MINUTES

Passenger Rail Advisory Committee Meeting No. 5
Friday, Apr. 24, 2026 – 9:00 a.m. to 3:00 p.m.
Surface Transportation Board Headquarters

Attendance:

Chairman Patrick Fuchs
Vice Chairman Michelle Schultz
Board Member Karen Hedlund *
Brian O'Boyle, Designated Federal Official (DFO)
Ryan Lee, Chief of Passenger Rail & Investigations

Co-Chair Henry Posner
Acting Co-Chair Lori Winfree
John Robert Smith
D.J. Stadtler
Ashley Shelton
Carl Warren
Andy Daly
Aaron Edelman
Jim Mathews
Robert Padgette

Jennifer Mitchell
Christopher Perry
Mike McClellan
Liliana Pereira
Joe Black
Gregg Baxter
Maux Sullivan
Greg Regan
Husein Cumber
Paul Nissenbaum

<u>Not Present (Excused)</u>:

Jim Derwinksi
Jonathan Lamb

** Participated virtually. The Board experienced connectivity issues between 10:30 a.m. to 1:30 p.m.*

I. Call to Order

The meeting was called to order at 9:00 a.m. by the Brian O'Boyle, DFO.

II. Remarks by the Board Members

Chairman Fuchs: Thanked members and subcommittees for their extensive work. Noted that the Committee will be transitioning from a subcommittee-centric structure to defined working groups focused on delivering usable work product to the Board.

Board Member Hedlund: Expressed appreciation to the members and subcommittees and stated that the value of the PRAC has been clearly demonstrated through its work to date.

III. Remarks by DFO and Co-Chairmen

Introduction of new members:
- Jennifer Mitchell, Executive Vice President of Strategy and Planning, Amtrak (replacing Jim Blair)
- Ashley Shelton, Acting President, Railway Supply Institute (replacing Jim Riley)

IV. Direction of PRAC for 2026

The DFO stated that subcommittees have spent significant time gathering information and exploring topics that can now be converted into formal work product to assist the STB in meeting its statutory mandates.

Chairman Fuchs stated that it is time to transition from the subcommittee model to defined working groups, leveraging the substantial work completed to date and that the agenda provides for a subcommittee-by-subcommittee review.

1. **Conversion of Subcommittees into Working Groups**

   A. **Expansion Subcommittee:**
      - Converted into a working group to develop a Best Practices Report on expansion of passenger rail service.
      - Purpose: Provide value and guidance to the STB.
      - Scope: Expansion planning, modeling, transparency, and dispute resolution.

Member Edelman (Chair of Expansion Subcommittee): Based on calls with the STB Chairman, the subcommittee discussed review of RTC modeling, what works and what does not, as well as increased transparency and dispute resolution. The group plans to examine RTC modeling and strategies for simplifying the process. During summer meetings, Norfolk Southern, Amtrak, and Colorado DOT will present their RTC experiences in preparation for reporting back at the September meeting. (See **Attachment 1**).

The group discussed the value of providing a publicly available guide to help freight railroads and project sponsors navigate the expansion process without litigation and potentially avoid the need for STB intervention.

DFO: Emphasized the importance of identifying practices that have demonstrably led to successful outcomes. A best practices guide would be particularly helpful when Amtrak petitions the Board for service expansion.

The Gulf Coast service case was cited as an example where such guidance may have reduced the extent and duration of STB involvement. The statute envisions the Board as a last resort, with informal mediation playing a key role in resolving disputes.

Chairman Fuchs: If freight hosts and potential sponsors of passenger service can access such a document on the STB or FRA website, it could serve as a guide to reaching agreement without litigation. The goal is twofold. First, how do we prevent litigation from coming here? Could be Board-led alternative dispute resolution (ADR). Second, if there is litigation, can the set of issues be narrowed?

Board Member Hedlund: Noted that the Gulf Coast case persisted for years without resolution before coming to the Board. Once before the Board, eleven days of hearings and extensive staff resources were required. The Board narrowed the disputed issues, encouraged informal resolution, and ultimately facilitated agreement.

Noted that Deutsche Bahn has developed a newer technology that may provide an alternative to RTC modeling and could help address and potentially resolve disputes related to expansion analysis.

Member Black: Asked how prescriptive the working group intends the best-practice guidelines to be, cautioning against creating overly rigid requirements.

Chairman Fuchs: Responded that the goal is to provide a high-level structural framework, while also ensuring that granular issues are addressed, as those details are often the source of disputes. The Chairman noted that the guidance could serve as a checklist of issues that must be reviewed and discussed. Emphasized the desire to provide as much guidance as possible, including outlining when and how parties should engage third parties for technical input or direction.

Member Black: Agreed that a well-defined and structured process is valuable but reiterated that the group should avoid being overly prescriptive in how parties must proceed.

Participants emphasized the importance of agreement on assumptions at the outset, as well as providing an "over-the-shoulder" view of the modeling process. There was consensus on defining clear steps to improve transparency and reduce misunderstandings.

Vice Chairman Schultz: Stated that it would be critically important for parties to have agreement on the modeling methodology itself, not just the inputs or assumptions.

Member Mitchell: Raised concerns regarding data transparency and data protection, noting the need to strike a balance between protecting proprietary information and ensuring that funding partners have access to the information necessary to make informed decisions.

