

TRANSPORTATION—Are We There Yet?

Achieving the Vision—2009

Intercity passenger rail



Documents

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Acknowledgements

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Foreword

AASHTO's policy recommendations for the authorization of the next surface transportation program states that it is "...time for the United States to provide a robust intercity passenger rail network that provides competitive, reliable, and frequent passenger service, comparable to world class systems in other countries."

To get there AASHTO calls the development of "A National Rail Policy," to cover both passenger and freight rail. AASHTO supports the creation of an Intercity Passenger Rail Account, funded at \$35 billion over six years from a diversified portfolio of new revenue, to provide dedicated, guaranteed funding (with budgetary treatment identical to the highway account, including firewalls, guaranteed spending, and contract authority) to states to meet their needs for capital improvements.

This is a strong recommendation based on a decade of work—research, policy development, and advocacy—responding to the increasing number of states that are or are planning to provide intercity passenger rail service.

This report was prepared at the request of AASHTO's Standing Committee on Rail Transportation, currently chaired by Gene Conti, the Secretary of Transportation for the State of North Carolina. It provides for AASHTO's members and others committed to developing a national intercity passenger rail system a summary of the recent favorable actions by Congress and the Obama Administration, a description of the work of the states over the past decade, the views of the essential partners to the states and other commentators, and some guidelines for advancing the effort.

Secretary Conti and Frank Busalacchi, Secretary of Transportation for the Wisconsin Department of Transportation and Chair of AASHTO's Intercity Passenger Rail Leadership Group, will be leading AASHTO's members forward on the effort to make real the vision for passenger rail.




John Horsley
Executive Director, AASHTO

Achieving the Vision for Intercity Passenger Rail.

A State Plan for Action

It is time for the United States to provide a robust intercity passenger network that provides competitive, reliable, and frequent passenger service, comparable to world-class systems in other countries. AASHTO commends Congress for passing legislation reauthorizing AMTRAK and providing much needed authorization for state DOTs to invest in intercity passenger rail infrastructure projects.

The next two essential steps are passing a national rail policy and funding an intercity rail capital improvement program.

National Rail Policy

AASHTO urges Congress to enact a National Rail Policy which outlines the importance to the country of there being a national rail network capable of moving passengers and freight effectively and efficiently. This policy should address the importance of a rail system that can help alleviate highway and airport system congestion, reduce greenhouse gas emissions, and provide travel options for the public.

A National Rail Policy should address a national intercity passenger rail system which includes:

- ❑ **High-Speed Rail Corridors** (110 mph and above)—Corridors under 500 miles where travel demand, population density, and congestion on competing modes warrant high-speed rail service.
- ❑ **Regional Corridors** (79–110 mph)—Corridors under 500 miles, with frequent, reliable service competing successfully with auto and air travel.
- ❑ **Long-Distance Service**—Corridors greater than 500 miles in order to provide basic connectivity and a balanced national transportation system.

Capital Funding

Congress should create an Intercity Passenger Rail Account, funded from a diversified portfolio of new revenue, to provide dedicated, guaranteed funding (with

budgetary treatment identical to the highway account, including firewalls, guaranteed spending, and contract authority) to states to meet their needs for capital improvements. Over the next six years investment should total \$50 billion.

Congress should:

- ❑ Authorize at least \$5 billion annually for a state capital grant program for equipment and infrastructure projects.
- ❑ Provide \$13 billion from General Fund Revenues to Amtrak for capital infrastructure improvements to bring the Northeast Corridor up to a state of good repair.
- ❑ Authorize a High-Speed Rail Grade Crossing Elimination Program at \$55 million per year (\$5 million per federally designated corridor).

In addition, other key steps include the following:

- ❑ Congress should provide a framework for negotiating passenger rail access on private freight railroads.
- ❑ Performance measures should be linked to policy objects at the national level and separate from awarding of grants for intercity passenger rail.
- ❑ Congress should continue and expand the Section 130 Grade Crossing Program and allow for half the cost of upgrading a crossing to be used as an incentive to close the crossing.

AASHTO supports federal tax credits for freight rail infrastructure improvements with a clearly defined public benefit such as intercity passenger rail.



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Executive Summary

Over the past 10 years, the states have spearheaded the effort to develop and fund a national intercity passenger rail system. States around the country have planned, financed, and delivered successful intercity passenger rail service. Collectively, through the American Association of State Highway and Transportation Officials (AASHTO) and the States for Passenger Rail Coalition, the states have urged the federal government to support the creation of an integrated, fully funded, intercity passenger rail system and to incorporate passenger rail as an essential element of the nation's surface transportation system.

