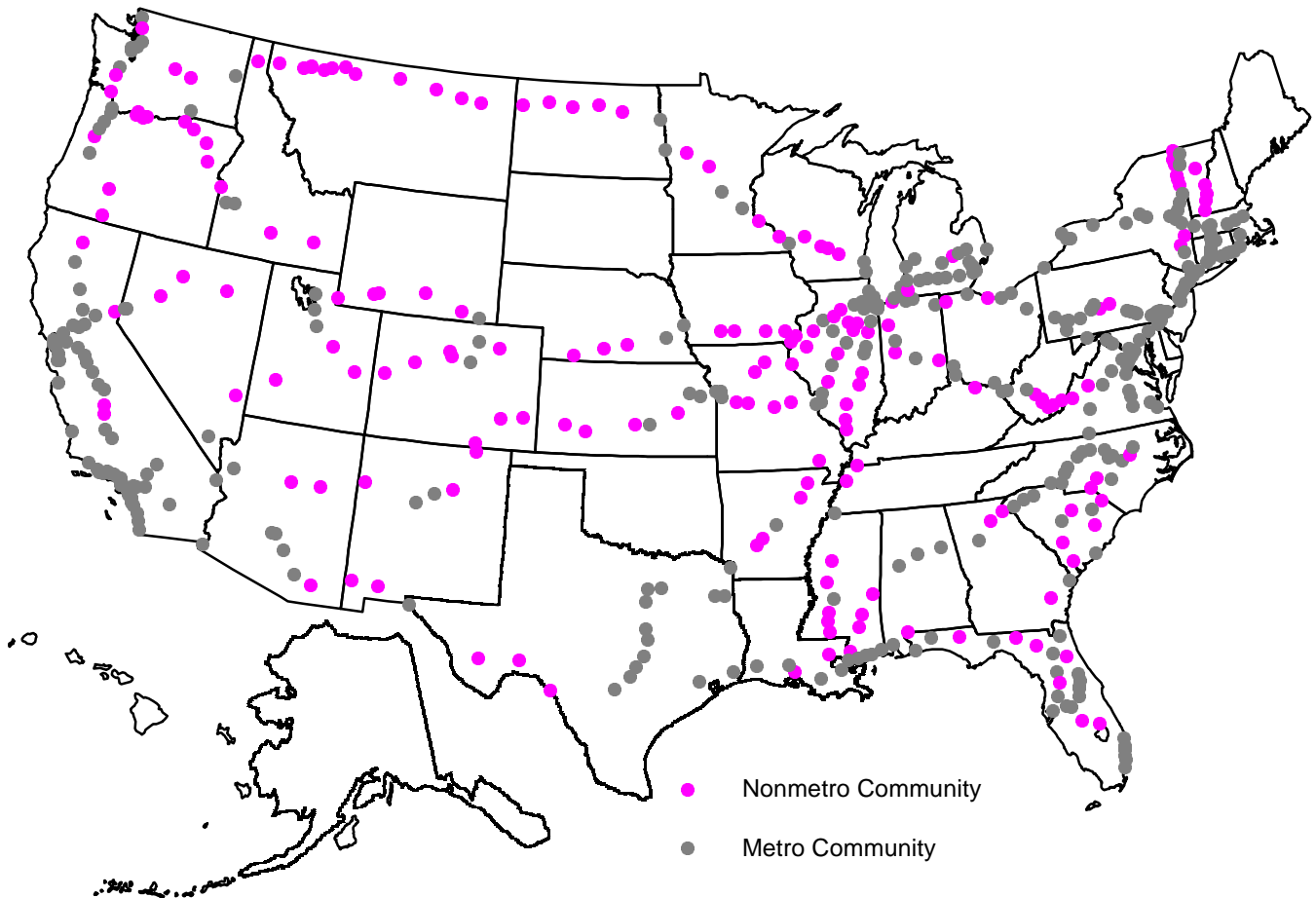
Amtrak's current national passenger rail network stretches some 24,000 miles across 45 States and serves approximately 530 communities (fig. 1). The system emphasizes the high-density, urban commuter corridors of the Northeastern States, parts of the Upper Midwest centered around Chicago, and the West Coast, but it also continues to serve a number of smaller rural communities. About 180 destinations served by Amtrak are in nonmetro counties. In many of these smaller towns, especially those without commercial air service, passenger rail is the only mode of public transportation available other than intercity buses.