Chairman Fuchs: Noted that draft agreements already exist that reflect practices parties have previously utilized and agreed upon. These agreements address both government transparency requirements and data protection and could serve as useful reference points for the working group.

B. Current State and Joint Operations Subcommittees:

- Subcommittees to be merged into a joint working group
- Working group tasked with developing recommendations regarding the resolution of "disputed" schedules between Amtrak and host railroads
- Focus areas to include:
    - Value of recommendations to the STB
    - Scope and applicability of the recommendations

DFO: Noted significant overlap between the Current State and Joint Operations subcommittees and stated that merging them makes sense. The working group will focus on best practices for resolving schedule disputes, which is a central Board function.

Chairman Fuchs: Explained that there is a material difference between on-time performance evaluated under certified schedules versus other types of schedules. Referenced prior Sunset Limited litigation and investigation as example illustrating the challenges the Board faces in the absence of certified schedules. The Chairman noted that without a certified schedule, the Board must disentangle why recovery time was not distributed appropriately and how remedies and damages should be assessed, which is extremely difficult without a fully locked-down schedule. Emphasized the need for clear guidance regarding the Board's investigative authority.

Further noted that some scheduling issues remain unresolved, pointing out that CSX has achieved certifications for all of its schedules, and expressed interest in understanding how CSX was able to accomplish full certification. Observed that a lack of proper distribution of recovery time may have contributed to on-time performance challenges in some cases.

Stated that the most acute challenge is achieving certified schedules in the first place and suggested that improved dispute-resolution mechanisms could assist the Board in carrying out investigations under 49 U.S.C. § 24308(f) as well as proceeding cases under subsection (a).

Member Padgett: Noted that it would be helpful if there's some sort of expectation built into the process that schedules will be revisted.

Member Nissenbaum (FRA): Noted that the process for long-distance routes may need to be addressed differently than state-supported corridors, as long-distance routes operate under different conditions and state corridors tend to be more time-sensitive.

Chairman Fuchs: Agreed that it makes sense to address state-supported corridors differently but would defer to the working group.

Member Black: Suggested establishing a process to recertify schedules on a defined cadence in order to account for operational changes over time.

Chairman Fuchs: Stated that the group should explore how the STB's informal mediation process could assist with schedule recertification as needed, particularly where disputes arise.

C. Liability Subcommittee:

- The Liability Subcommittee was formally converted into a working group tasked with developing a report outlining key issues surrounding passenger rail liability and offering recommendations to the Board, with particular emphasis on its value to the STB.

DFO: Noted that the subcommittee has already completed a substantial amount of work and produced a draft work product. The question now is how to proceed, given that the report has been completed, and what the appropriate next steps should be.

Chairman Fuchs: Suggested that the Committee turn its attention to discussion of the report itself under Agenda Item V. Presentation of Liability Subcommittee Report.

V. **Presentation of Liability Subcommittee Report:**

A. Overview of Draft Report (Gregg Baxter)
B. Feedback to the report (including dissenting views)
C. Next steps

Member Gregg Baxter (Liability Subcommittee Chair): Stated that the subcommittee had an active year, with significant learning and collaboration to fully develop and understand the liability issues facing passenger rail. Gregg explained that the work revealed two distinct issue areas related to passenger rail insurance:

1. Liability caps and access to insurance markets, which are largely market-based and financial in nature and not easily tied to STB authority; and
2. Indemnification, specifically how passenger rail operators indemnify freight railroads, noting that current frameworks may create unfair market advantages among passenger rail operators and should be addressed separately from caps and insurance access.

Noted that the Commuter Rail Coalition (CRC) intends to focus future discussions on liability caps and market access addressed at a September 2026 meeting, and indemnification issues addressed at a December 2026 meeting.

Member Mathews: Described the subcommittee's work as "deep study mode," with participation from members with policy, legal, and operational backgrounds.

Added that the subcommittee engaged experts from European passenger rail operations, insurance brokers, and other industry participants both inside and outside PRAC. A separate summit hosted by CRC included participation from House and Senate staff, brokers, and insurers.

A key realization from this effort was that passenger rail liability is effectively no one agency's responsibility, as there is no national framework, and the issue does not fall neatly within the jurisdiction of either FRA or STB.

Further explained that there is a statutory liability cap that continues to increase, while appetite in the international insurance market is shrinking. Insurance coverage is often structured in 15–20 layers, and insurers are beginning to withdraw from the market entirely. He noted that the subcommittee wrestled with numerous potential solutions but concluded that no single solution is perfect.

Outlined three primary recommendations in the draft report:

1. Reset and rationalize the liability cap, which is currently trending north of $400 million. Options discussed include resetting the cap closer to $200 million, rescinding CPI-based increases, or tying adjustments to empirical claims history or investments in safety technology, noting that systems such as Positive Train Control (PTC) represent a significant price of entry. Added that placing new insurance coverage can take at least a year, and that escalating requirements disproportionately threaten small operators. A federal backstop, similar to those used in the nuclear energy and aviation industries, was discussed as a potential option.

2. Creation of a national passenger rail insurance pool, or alternatively a regionally managed pool, which could potentially fall within the STB's role as an economic regulator.

3. Development of a uniform approach to indemnification and sovereign immunity to address inconsistencies and market distortions.

Member Cumber: Asked for clarification regarding the dissenting opinions referenced in the report.

