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President
All Aboard Arizona

Steel Wheels 2Q20

In March, I had the privilege of being elected President of All Aboard Arizona. Taking over for Chuck Mott means filling big shoes, but with the assistance of our excellent board, I am quite confident in the future of our endeavors to enhance passenger rail in Arizona. The reality is that nobody can predict the future, and the COVID19 situation has thrown the entire world for a loop. But, if there is one thing I truly believe, it is that the future for passenger rail in America is bright, and that includes in vibrant and growing Arizona.

At our board meeting in fall, we discussed how to move forward with key components of our strategic plan. The highest priority on our list is the Sun Corridor and returning service between Tucson and Phoenix. A large percentage of Arizona's population live in that corridor, and Interstate 10 is straining to keep pace with growth. In 2016, the Final Environmental Impact Statement for the corridor was completed, and the only thing holding back development is funding and political structure. To that end, All Aboard Arizona Executive Director Tony Trifiletti and Board Member Roger Clark met with Mayor Kate Gallego of Phoenix and presented an excellent power point outlining the opportunities. One potential for moving forward is to obtain statutory changes permitting municipalities to form a Joint Powers Authority. The pandemic interrupted our ability to move forward with meetings with elected officials in the Sun Corridor, but we hope to continue outreach and create opportunities in the near future. Elections are coming in November, and this summer will be a good time to engage with candidates and help educate them on the potential for rail.

A daily Sunset Limited/Texas Eagle is likewise essential, and the time has come to move that project forward. The Sunset Route is the only transcontinental Amtrak route that isn't daily. Its tri-weekly operation is a legacy of the late Southern Pacific days that traded service enhancements (diner and sleeper), in exchange for cutting the service to three days per week. In the intervening 50 years, the southwest has become the fastest growing region of the country, and the Sunset Route has as much potential as any in the Amtrak system. It is long past time that the Sunset/Texas Eagle achieve daily operation. In order for that to happen, Amtrak and the Union Pacific must agree on a realistic, win-win operating plan. With carloadings down by 10% this year, the Union Pacific has track capacity, and Amtrak can be a reliable revenue stream. Rail infrastructure improvements that mutually benefit passenger and freight rail are a double win for everyone. If the will is there by Amtrak management, we believe this can happen.

I have also had the opportunity to reach out to rail advocates in other states nearby including New Mexico and Texas. One concept we are exploring is a joint meeting of southwestern states to discuss moving forward with passenger rail. One opportunity is engaging with the Native American Nations on issues of joint interest. Bringing all governments to the table, state, county, municipal and tribal is key to advancing rail. The benefit of rail is that it can serve all these communities, providing needed transportation and economic development.

COVID19 has led many to speculate as to what the future of passenger rail looks like in a post pandemic world. Some things are undeniable. Many jobs have successfully transitioned to telework. The impediments to telework have been broken down, and there will be an impact in the number of commuters in the future. Similarly, business travel has come to a standstill, and it

is apparent that many business trips for conferences and meetings can be transitioned to successfully to videoconferencing. Some think tanks are postulating that the need to social distance will lead to more driving, road construction and more sprawl. That's possible, but not probable. The same issues that have driven trends worldwide; urbanization, denser development, and the need to address global warming, are as existent and critical now as ever.

Regardless of which vision of the future comes to pass, neither should negatively impact passenger rail. Worldwide trends demonstrate significant possibilities that can be translated here. Europe is seeing a renaissance in overnight trains, and European governments are working toward lowering rail fares and encouraging more rail travel. The development of night trains in certain corridors in the US is a sweet spot because they travel at slower speeds and can be implemented without the need for significant and costly speed upgrades while ridership and the rail market grow.

According to today's Wall Street Journal (May 4, 2020 Business News, page B3, "Airlines See Slow Recovery"), the airlines are now "digging in for a recovery that could take years". The economic effects have been devastating. The top four air carriers have collectively lost over \$4.5 billion in first quarter of 2020. Between the challenges of making people feel confident in the safety of travel, improving cleanliness, and reduced capacity necessary to social distance, the bottom line is that future air travel will cost much more, offer fewer flights, provide fewer amenities and take longer. Herein are great marketing and sales opportunities for Amtrak which can offer more individual travel spaces, reduced crowding in stations, and onboard the trains, and less delays and cost in keeping equipment cleaned. Of course, train cars cost a whole lot less than a jet plane as well.

Amtrak just celebrated its 49th birthday, and the new President of Amtrak, William Flynn, created an inspiring video in commemoration of that event. The optimism and positive spirit presented in that video, are hopeful signs that positive change is underway at Amtrak.

We have work to do, but we have already come so far. What's good for passenger rail in our neighboring states and across the country is good for Arizona. See you on the rails post pandemic as we continue the effort to grow passenger rail in Arizona and throughout the region.