

Summary Points for the Development of the Reading Intercity Passenger Rail Service

The Feasibility Study for the Restoration of Passenger Rail Service to Reading had several key findings that influence the choice of the most effective implementation program. These are –

- **Financial Case.** Because of the higher ridership and thus higher revenues, an intercity service that connects the Reading-Philadelphia corridor directly to New York and Washington, DC and would not require subsidy. This assumes full capital grants from the federal government. The subsidy for just a commuter rail service from Reading to Philadelphia was found to be **\$8 to \$10 million dollars** per year. This also means that any incremental development phasing of the project such as running commuter trains from Reading to Philadelphia would need to be **subsidized**.
- **Institutional Implications.** To develop an intercity service, rather than a commuter service, means several institutional implications –
 - Intercity service would be run by Amtrak or the private sector and would come under the control of **USDOT/FRA**. A commuter service would be operated by SEPTA and under the control of **USDOT/FTA**. These are two separate distinct paths for the development of any rail system and are non-competitive in that they do not compete for the same source of funding.
 - Given the proposed Reading Passenger Rail Service is intercity (e.g., like the Keystone Corridor), the most effective operator would be Amtrak or a private sector operator.
 - The USDOT/FRA is likely to have much more money than the USDOT/FTA, which has a long queue of projects. The Reading-Philadelphia corridor project needs both planning money for the Environment Impact Study (EIS) as well as development money for infrastructure and trains (costs \$356 million).
 - Amtrak is looking for new intercity capacity and much of the route from Reading to New York and Washington is on the Amtrak Northeast Corridor.
 - Intercity service would allow passengers to travel not just to center city Philadelphia but to locations along the Northeast corridor, such as airports in Newark, Philadelphia and Baltimore.
 - Under the law, Amtrak has a grandfather law to operate on any freight line in the US. It has successfully won several surface rulings in its favor. Norfolk Southern is unlikely to challenge Amtrak's right to operate on the Reading-Philadelphia corridor. Amtrak is experienced in dealing with freight railroad negotiations. This includes capacity issues and access fee payments.



- **Economic Impact on Travel in Corridor.** An Intercity Service will have significantly greater economic impact on travel on the corridor, significantly reducing congestion for commuter, business, and social travel along the entire corridor from Reading to Philadelphia. This will also reduce travel times for remaining car users, particularly around the major cities along the corridor. The rail system will offer travelers a far more comfortable, faster and efficient trip that is environmentally friendly due to the reduction in fossil fuels through the use of electric power by the rail system. As a result, the benefits of the rail system will be felt in cities and town along the corridor, including Pottstown, Phoenixville, Royersford, Norristown and Philadelphia.
- **Economic Impact on the Communities.** An Intercity Service will have significantly greater economic impact on jobs, income, and tax base expansion, as well as property development (TOD) than a commuter service. The Feasibility study suggests that over 30 years it would create –
 - **28,000 person years of work**
 - **\$1.4 Billion of income generation**
 - **over \$1 Billion of new property development and existing property value increases**
 - **and nearly \$1 Billion expansion of the local and federal tax base**

County	Income Improvement	Growth in Property Value
Berks	\$180.1 million	\$265.9 million
Montgomery	\$172.1 million	\$254.5 million
Chester	\$69.9 million	\$ 99.0 million

- **Complementary Intercity and Commuter Service.** Finally, in planning the Restoration of Reading’s Passenger Rail Service, it was assumed that a parallel SEPTA service would be extended to Phoenixville. As the Phoenixville project is planned to go first as a SEPTA project, it was included in the Business plan as an ongoing operation. This would be a SEPTA and FTA project, which could run in parallel with the Reading project without damaging the Business Case for the Reading service.