PRAC Co-Chair Posner: Responded that there were no dissenting views on the recommendations. The mention of dissenting opinions on the agenda was to indicate that dissenting views on any PRAC report are welcome and encouraged, and that they will be intentionally included as part of a balanced and transparent report.

Chairman Fuchs: Asked Gregg to elaborate on how "sovereign immunity" factors into liability issues.

Member Baxter: Explained that California operates three significant state-supported Amtrak services, under which Amtrak provides insurance coverage and indemnification to host railroads. Noted that if California were to select a passenger rail provider other than Amtrak, the state would not be able to provide the same level of indemnification and insurance, highlighting a structural inequity tied to sovereign immunity and provider selection.

Member Cumber: Asked whether Amtrak has sovereign immunity.

Member Perry: Clarified that Amtrak does not have any general sovereign immunity from suit, and that some Members may instead be focusing here on Amtrak's particular statutory authorities and framework. Advised caution with respect to terminology, noting that the way these issues are described and framed will be important as the report moves forward.

PRAC Co-Chair Posner: Noted the nexus between freight rail liability and technology, observing that investments in technology, while intended to improve safety, can themselves become a source of liability exposure, as noted at a recent industry conference.

Board Member Hedlund: Raised issues related to federal preemption and sovereign immunity, stating that these challenges point toward the need for a national solution, which would likely require legislative action. Emphasized that states do not want to lose passenger rail service simply because they are unable to participate in an appropriate liability and insurance framework.

Member Mathews: Regarding the question on how the industry achieves uniformity, he noted there was a recent U.S. Supreme Court case involving New Jersey Transit, in which the Court determined the agency was not a political arm of the state and therefore did not receive state sovereign immunity. He noted this as an example of inconsistency in how sovereign immunity is applied.

PRAC Secretary and Acting Co-Chair Winfree: Stated she appreciated Member Perry raising the issue about the importance of proper use of terminology and differences between sovereign immunity, liability caps, and indemnification provisions.

Chairman Fuchs: Posed a hypothetical involving a commuter rail service provider seeking to operate new service in California, asking what policy or provision related to sovereign immunity would be sufficient to resolve that operator's liability concerns and materially change its ability to procure insurance.

Member Cumber: Responded that in Florida, state legislative action is typically required for a private third-party operator to receive immunity within a local jurisdiction. He noted that while a local entity may provide liability protection up to the federal liability cap, these arrangements are effectively captive, leaving operators with little leverage to negotiate.

Member Nissenbaum (FRA): Asked about the distinction between Amtrak's authority and that of a third-party operator, and whether Amtrak brings its liability regime when it is chosen to be an operator?

Member Mitchell: Stated that she believes Amtrak's statutory authority allows it to indemnify. Stated that Amtrak's current insurance policy could theoretically cover these risks, but the Amtrak Board would need to determine if it is comfortable with the resulting risk profile.

Chairman Fuchs: Stated that it sounds like then that there are challenges to purchasing coverage for competing operators, compared to Amtrak, which benefits from significant economies of scale.

Noted that someone had referred to issues with obtaining insurance as a "market failure" and asked the committee members to elaborate.

Member Mathews: Responded that even railroads with strong operating and claims histories are unable to obtain favorable coverage terms, as they are grouped with other insured entities regardless of individual performance. He noted that insurance providers are aware of liability cap increases are known in advance, leaving no room for negotiation, and that a lack of competition further exacerbates the issue.

PRAC Secretary and Acting Co-Chair Winfree: Observed that public entities are further constrained by funding limitations in trying to achieve a federally-mandated liability cap.

Chairman Fuchs: Concurred with the observation made by Winfree.

PRAC Co-Chair Posner: Questioned whether Amtrak could serve as a source of coverage for third-party operators, subject to affirmation by Amtrak's board.

Member Mitchell: Responded that this is not what she meant. Amtrak Board will assess whether to serve as an operator based on risk profile, among other factors.

Member Nissenbaum (FRA): Asked whether Amtrak has statutory authority to offer insurance or indemnification to third-party operators.

Member Perry: Suggested that such arrangements may arise or be discussed in the context of state-supported services where Amtrak is the operator.

Member Cumber: Suggested the concept of a national passenger rail insurance pool, analogizing to state-created entities used to mitigate risks in flood or earthquake-prone areas. He asked whether the STB could serve as the entity to establish a federal insurance pool, noting that legislative authority may be required.

Chairman Fuchs: Observed that an insurance pool could provide economies of scale, particularly when combined with a liability cap, effectively creating a large consortium of operators similar to Amtrak. Questioned which entity would be most appropriate to oversee such a structure, noting that Congress has historically assigned liability cap authority to the FRA. The Chairman stated that the STB primarily resolves disputes and regulates economic relationships between railroads and shippers, rather than serves as a financial management entity.

Member Nissenbaum (FRA): Asked whether there are comparable models, such as those used in the nuclear industry.

Member Mathews: Referenced the concept of a catastrophic backstop.

Member Perry: Noted that in many other sectors, the federal government has intervened where risk threatens the viability of an industry, but in terms of the freight rail industry, it does not seem as though the STB is typically involved in issues relating to risk or insurance premiums.

Chairman Fuchs: Distinguished between common carrier unreasonable-practice cases and broader business activity and offered observations regarding litigation trends. The Chairman referenced the Chatsworth accident (2008) and noted that rulings at the state court level suggested families should have recovered more but for the liability cap. The Chairman further recalled that this issue was raised by a ranking member and that the FAST Act, passed after the Philadelphia derailment, adjusted the cap. The argument, the Chairman noted, is that the current cap merely reflects the Chatsworth level adjusted for inflation.