Amtrak's most pressing concern is its declining financial situation, which is putting the integrity of portions of its national network at risk. Stemming from a large underinvestment in capital stock and overly optimistic revenue projections in the late 1980's, Amtrak's operating deficit started to exceed its Federal subsidy by the early 1990's (U.S. General Accounting Office, 1995). As a result, it was forced to take such difficult measures as assuming additional debt, delaying maintenance and capital improvements, and sharply reducing staffing levels. Furthermore, Amtrak received a nearly 22-percent reduction in its total Federal subsidy for operations in fiscal year 1997, following a 27-percent cut in fiscal year 1996. (Amtrak currently estimates that with continued capital investment, it will no longer need Federal operating subsidies by the year 2002.) These conditions have led to a decrease in the quality of service on many routes, which has further hurt ridership levels and reduced revenues. Other factors have also contributed to declining ridership on many rural routes in recent years, including the rise of low-fare air

Figure 1

Communities with Amtrak service, June 1996

Most rural towns have no passenger rail service



Note: Amtrak currently has no service in Alaska, Hawaii, Maine, Oklahoma, or South Dakota (although passenger rail service is available in Alaska through Alaska Rail).

Map excludes Amtrak Thruway Bus service.

Source: Calculated by ERS using data from Amtrak.

carriers, a number of natural catastrophes (mainly floods) that have temporarily closed some routes, and several major passenger train accidents (Due, 1996).

Because Amtrak represents one of the few transportation options for rural residents, these reductions in services may hurt some nonmetro communities. Those most affected by the loss of passenger train service are individuals without access to cars, mainly the elderly and the poor. Strong opposition to proposed cutbacks has been voiced at State and local levels, bolstering the cause of passenger rail transportation in the short term. The central problem of declining ridership levels on many routes

indicates, however, that more difficult long-term choices lie ahead.

Types of Service Reductions

Service reductions can be of two types: (1) partial, where frequency of service is decreased but the route is still preserved or (2) total, where the route is eliminated entirely. While both types of reductions entail adjustments for a community, the total abolishment of passenger rail service is obviously more disruptive than a simple reduction in the frequency of trains.

In June 1995, a partial reduction occurred when Amtrak reduced the frequency of trains on the *California Zephyr* line, operating between Salt Lake City and Oakland, from daily service to four trains per week. Several rural Nevada communities, including Elko and Winnemucca, lost daily passenger service both within the State and to points beyond. The towns affected by this cutback are small, isolated communities (with populations of less than 20,000) in the northern part of the State, and the loss of daily service curtailed the transportation alternatives for individuals without access to automobiles.

Total reductions in service usually occur for one of three reasons. First, passenger boardings may be too low to justify continued service, with a station having fewer than a certain number of boardings per day. Second, Amtrak may choose to close an entire route, often for financial reasons. Third, a community may lose service due to a decision to abandon the line made by the freight, or "host," company that owns the track on which Amtrak operates. Freight lines own about 95 percent of the track in the national passenger network, Amtrak owns about 3 percent, and commuter railroads own the remainder. Even though Amtrak gets about 50 percent of its revenues from track that it owns (mainly in the Northeast), large portions of the rest of its system are vulnerable to abandonment. Communities facing loss of service for this reason often find that they have little recourse if a freight line decides to close a route. Even though boardings may be adequate from Amtrak's viewpoint, these towns are affected by circumstances beyond their control.

A total reduction of service occurred in September 1995 when Batesville, Mississippi, permanently lost its passenger rail service. This small town in northern Mississippi (with a population of about 5,000) lost its passenger rail service due to a decision by the host freight carrier, Illinois Central, to move the route to west Mississippi, even though ridership levels were sufficient to continue passenger service. Located on the *City of New Orleans* route (connecting New Orleans with Chicago), passenger rail service in Batesville was primarily used for long-distance travel, with common destinations being New Orleans, Memphis, and Chicago.

While the impact on Batesville (located in a poor, rural county with a per capita income about 10 percent lower than the rest of nonmetro Mississippi) is not likely to be devastating, it has resulted in what one local resident described as "a general sense of loss." Because Batesville still retains its intercity bus service, the town has options for long-distance public transportation, but the loss of

passenger train service has reduced the number of transportation choices for the local community.

