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- 9.12 The largest operator of commuter and regional rail services in the USA is, in fact, Amtrak which operates services for 13 commuter agencies.<sup>51</sup> These services are typically let through a procurement process by the State or regional commuter agency. Amtrak is paid through operator contracts funded by the commuter rail agency and / or its State partner (e.g. the California Transportation Agency) through a mix of operating subsidies, grants, and fare revenues. These contracts typically run for five to 10 years with the commuter rail agency imposing limits on fare levels and fare increases.
- 9.13 The system that has commercial arrangements most analogous to those in the UK is the commuter network around Boston owned by the Massachusetts Bay Transport Authority (MBTA). The MBTA commuter rail network includes 13 lines, covering 776 route miles and 131 stations connecting population and employment centres across the Boston area.
- 9.14 The infrastructure and the rolling stock remain under the ownership of MBTA. However, train operations and the maintenance of both rolling stock and infrastructure have been outsourced to the private sector via a tender process initially to a Veolia-led partnership in 2003 and more recently to Keolis.
- 9.15 The current operating agreement between the MBTA and Keolis, awarded in 2014, is an eight-year, fixed-price, performance-based contract for train operations and the maintenance of the MBTA-owned rolling stock (including some 90 locomotives and around 500 coaches) and part of the associated infrastructure. The MBTA pays a fixed fee based on the operator's bid price, subject to monthly deductions if the operator does not meet specified performance requirements. Unlike the UK's "net cost" rail franchises, MBTA has retained all fare setting policy decision-making and revenue from operations.
- 9.16 In recent years operating performance of the MBTA system has been in decline. In 2017, the MBTA started work on a new "Rail Vision" seeking to develop a strategic plan for its rail system to meet long-term investment and capacity challenges. A review of the operating contract, and the commercial incentives that it provides to help meet MBTA's policy goals, will be part of this exercise.



- <sup>41</sup> [aph.gov.au/Parliamentary\\_Business/Committees/Senate/Rural\\_and\\_Regional\\_Affairs\\_and\\_Transport/Railindustry45/~media/Committees/rrat\\_ctte/Railindustry45/report.pdf](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Railindustry45/~media/Committees/rrat_ctte/Railindustry45/report.pdf)
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- <sup>43</sup> [eubusinessinjapan.eu/sites/default/files/railway\\_market\\_in\\_japan.pdf](http://eubusinessinjapan.eu/sites/default/files/railway_market_in_japan.pdf)
- <sup>44</sup> [eubusinessinjapan.eu/sites/default/files/railway\\_market\\_in\\_japan.pdf](http://eubusinessinjapan.eu/sites/default/files/railway_market_in_japan.pdf)
- <sup>45</sup> Derived from figure published by Community of European Railway and Infrastructure Companies ([cer.be/sites/default/files/publication/EVES-Rail\\_-\\_Final\\_\\_v6.4.3\\_\\_SUMMARY.pdf](http://cer.be/sites/default/files/publication/EVES-Rail_-_Final__v6.4.3__SUMMARY.pdf))
- <sup>46</sup> [eubusinessinjapan.eu/sites/default/files/railway\\_market\\_in\\_japan.pdf](http://eubusinessinjapan.eu/sites/default/files/railway_market_in_japan.pdf)
- <sup>47</sup> [eubusinessinjapan.eu/sites/default/files/railway\\_market\\_in\\_japan.pdf](http://eubusinessinjapan.eu/sites/default/files/railway_market_in_japan.pdf)
- <sup>48</sup> [raildeliverygroup.com/about-us/publications.html?task=file.download&id=469775083](http://raildeliverygroup.com/about-us/publications.html?task=file.download&id=469775083)
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- <sup>50</sup> [aar.org/railroad-101](http://aar.org/railroad-101)
- <sup>51</sup> [media.amtrak.com/wp-content/uploads/2018/03/Amtrak-Company-Profile-FY2017.pdf](http://media.amtrak.com/wp-content/uploads/2018/03/Amtrak-Company-Profile-FY2017.pdf)