Member Black: Asked how insurance companies assess risk, including whether a rail carrier has a good safety record.

Member Mathews: Not really. He noted that insurance companies have not factored PTC into their assessments.

He emphasized that while victims should not be deprived of just compensation and must be made whole, the current mechanism for achieving that goal is negatively impacting the ability to provide passenger rail service in the first place.

Vice Chairman Schultz: Asked how judicial decisions, such as the recent NJ Transit case, can significantly increase insurance costs across the industry.

Member Mathews: Referenced the March 6 court decision, noting that it resulted in the loss of sovereign immunity protections for certain entities.

Member Perry: Stated that it seems like the courts will look at the nature of the entity providing the service, including how it is organized and how it was created by the state. We'll have to see if some state-sponsored passenger entities lose their sovereign immunity status and/or if the Supreme Court's ruling prompts any state authorities to reconsider their status or to reorganize.

Member Mathews: Added that while statutes may state that an entity is an arm of the state, the NJ Transit case suggests that courts may begin to examine factors such as whether the entity can sue and be sued and how its day-to-day operations are conducted.

PRAC Secretary and Acting Co-Chair Winfree: Noted that this issue is actively being grappled with, and that there remains uncertainty regarding how far current doctrines extend.

Member Baxter: Observed that the overall environment has changed, particularly as legal interpretations and insurance markets have evolved. Reiterated that there are two distinct and separate issues at play:

1. The market issue, including the rising cost of obtaining insurance, despite investment in PTC (and other safety enhancements); and
2. The sovereign immunity and indemnification issue, which is directly impacting the competitive marketplace for operators.

Chairman Fuchs: Agreed that these are two separate issues, but maybe framing them slightly differently:

1. The level of the liability cap, how it is adjusted over time, and the difficulty operators face in accessing coverage up to that cap; and
2. Whether a state entity is willing and able to provide indemnification or otherwise engage to support service.

Chairman Fuchs noted that achieving economies of scale through pooling is challenging due to differing risk profiles among operators. The Chairman emphasized that the current system is daunting and cost-prohibitive for individual service providers, and that resolving these issues would likely require different legislative solutions.

He posed the question of whether, if all operators could buy into a common insurance pool, the indemnification challenges and severity of the liability cap issue would be lessened.

PRAC Secretary and Acting Co-Chair Winfree: Noted that METRA is working on self-insurance program in which it is creating an entity outside of METRA that is responsible for insurance.

Member Nissenbaum (FRA): Asked whether it would be feasible to combine Amtrak and commuter rail operators into a single insurance pool, rather than maintaining separate pools.

Member Padgette: Stated that the barrier posed by insurance requirements is simply too significant and has become a major obstacle to the introduction of new passenger rail service, particularly for private firms.

Chairman Fuchs: Noted that if the group wishes to further explore how a consortium or pooled model could exist, it would be a productive topic for discussion at the next meeting.

PRAC Co-Chair Posner: Asked why freight railroads could not be included in such a pool, particularly given their exposure to hazardous materials risks and investments in safety technologies such as hotbox detectors.

Chairman Fuchs: Responded that, as he understands it, the purpose of a passenger rail insurance pool would be to spread coverage and impacts among entities subject to the passenger rail liability cap. The Chairman noted that freight railroads are not subject to that cap but have greater ability to self-insure with their revenues (whereas public entities rely on appropriations)..

Member Nissenbaum (FRA): Asked how significant the growth in insurance premiums has been on the freight rail side.

Member McClellan: Stated that following the East Palestine incident, insurance renewal costs have increased substantially, resulting in greater reliance on self-insurance. He noted that Conrail is now uninsured and covered directly by its parent companies.

PRAC Secretary and Acting Co-Chair Winfree: Observed that, based on the discussion, the issue may require additional work. Formally requested the indulgence of the Board and the Committee to allow continued exploration and development of these topics.

Chairman Fuchs: Agreed that the topic required continued exploration and the working group should report back to the PRAC at the next meeting.

Member Nissenbaum (FRA): Thanked the subcommittee and the Chairman for their efforts, stating that this discussion represented the best conversation the FRA has had on this issue.

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VI. Presentation: Recent Data Trends on Amtrak Service

Ryan Lee, STB - Chief of Passenger Rail & Investigations, presented on noticeable trends reflected in Amtrak service data. (See **Attachment 2**)

DFO: Chief Ryan Lee will be transitioning into the Designated Federal Officer (DFO) role at future meetings.

Chairman Fuchs: Noted that DFO O'Boyle took on the inaugural role as DFO of the committee and was recognized for his leadership and all the incredible work he has done. Stated that Chief Lee will be a great asset to the committee.

Chief Lee: Opened by noting that he is a lawyer rather than a railroader and relies heavily on rail experts to support the Board's work. He explained that the Board has investigative authority and reviews published Amtrak on-time performance (OTP) data quarterly. Ryan stated that he analyzed more than four years of data and was asked to share key observations with PRAC.

Reported that the data encompasses approximately 140 million passenger trips, with the vast majority occurring on state-supported and long-distance routes.

He reviewed slide content showing average minutes late per late passenger, followed by data reflecting the number of delay hours, measuring delays experienced by trains and late passengers.