Further Rail Freight Consolidations May Affect the Rural Passenger Network

The rail freight industry is consolidating at a rapid pace. Faced with increasing competition from the trucking industry, waterway transportation, and pipelines, the national rail network has been steadily decreasing from a peak of 254,000 miles in 1916 to only about 170,000 miles by 1995, a 33-percent reduction (Association of American Railroads, various years). This trend became more pronounced with passage of the Staggers Rail Act of 1980, which deregulated the rail freight industry, as carriers attempted to improve their profitability through aggressive restructuring. Much of the merger activity has come at the expense of rural areas, as many have experienced service reductions on branch lines that are important components in the nonmetro passenger rail network. Further contractions in the rail freight industry, as illustrated by the 1996 merger of the Union Pacific and Southern Pacific lines and the proposed splitting of Conrail between CSX and Norfolk Southern railways (as of this writing), will likely continue to have direct implications for passenger rail service, and may pose new risks for the rural passenger network.

Local Opposition to Cuts Can Preserve Passenger Rail Service

Local opposition to proposed cutbacks in passenger train service can sometimes be very effective in ensuring that Amtrak service is preserved. When combined with the involvement of State and Federal officials, well-organized opposition can be an important element in preventing the loss of train service, as the following examples illustrate.

Quincy, Illinois. Quincy is a town of about 40,000, located along the Mississippi River in rural Adams County, in western Illinois. Situated in the central Corn Belt, Adams County specializes in services, retail trade, and manufacturing, and has a per capita income about equal to the nonmetro average for the State. Quincy, the county seat, has a small municipal airport and intercity bus service.

In April 1995, the town of Quincy faced a partial cutback in three out of seven weekly round trips in its daily passenger train service from Chicago. But vocal opposition to the proposed cutbacks prevented them from occurring. Amtrak is very popular in Quincy because it provides a relatively cheap, quick link to Chicago, and to intermediate rural communities. While the trip to Chicago takes about 4 ½ hours by train, it takes about 5 ½ hours by car, and 9 hours by bus.

Ultimately, Quincy was spared the sharp reductions in passenger train service largely because the State of Illinois was willing to offset the shortfall in funding that necessitated the proposed cutbacks. The State accomplished this by increasing its budget for passenger rail service by nearly \$4 million (a 150-percent increase) in fiscal year 1996, thereby sparing Quincy and other rural communities in Illinois the loss in daily service. Similar commitments have been made by other States such as California, New York, and Vermont. In return for maintaining rail service in Illinois, the State required that affected communities be responsible for utility and maintenance costs associated with passenger rail service, which, in some cases, included paying ticket agents' salaries. The State has also initiated a marketing program for passenger rail service in Illinois, with matching funds available for this purpose. Thus, for Quincy, as well as for similar communities throughout Illinois (for example, Carbondale), the critical components for the preservation of daily passenger rail service were the vocal support at the local level and a political will at the State level.

Meridian, Mississippi. Meridian, Mississippi, provides another illustration of local opposition to planned service reductions in passenger rail. Meridian is a town of about 40,000, located in Lauderdale County, in east-central Mississippi. With an important government presence (both Federal and local), Lauderdale County is relatively well off, having a per capita income nearly 25 percent higher than the nonmetro average for the State. The town of Meridian is also well-situated near the convergence of two interstate highways, and has a municipal airport and intercity bus service.

In 1995, Meridian experienced a partial reduction of its daily passenger train service on the Atlanta-to-New Orleans segment of the *Crescent* line to three trips per week. However, local opposition was very vocal and well organized. The campaign against the proposed cuts was led by the mayor of Meridian, and was strongly supported by key members of Congress, which helped to ensure its success. It focused on the use of local marketing initiatives, conducted in partnership with Amtrak, to advocate the benefits of rural passenger service in the Southeast, and was so successful that by mid-1996 Amtrak had fully restored daily service on the route.

The experiences of Quincy and Meridian indicate that local opposition to service cutbacks can sometimes make a difference. Whereas Quincy succeeded largely due to a recognition of the importance of Amtrak by the State, Meridian's success resulted more from a combination of effective local leadership and involvement of key Federal officials.

Bus Service Can Be Substituted for Rail Service

Sometimes rural communities can do little to prevent the loss of passenger rail service and other transportation options must be pursued. In 1987, Vermont temporarily lost significant portions of its passenger train service as track repairs were made. The shutdown of the main line in Vermont meant that a number of small towns (such as Waterbury, Montpelier, and Brattleboro) lost Amtrak service and needed some alternate form of transportation. Intercity public transportation was maintained along the same route by substituting buses for trains via Amtrak's *Thruway Bus* service. This proved to be so popular that when the track renovations were completed and train service was restored in 1989, the *Thruway Bus* service was also kept. As a result, some communities in Vermont (and in neighboring New Hampshire and Massachusetts) have Amtrak bus service as a substitute for trains, with some rural communities served by both modes of transportation. Elsewhere, Amtrak has permanently substituted buses for train service, as in 1995 when the *Gulf Breeze* line, operating between Birmingham and Mobile, Alabama, was terminated.

