

Michigan Department of Transportation

Passenger Rail Legislative Report

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April 21, 2016

Fiscal Year 2015 was another strong year for passenger rail in Michigan. Overall ridership on all three routes totaled 742,051. While a 3.5% decrease from FY2014 levels, this change in ridership was consistent with national trends. As for revenues, the Michigan Services had a 0.6% decrease over the previous fiscal year. These minor decreases in ridership and revenue are not surprising considering continued construction on the rail line between Chicago and Porter, IN and work on the Michigan line between Kalamazoo and Dearborn. The FY2015 breakdown of ridership, revenue and expenses is as follows:

FY 2015	Wolverine	Blue Water	Pere Marquette
Ridership	465,627	180,617	95,807
Revenue	\$18,960,778	\$6,308,554	\$3,040,677
Operating Expenses	\$36,762,614	\$13,358,845	\$6,537,737
Operating Payments from MDOT	\$12,932,376	\$5,593,048	\$3,655,272

During FY2015, MDOT provided operating assistance for the three services – the Wolverine (Pontiac-Detroit-Chicago), Blue Water (Port Huron-East Lansing-Battle Creek-Chicago) and Pere Marquette (Grand Rapids-Holland-Chicago) services. The amount of support provided for the Wolverine and Blue Water services were somewhat lower than in previous years, while that for the Pere Marquette was slightly higher.

Over the past 10 years, the Blue Water service has experienced the most consistent and significant ridership growth. The Wolverine service experienced a slight increase in ridership during that same period, while the Pere Marquette experienced a slight decrease.

State of Michigan continues to work with Amtrak on several initiatives designed to increase ridership and maximize the services' revenues. These efforts include supporting the use of Wi-Fi and Quiet Cars and expanding the ability for riders to bring bicycles and small pets onboard. Also, MDOT continues to request that Amtrak add cars to the normal train consists during peak ridership times to maximize use of the services.

While factors such as fuel costs are difficult to predict and impossible to control, MDOT continues to explore and evaluate strategies for service efficiencies and enhancements, as well as options to optimize revenue while still increasing ridership. The Department will remain engaged with Amtrak on aggressive marketing and advertising campaigns and other strategies designed to reduce the state's financial obligation. MDOT continues to support periodic fare increases designed to optimize revenue without negatively impacting ridership, annually evaluates the impacts of federal PRIIA regulations on service costs, and actively participates in inter-state discussions about ways to increase efficiency and reduce costs.