Identified slow orders and weather-related disruptions as major contributors to delay, noting that track repairs following winter conditions, as well as wind- and storm-related impacts, are common causes.

PRAC Co-Chair Posner: Asked where grade-crossing incidents would fall within the delay categorizations presented.

Member Nissenbaum (FRA): Responded that under Amtrak's delay coding system definitions, any incursion onto the right-of-way would typically be captured as a Trespasser delay ("TRS" code).

PRAC Co-Chair Posner: Asked where delays related to station stops would be reflected in the data.

Member Daly (CSX): Stated that such delays may fall under servicing delays, depending on how they are coded by Amtrak.

Member Padgette: Pointed out that if a train is annulled, it would not appear in the data set.

Member Black: Raised concerns regarding uniformity in reporting across operators.

Member Perry: Noted that there are some data quality checks in place to ensure reporting consistency.

Member Padgette: Noted differences between miscoding and true reporting errors.

Member Stadtler: Observed that reporting improvements over the past decade have been significant.

Member Mathews: Commented that reporting often reflects the cause of delay believed to be most accurate by the reporting entity.

Member Nissenbaum (FRA): Noted the distinction between "observed cause of delay" and underlying root cause.

Chief Lee: Highlighted performance on the Auto Train, noting 83 percent on-time performance and a 48 percent year-over-year improvement, attributing impacts primarily to Hurricane Helene and the reopening of the Howard Street Tunnel.

PRAC Co-Chair Posner: Asked why the presentation did not include information specific to the Northeast Corridor (NEC) or certified versus non-certified schedules.

Chief Lee: Explained that the NEC was not included because Amtrak both certifies and hosts those services, which places them in a different analytical category.

VII. **Report: Implementation of Colorado DOT's Denver to Fort Collins Passenger Service**

Member Maux Sullivan provided an update on the Colorado Department of Transportation's (CDOT) agreement with BNSF regarding the implementation of Front Range passenger rail service between Denver and Fort Collins. (See **Attachment 3**).

Member Sullivan: Provided an overview of the joint service negotiations between BNSF and CDOT, highlighting coordination among CDOT, the Regional Transportation District (RTD), and the Front Range Passenger Rail District. Maux explained the current status of negotiations and described the framework being developed to move service implementation forward.

Member Padgette: Asked several questions related to the agreement and implementation approach.

Member Black: Raised questions regarding the structure of the agreement and overall service planning.

Member Warren: Asked how CDOT is working to control costs and what the pathway to service delivery looks like.

Member Sullivan: Responded that the project was mandated by the state legislature, and that significant discussion has taken place regarding implementation. Maux noted that the legislative framework has, at times, limited RTD's expansion options, but CDOT continues to work through these challenges to advance the project.

Co chair Posner: Asked what would happen if negotiations with Amtrak were not successful

Member Sullivan: Responded that insurance and liability make Amtrak the only option.

Member Mitchell: Commended Maux for the work accomplished with BNSF, noting that the effort represents a strong collaborative model for future passenger rail initiatives.

LUNCH 12:11 – 12:50 PM

Co-Chair Posner asked the committee to consider what the next round of working groups should focus on as some are being combined (Expansion and Current State) and others (Liability) are near the end of their work.

Acting Co-Chair Winfree asked that new members signal their preferences for working group assignments.

VIII. **Discussion: Topics to Address in the Expansion Working Group's Best Practices Report**

- STB's Gulf Coast proceeding as a case study
- Potential focus areas: identifying facilities and capital projects, improvements to RTC modeling, and mediation procedures to expedite conflict resolution

Member Edelman (Chair of Expansion Subcommittee):

The subcommittee will be meeting in order to present its report at the September PRAC meeting.

He explained that some of the subcommittee members (Mike McCellan, NS; Maux Sullivan, Colorado DOT; Andy Daly, CSX; Liliana Pereira, Steer; and Jim Mathews, Rail Passenger Association) had each provided a list of some of the challenges to introducing new passenger rail service. He then went through the full list, with each member providing additional detail on their suggestions. (See **Attachment 1**.) He cautioned that many inputs and scenarios behind best practices are situation-specific, such as Amtrak /host railroad relationships.

Chairman Fuchs: Suggested a hypothetical, starting from the assumption that freight should be held harmless. Asked whether, if freight growth is also projected, a baseline must be established and then adjusted accordingly.

Member McClellan: Explained that Norfolk Southern looks at delay minutes per 100 miles, then layers in new passenger and freight service, with the goal of returning to or staying below the baseline. Noted that delta and velocity matter more than the number of trains added when evaluating delay minutes per 100 miles.

Chairman Fuchs: Observed that very different RTC results can emerge depending on growth projections. Asked how much growth projections should reasonably differ and whether a common default or standardized growth assumption could be established.

Member McClellan: Noted that many corridors have unique circumstances and emphasized the need for flexibility to project growth above GDP in some cases. Added that GDP-based growth projections could otherwise serve as a reasonable default.

Chairman Fuchs: Discussed the operational component of RTC, noting that expanding the analysis beyond the corridor at issue and treating freight operations as fully dynamic was daunting for the Board, particularly when the modeling extended to yards and infrastructure outside the immediate area to other parts of the network, which increased the scope of issues the Board was being asked to adjudicate.