A series of actions in the past two years, advocated and supported by the states, signal new and solid consensus within the federal government. Both Congress and the Executive Branch have expressed support of an intercity passenger rail system to meet the mobility needs of the 21st Century.

- ✦ Congress has provided funding sufficient for the continued responsible operation of Amtrak and after a decade-long hiatus passed an Amtrak authorization.
- ✦ For FY08, the Congress appropriated \$30 million for the first intercity passenger rail state capital grant program; FRA received 25 applications from 22 states and made 15 awards.
- ✦ The FY09 appropriations increased the funds available to \$90 million (and included \$25 million in rail line relocation funding).
- ✦ Culminating a several-year effort, the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) was enacted authorizing \$1.9 billion over five years for grants to states for intercity passenger rail.
- ✦ On February 17, 2009, \$8 billion was authorized for intercity passenger rail as part of The American Recovery and Reinvestment Act.
- ✦ President Obama's April 2009 "Vision for High-Speed Rail in America" offers a bold vision for the future and, importantly, realistic steps to getting there.
- ✦ President Obama's 2010 Budget included \$1 billion for high-speed rail.

This report:

- ✦ Documents the successful efforts of the states to initiate intercity passenger rail service.
- ✦ Describes the federal government role in developing a world-class national intercity passenger rail system.
- ✦ Summarizes the analysis and advocacy by AASHTO on behalf of intercity passenger rail over the last decade.
- ✦ Offers guidelines for translating the vision for intercity passenger rail into a feasible future.

Giving the nation the intercity passenger rail service it needs will require a strong and continuous collaboration between the federal government, the states, the freight railroads, Amtrak, and all of the interested parties who support this objective.

"AASHTO believes that intercity passenger rail service is a basic element of the nation's multimodal transportation system, relieving highway and airport congestion in a safe, environmentally responsible way...AASHTO urges Congress to: Enact legislation ensuring that the nation's travelers will have efficient and dependable intercity passenger rail service."

*–Transportation 2002: The Action Agenda,
American Association of State Highway and Transportation Officials*

"Congress should provide dedicated federal funding (\$35 billion over six years) for the development of a fast and reliable national intercity rail passenger network that provides competitive, reliable, and frequent passenger service, comparable to world-class systems in other countries.

The national intercity passenger rail network shall be comprised of:

- High-speed rail corridors (110 mph and above), for corridors under 500 miles where travel demand, population density, and congestion on competing modes warrant high speed rail service;
- Regional corridors (79–110 mph), for corridors under 500 miles where frequent, reliable service competes successfully with auto and air travel; and
- Long distance service, for corridors greater than 500 miles, in order to provide basic connectivity and a balanced national transportation system."

– AASHTO policy recommendations for authorization, approved by AASHTO Board of Directors, October 2008

"My high-speed rail proposal will lead to innovations that change the way we travel in America. We must start developing clean, energy-efficient transportation that will define our regions for centuries to come....High speed rail is long overdue, and this plan lets American travelers know that they are not doomed to a future of long lines at the airports or jammed cars on the highways."

–President Barack Obama, at release of Vision for High-Speed Rail: High-Speed Rail Strategic Plan, April 2009

Intercity Passenger Rail: A Vision for a Feasible Future

For many years, the effort to establish, or reestablish, intercity passenger rail as an important element of the nation's transportation system has been bipolar—holding out the vision of 300-mile-per-hour trains, but struggling from year to year to just keep Amtrak afloat. Today, the states, Congress, the Obama Administration, and a wide array of transportation experts and interests agree that the United States needs a national intercity passenger rail system. Today, a vision of a future for intercity passenger rail appears achievable.

This report summarizes the status of that effort, recaps the steps that have been taken to get to this point, especially by the states, and offers material for the purpose of continuing to fill out and implement that vision.

The Federal Government

In recent years, the nation has struggled to maintain and expand a safe, secure, environmentally sound, and reliable national surface transportation system. In the process, it has become clear that ensuring the viable, reliable, and efficient system that the nation needs will require integrating **all** modes of transportation in the national passenger and freight mobility system.

States have led efforts to develop intercity passenger rail, urging action by Congress since 2002. A series of actions in the past two years, advocated and supported by the states, signal a consensus within the federal government, both the Congress and the Executive Branch, in support of an intercity passenger rail system to meet the mobility needs of the 21st Century.