Converting Abandoned Rails into Rail-Trails

Not all communities have the flexibility of pursuing alternative modes of transportation when passenger rail service is lost. But the experience of Marion, Indiana, illustrates that communities in such situations can still benefit when they lose Amtrak service.

Marion is a town of about 32,000, located in Grant County—about midway between Indianapolis and Fort Wayne—in the north-central Indiana portion of the Corn Belt. Aside from agriculture, the county has important manufacturing activity, mainly fabricated metals and electronics production, and has a per capita income about equal to the average for all nonmetro Indiana counties. Marion has no commercial air service, but it has intercity bus service, with Indianapolis being a popular destination (about 65 miles away).

In 1986, Marion permanently lost passenger rail and freight service on Amtrak's *Cardinal* route connecting Washington, DC, with Chicago, when the host carrier, Chesapeake & Ohio (since renamed CSX Corporation), changed the route. Some residents of Grant County were deprived of an important link to Chicago, the most popular destination, and, to a lesser extent, to Cincinnati. Although local travelers can still get to these destinations via intercity bus service, all routes connect through Indianapolis, which makes the trip much longer. For example, the 3 1/4-hour train ride to Chicago now takes 8 hours by bus, and the 4-hour train trip to Cincinnati is 8 hours by bus.

Residents in Grant County decided to make the most of this loss by converting large portions of the abandoned rail line into recreational use through the *Rails-to-Trails* program, which was established in 1986 by the Rails-to-Trails Conservancy (RTC). By some estimates, 2,000 - 3,000 miles of track are abandoned annually as freight lines attempt to make their operations more profitable. The RTC attempts to mitigate some of the negative effects associated with these abandonments by converting the unused track into recreational uses such as hiking, biking, running, skateboarding, roller skating, snowmobiling, horseback riding, and cross-country skiing (Cupper, 1991).

To establish a "rail-trail," local or State authorities must initially acquire a "right-of-way" of the abandoned track from local landowners, with costs typically ranging between \$10,000 and \$40,000 per mile. This is done under the process of "rail banking," in which a local or State agency keeps the abandoned routes for possible future railroad use, but allows them to be used as recreational trails in the interim. Improvements must then be made on the track by upgrading or converting it for recreational use (for example, by laying wood chips or asphalt, or modifying bridges). Funding typically comes from a variety of State and local sources and foundations, although the Federal Government sometimes also provides assistance.

Rail-trails have various benefits that can enhance the lives of local residents. Public use is generally controlled on the abandoned routes, with strict rules excluding unwanted motorized vehicles (other than snowmobiles). Also, proponents argue that rail-trails enhance property values, and are important in reviving local pride, especially in the face of abandoned rail service. Local landowners often oppose rail-trails, arguing that opening public right-of-ways can encourage unintended and undesirable use of the trails. But the Rails-to-Trails program has been popular and overwhelmingly successful, with the national rail-trail system being used approximately 75 million times annually (Rails-to-Trails Conservancy).

Conclusions

Amtrak offers an environmentally friendly, safe, and generally inexpensive form of public transportation for a wide variety of rural residents, especially for those individuals without access to automobiles. However, Amtrak's recent financial difficulties have put the national network in jeopardy, especially in some rural areas. While the loss of passenger rail service by a small community will not usually, by itself, threaten its economic survival, it may have adverse effects that can be offset by public policy. For this reason, it is important that communities carefully consider their options when faced with service cutbacks and look to the examples of other towns that have come out ahead.

For Further Reading . . .

Association of American Railroads, *Railroad Facts*, various years.

Dan Cupper, "Rails-to-Trails: History Underfoot," *Trains*, May 1991, pp. 24-26.

John F. Due, "Railroad Passenger Service: Amtrak and State-Supported Trains," University of Illinois at Urbana-Champaign, College of Commerce and Business Administration, Office of Research Working Paper No. 96-0125, 1996.

John F. Due, Benjamin J. Allen, Mary R. Kihl, and Michael R. Crum, *Transportation Service to Small Rural Communities: Effects of Deregulation*, Ames, IA: Iowa State University Press, 1990.

Rails-to-Trails Conservancy, *Rails-to-Trails Conservancy*.

U.S. General Accounting Office, *Intercity and Passenger Rail: Financial and Operating Conditions Threaten Amtrak's Long-Term Viability*, GAO/RCED-95-71, Feb. 1995.