The flip side of that issue is weighing the cost of an operational change versus a capital project. The cost of the operational change may be much smaller than the capital project, but the freight carriers still want to be compensated for any operational impact. He asked how operational changes as a substitute for capital projects can be raised as part of the negotiations.

Member McClellan: Commented on the difference between engaging with Amtrak on long distance services versus state-sponsored services, noting that states often have a stronger interest in ensuring maximum financial benefit from freight operations within their borders.

Member Mitchell: Noted that the fact that there is federal funding also comes into play.

Chairman Fuchs: Noted that even if a freight carrier and passenger sponsor can agree on an operational change for which the freight carrier is compensated, it may not be best for the freight customer. Also, there are situations where a capital improvement could have benefits to both the freight and passenger providers. Understands the concern on this operational change vs. capital project issue from both sides.

Member McClellan: Added that RTC is currently accepted by all railroads and cautioned against prematurely replacing an established technology.

Member Black: Stated that RTC is the standard across both the freight and passenger rail industries, though OpenTrack is being used by some railroads. Expressed concern that RTC is aging and has limitations and suggested it may be time to consider next-generation or emerging technologies as potential replacements.

PRAC Co-Chair Posner: Noted that network-level modeling versus line-segment modeling can yield very different results. Suggested being included in discussions if the group considers utilizing European modeling systems due to his experience in that environment and indicated that a standalone half-day session might be justified for that discussion.

Member Padgette: Observed that it is difficult to sell a project or secure funding if decision-makers do not understand the data underlying the product or proposal. He added that the time horizon for projects is important, particularly for public-sector entities that need access to long-term project information.

Member Mathews: Noted that based on 30 years of experience in aviation, there are limitations to applying aviation forecasting models to rail. Explained that aviation forecasting relies more on macro-level factors, whereas rail forecasting is much more complicated as it depends more heavily on micro-level and corridor-specific factors.

Chairman Fuchs: Asked how Virginia achieved its recent passenger rail expansion successes as an example, noting that understanding the process and technical steps involved could be instructive for future projects. Suggested looking back at several recent successful expansions to map out key processes, decision points, and guidance that could inform a best-practices checklist.

Member Nissenbaum (FRA): Noted that expansion efforts are a resource-intensive process between railroads and public partners. Emphasized the importance of focusing time and effort on corridors that are realistic and viable, rather than spreading resources too broadly.

Member Black: Referenced the Corridor Identification (Corridor ID) Program, explaining that his company evaluated and scored 69 corridors across multiple factors. Noted that nearly 20 corridors were found to be viable, while the remainder faced challenges such as limited political will, insufficient local match, or other feasibility constraints.

Member McClellan: Stated that the first two critical questions in any expansion effort are whether all parties are politically aligned and what the source of funding will be.

Member Daly: Highlighted the importance of conducting a feasibility study as an early step in the process.

Member Nissenbaum (FRA): Clarified that what this working group is attempting to do aligns with a parallel process currently underway through the Corridor ID Program.

IX. Discussion: Topics to Address in the Current State Working Group's Recommendation on Resolving "Disputed" Schedules

Member Greg Regan (Chair Current State Subcommittee): Stated that merging the Current State and Joint Operations efforts makes good sense. Noted that joint use and On-Time Performance (OTP) are critical issues that need to be addressed together.

Member Padgette: Highlighted the schedule certification process and the value of examining it more closely, particularly as it relates to long-distance versus state-supported services. Raised concerns about unintended consequences of schedule certification and emphasized the importance of having a mechanism to revisit certification on a regular cadence.

Member Daly: CSX has all of its scheduled certified. Explained that CSX reviewed Amtrak data and worked through the data iteratively to reach a certified schedule. Noted that the schedule was certified before PTC was implemented and that PTC has in general slowed trains down due to the risk of penalty brake applications. Added that certified schedules do not need to be perfect. Schedules change frequently, but the standards established through certification still must be upheld. Noted that unforeseen circumstances - such as trespasser strikes, weather events, connections with other railroads or shared services, and track work or slow orders occur regularly and affect operations.

Member Padgette: Suggested studying other causes of delay and examining what types of flexibility may be necessary within the certification framework.

Member Daly: Emphasized that schedules are living, breathing documents and that many certified schedules require ongoing adjustments.

Member Mathews: Asked whether there is any standardized framework or rule of thumb used in the certification process.

Member Daly: Not sure I would say there's a rule of thumb. We look at each route individually.

Chairman Fuchs: Observed that some Class I railroads have certified schedules while others do not. Suggested examining all cases where schedules have been certified to identify the key commonalities that led to certification. Asked whether moving to a certified schedule generally involved compression of time or redistribution of schedule elements.

Former PRAC Member Jim Blair, Amtrak (audience): Responded that certification typically involved redistribution and extensions of schedules, rather than compression.

Vice Chairman Schultz: Asked whether schedules that have been operating for long periods without certification create disincentives for certification, and whether there are incentives that could encourage parties to certify schedules.

Member Mitchell: May not necessarily be a reason to have a certified scheduled, but Amtrak wants schedules to be certified because there are benefits to one.

Former PRAC Member Blair: Referenced the distinctions between certified, uncertified, and disputed services on Amtrak.

Member Nissenbaum (FRA): Asked whether it is time to revisit the issue of schedule certification.

