



COVID-19 Update - The Future

Board of Directors Meeting
June 15, 2020

State Budget Outlook

- California State Transportation Authority (CalSTA) advises Joint Powers Authorities (JPA) to plan to operate no more than 50-60% of train miles currently approved in our business plan
- The Governor's May revise proposes a decrease to the Intercity and Commuter Rail Program
- More detail on State approved funding levels for Intercity and Commuter Rail Programs anticipated by June 15, 2020
- CalSTA's approval the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency(Agency) operating, administrative, and marketing funding levels anticipated by the end of June 2020

Amtrak Operating Costs

	Average Month Pre-COVID	March 2020 Actuals	April 2020 Estimate	May 2020 Estimate
RIDERSHIP	51,410	17,024	8,361	8,750
REVENUES:				
Train revenue	\$6,337,557	\$2,163,001	\$1,016,610	\$1,150,000
Food & beverage revenue	\$704,975	\$299,164	\$41,805	\$45,000
Other revenue	\$140,305	\$132,036	\$25,000	\$27,500
TOTAL REVENUE	\$7,182,837	\$2,594,201	\$1,083,415	\$1,222,500
EXPENSES:				
Route Costs and Additives	\$8,724,373	\$8,268,976	\$7,850,000	\$8,000,000
Train Fuel and Power	\$874,595	\$673,192	\$450,000	\$450,000
Host RR Access Fees & Performance Payments	\$838,282	\$938,229	\$885,000	\$885,000
TOTAL EXPENSES	\$10,437,250	\$9,880,398	\$9,185,000	\$9,335,000
NET AMOUNT DUE TO AMTRAK (EXPENSES MINUS REVENUES)	\$3,254,413	\$7,286,197	\$8,101,585	\$8,112,500
Less State Payment @ 80% of FY 2019 (Fixed May through September 2020)	\$0	\$0	\$0	(\$1,376,710)
Total CARES Act Federal Funding Drawdown by Amtrak	\$0	\$7,286,197	\$8,101,585	\$6,735,790

- Unknowns and variables moving forward include ridership and revenue
- Unpredictability of cost allocations under the Section 209 Methodology make accurate projections difficult

Amtrak Operating Costs Continued

- Continue to work with Amtrak, the State, and JPA partners to identify areas of cost savings
- Keep reviewing stations costs, Amtrak Police costs, and connecting bus services in effort to provide financially sustainable intercity passenger rail service
- Take measures with the State to identify flexible funding (State Rail Assistance Funds) that may be used for operating costs in fiscal year (FY) 2021 if necessary

Federal Funding Fiscal Year 2020

- Coronavirus Aid, Relief, and Economic Security (CARES) Act provided grant between Federal Railroad Administration and Amtrak to prevent, prepare for, and respond to coronavirus
- Provides \$492 million for the Northeast Corridor train network and \$526 million for the National Network, of which at least \$239 million of funds provided will be used in lieu of any increase in State-supported intercity passenger rail payments
- CARES Act limits States' supported payments for FY 2020 to no more than 80% of the FY 2019 payments

Federal Funding Fiscal Year 2021 and Beyond

- CARES Act funding may be used beyond FY 2020 if available (Amtrak federal fiscal year ends September 30, 2020)
- Amtrak submitted a request to Congress on May 25, 2020, for financial assistance for FY 2021 totaling \$1.475 Billion, of which \$260 Million would be dedicated for State-supported routes
- House Transportation and Infrastructure (T&I) Committee has proposed a \$494 Billion surface transportation bill named INVEST in America
- INVEST would provide \$29 Billion to Amtrak over five years

Federal Funding Fiscal Year 2021 and Beyond Continued

- Would allow for improvement and expansion of the Northeast Corridor and National Network (including State-supported routes)
- Invests in Amtrak stations, facilities, services, and modernization of its equipment
- Creates \$19 Billion for Passenger Rail Improvement, Modernization and Expansion (PRIME) grants program
- Increases the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program to \$7 Billion to fund passenger and freight rail projects

Summary

- LOSSAN Agency will continue to coordinate with SAIPRC, Amtrak, and JPA's on strategies for cost reductions, application of the federal funding, and return to pre-COVID service levels
- Will report back to the LOSSAN Board of Directors as more information develops and becomes available