Chairman Fuchs: Stated that it is difficult for the Board to adjudicate a case involving a non-certified schedule. Expressed that it would be beneficial for FRA to take the lead on reviewing the certification rules. Suggested the possible need for mandatory mediation and an arbitration report before the Board launches a formal investigation. Emphasized that some action by FRA and/or STB may be necessary to compel progress on certification or schedule agreement prior to Board involvement.

Member Perry: Noted that we want to be cautious of having the preliminary step turning into its own mini-case, so if necessary, there may need to be guide-posts on whatever process is developed. Suggested that in cases of egregiously poor performance, there may be value in at least narrowing the issues or creating a common understanding among the parties before a Board investigation begins.

Chairman Fuchs: Proposed the idea of the Board enforcing a short, 30-day mediation period. If no agreement is reached, each party would submit its best case, after which the Board could either select one proposal or create an amalgam. Board would then conduct the OTP investigation using that as a baseline schedule. Or FRA could be involved in selecting the schedule. Noted this as a potential concept for consideration.

Member Nissenbaum (FRA): Noted that a strong recommendation from the committee could be helpful in advancing reforms.

Vice Chairman Schultz: Recommended that any proposal clearly identify which agency would take the lead, why that agency is best positioned to do so, and what benefits would result.

Chairman Fuchs: Noted the difficulty of serving as prosecutor, judge, and jury simultaneously. Expressed concern that if STB were required to set schedules, it could appear to present a conflict of interest rather than acting as a neutral enforcer. Emphasized the importance of playing to institutional strengths and keeping the process clean.

Vice Chairman Schultz: Stated that without certified schedules, there is significant uncertainty. Noted that RTC modeling relies heavily on subjective inputs, creating additional uncertainty, and emphasized the need for a framework and clear guideposts.

Member Smith: Reflected on participating in Gulf Coast service discussions over a ten-year period, noting that the process was longer and more complex than necessary. Stated that the lack of an entity with authority to define reasonable assumptions prolonged the effort and may have even made a hearing unnecessary had such authority existed. Noted that no one had the authority to compel a framework for expansion.

Chairman Fuchs: Stated that the ideal outcome is for cases to never reach the Board. Noted that having a matrix comparing assumptions from all parties would significantly narrow the issues the Board would need to adjudicate.

Member Mitchell: Noted that the availability of federal funding for projects benefiting both freight and passenger rail was instrumental in breaking prior deadlocks.

Chairman Fuchs: Noted that another significant issue in the Gulf Coast case was the difference between the parties in how many infrastructure projects were needed. If STB is assumed to have authority to order infrastructure, the Board needs better evidence on the value of proposed projects. Emphasized the importance of identifying which projects offer the best cost-benefit, deliver good public value, and whether alternative projects could achieve the same goals with fewer impacts.

Member Smith: Noted that the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grants were created in response to the Gulf Coast case.

Vice Chairman Schultz: Asked how the operational value of infrastructure projects is evaluated, specifically which projects provide the greatest benefit for the investment.

Member Nissenbaum (FRA): Highlighted the need for a simplified, standardized data set to support decision-making. Noted that a key task for the Expansion Committee is determining how to produce that decision-support product early in the process.

VII. **Discussion: Other Topics for Consideration by the PRAC**

PRAC Co-Chair Posner: Asked what the next working groups would be and whether there are any specific issues the Board would like the committee to focus on.

Chairman Fuchs: Responded that there are issues the Board would like addressed, but most are currently tied up in cases before the Board. Noted that two acute issues emerged from recently resolved cases and suggested focusing on matters of national relevance and core issues that are currently before the committee. Emphasized that if the working groups are able to resolve the current issues, it would represent the most successful working group effort the Board has seen.

Vice Chairman Schultz: Agreed with the Chair and stated that the current topics alone will be sufficient to keep the committee busy.

Board Member Hedlund: Suggested that restructuring of Amtrak could become an issue for future consideration.

PRAC Co-Chair Posner: Noted that the DFO can help in prioritizing topics as they arise.

DFO: Asked whether there is a desire to rebalance working group assignments now that the committee's direction has shifted and new members have joined.

PRAC Co-Chair Posner: Suggested PRAC members send a request to change working groups to the DFO and Chief Lee, with copies to the working group co-chairs and the committee secretary.

Member Sullivan: Reminded the group to ensure that working group meetings do not inadvertently constitute a quorum of the full PRAC.

DFO: Stated that he can meet with the working group chairs to discuss next steps, including what reporting for the September timeframe will look like.

Member Mathews: Suggested examining certified versus uncertified schedules, analyzing the data, and determining the core factors driving differences.

Chairman Fuchs: Stated that the first question to address is the nature of the core problem, and asked what commonalities underlie the issue.

PRAC Co-Chair Posner: Advised that anyone who is no longer interested in serving as a working group chair should communicate that to leadership.

VIII. **Closing Remarks**

Chairman Fuchs: Described the discussion as fantastic and expressed enthusiasm for the future work ahead. Stated that the conversation increased confidence that the committee's work will continue in a productive direction. Thanked everyone for their contributions, noting that the discussion was extremely helpful, and expressed gratitude for the work PRAC is doing for the Board, the public, and passengers, characterizing the effort as true public service.

Vice Chairman Schultz: Stated that the day's dialogue was very clarifying. Noted the depth of experience around the table and expressed appreciation for members' willingness to take the time to thoughtfully address these important matters.

Board Member Hedlund: Noted being most impressed by the discussion around liability and indemnity issues and emphasized that the group includes the right people to develop meaningful proposed solutions.

IX. Meeting Adjournment

The meeting adjourned at 2:48 p.m.

ATTACHMENT 1 on Next Page
ATTACHMENTS 2 and 3 on PRAC website: www.stb.gov/stakeholder-committees/prac

ATTACHMENT 1:
Subcommittee Ideas regarding Rail Traffic Controller (RTC) model

From NS:

From a passenger policy perspective, many RTC challenges stem less from the modeling itself and more from early alignment on service scope, growth assumptions, and policy guardrails around freight protection and capital responsibility. Clear expectations up front on what the RTC is intended to evaluate, rather than approve, go a long way toward making the process smoother for both NS and the client.

Common passenger development and RTC modeling external challenges:

- Defining realistic “day-one” passenger service and schedules versus broader long-term service aspirations
- Aligning freight growth assumptions and network priorities
- Managing changes to inputs and assumptions once modeling is underway
- Reaching agreement on required infrastructure and timing of investments
- Balancing client requests for transparency and proprietary inputs and assumptions
- Compressed timelines driven by external funding or political pressures

Common passenger development and RTC modeling internal (NS) challenges:

- Securing CEO/COO buy-in to engage on a new passenger service
- The amount of time and resources the study takes vs. other corporate priorities
- Socializing results and recommendations within NS – and then coming to (and maintaining) a consensus on the final project package
- Determining the growth rate

Best practices that helped NS mitigate these issues:

- Establish clear service definitions and growth scenarios before modeling begins
- Define decision-making roles and escalation paths at the outset of the RTC
- Set expectations early that the RTC is an analytical tool to identify constraints and mitigations
- Align internally on policy principles and baseline assumptions prior to client engagement
- Lock baseline assumptions early and clearly identify when re-runs are warranted
- Separate conceptual long-term visions from fundable, near-term service proposals
- Allow for an “over-the-shoulder” environment where the client has visibility into the process, the modeling and the detailed outputs.
- Establish a reasonable compensation by the client for the RTC work
- Ensure that the in-place agreements are understood by modelers and all parties involved.
- Create a path – if possible – for early passenger launch prior to completion of infrastructure.
    - This may require elongated schedules, suspended penalty or incentive regimes, etc.

From Amtrak:

1. Railroad controls all inputs, may or may not share these inputs, and only shares limited model results
2. Railroads often won’t provide stringlines for all trains on the segments to allow schedule fine-tuning.
3. Growth factors are unrealistic when compared to previous year’s performance

4. Railroad controls what scenarios are analyzed
5. Railroads hire the consultant
6. Railroads refuse to provide model inputs data so results can be replicated to confirm results
7. Railroads refuse to provide traffic data, even in a redacted format
8. Railroad controls what infrastructure scenarios are analyzed
9. No pre-agreement on results criteria
10. Railroads accept only zero freight interference, whereas statute defines the standard as "unreasonable interference."
11. Railroads will not model adjustment of freight schedules to avoid/reduce interference but then adjust freight schedules regularly "in real life."
12. No adjudicatory process for resolving modeling process disputes.
13. In RTC solutions and design of experiments are driven by the modeler. A bad modeler can come up with bad solutions that may be defensible using the model itself; The tool can show train delays but not necessarily how to solve them and therefore it is only as good as the modeler's proposed solutions.
14. RTC doesn't measure line capacity in the traditional sense but more so helps understand behaviors, like dispatching and potential transit time impact. It doesn't give number of slots or trains per day. From Amtrak's understanding, most railroads use other products for that.

From Colorado DOT:

- Long lead times to initiate and complete RTC modeling, which delays projects and progress
- Since it's seen as the only option with the host railroads we've worked with, it makes it difficult to verify results and limits options for technical (consultant) support.
- There are other modeling softwares, what would it take for them to be "accepted" by all stakeholders? What does RTC provide that the others can't? Is there a way to address the shortcomings?
- Alternatives would allow for parties to choose the best option for their purposes, improve overall modelling capacity and capabilities in the market, and allow for parties to verify results.

From Rail Passenger Association:

- Single point-of-failure; RTC modeling is the IP of a single person, controlled by Berkeley Simulation. What happens if/when Berkeley ceases? The industry needs alternatives to RTC with possibly more features and a wider user community to increase transparency.

- Industry needs a "rule book" or best practices list for sharing and collaboration between Hosts and Passenger Operators so that neither side is unfairly disadvantaged. We all have an interest in a thriving and fluid national freight rail network, but we also should have a well understood path for collaboration in using RTC modeling to examine potential passenger rail expansions with reasonable and defensible inputs.

From Steer:

- A recurring theme is the future of RTC and the importance of having an independently maintained tool that can be reliably used going forward. RTC has served the industry well and is broadly recognized, so those gains are valuable and should be leveraged as we look ahead.

- Another point relates to potential distinctions between microsimulation and long-range planning or strategic decision-making tools. There's value in considering various approaches to assessing capacity, not only through microsimulation but also having an industry conversation about other broader planning and capacity assessment methods.

- Inputs, assumptions, and sensitivities are also top of mind. Some colleagues from the aviation team at Steer, referenced collaborative frameworks used in the airline industry, suggesting there may be lessons to draw from transparency in modeling.

- Additionally, there's suggested focus in discussing approaches for forecasting across different horizons, and the valuation of impacts—both immediate and long-term