- ✦ Congress has provided funding sufficient for the continued responsible operation of Amtrak and after a decade-long hiatus passed an Amtrak authorization.
- ✦ For FY08, the Congress appropriated \$30 million for the first intercity passenger rail state capital grant program; FRA received 25 applications from 22 states and made 15 awards.

- ❑ The FY09 appropriations repeated and increased the funds available to \$90 million (and included \$25 million in rail line relocation funding).
- ❑ Culminating a several-year effort, the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) was enacted.
- ❑ On February 17th 2009, \$8 billion was authorized for intercity passenger rail as part of The American Recovery and Reinvestment Act.

PRIIA authorizes \$1.9 billion over five years for grants to states for intercity passenger rail capital projects, \$1.5 billion for high-speed rail corridor development, and \$325 million for rail congestion grants. PRIIA requires that state applicants prepare a comprehensive rail plan (passenger and freight) and requires that the Administrator of the Federal Railroad Administration “develop a long-range national rail plan that is consistent with approved state rail plans and the rail needs of the nation, as determined by the Secretary, in order to promote an integrated, cohesive, efficient, and optimized national rail system for the movement of goods and people” and to “develop a preliminary national rail plan within a year after the enactment of the Passenger Rail Investment and Improvement Act of 2008.”

Early in 2009, when the details of the final Congressional action on The American Recovery and Reinvestment Act became public, one of the biggest surprises was the inclusion of \$8 billion for intercity passenger rail. In the succeeding days, it became clear that this initiative was at the direct request of President Obama and that it reflected a long-term commitment to a national intercity passenger rail system. President Obama’s April 2009 “Vision for High-Speed Rail in America” offers both a bold vision for the future and, importantly, realistic steps to get there.

The President said, “High-speed rail is long overdue, and this plan lets American travelers know they are not doomed to a future of long lines at the airports or jammed in cars on the highways.”

President Obama said, “We’re not talking about starting from scratch, we’re talking about using existing infrastructure to increase speeds on some routes from 70 miles an hour to over 100 miles per hour—so you’re taking existing rail lines, you’re upgrading them. And many corridors merit even faster service, but this is a first step that is quickly achievable, and it will create jobs, improving tracks, crossings, signal systems.”

In announcing strategic guidance for implementing the high-speed/intercity passenger rail provisions of his American Recovery and Reinvestment Act of 2009 (ARRA), President Obama outlined a strategic vision for the future of intercity passenger rail in the United States. In doing so, the President has provided states with a practical plan to achieve an interconnected national passenger rail system. The President has brought about an awareness of the importance of a national passenger rail system within the context of the national transportation network, and has demonstrated a willingness to make the much needed initial investments in the nation’s aging rail infrastructure so as to begin the process of turning the vision into reality.

"Everyone knows," said Vice President Joe Biden, "railways are the best way to connect communities to each other, and as a daily rail commuter for over 35 years, this announcement is near and dear to my heart. Investing in a high-speed rail system will lower our dependence on foreign oil and the bill for a tank of gas; loosen the congestion suffocating our highways and skyways; and significantly reduce the damage we do to our planet."

According to the latest edition of the Transportation Energy Data Book by the Oak Ridge National Laboratory, in 2005, Amtrak consumed 17% less energy per passenger-mile than domestic airlines and 21.4% less energy than cars.

In his transmittal of the strategic plan to Congress, Secretary of Transportation Ray LaHood, declared that "new challenges require creative new transportation solutions," and described the strategy for passenger rail as including "A combination of express and regional high-speed corridors evolving from upgraded, reliable intercity passenger rail service."

"...we're not talking about starting from scratch, we're talking about using existing infrastructure to increase speeds...but this is a first step... quickly achievable...will create jobs, improving tracks, crossings, signal systems."

*—President Obama, delivering guidance statement on
April 16, 2009*



President Obama's proposed FY2010 budget put an exclamation point on the Administration's commitment to intercity passenger rail. It made clear that the ARRA funding was a foundation for long-term investment and not a one-time project funding opportunity. The Administration proposed a five-year \$5 billion high-speed rail state grant

program building on the \$8 billion down payment in the American Recovery and Reinvestment Act of 2009. Directed by the states, this investment will lead to the creation of several high-speed rail corridors across the country linking regional population centers.



Milwaukee Intermodal Station

Examples of State-Initiated Intercity Passenger Rail Service Provided by States

- ❑ The Keystone Service, which operates between Harrisburg, Philadelphia, and New York City, had a 19.8 percent increase in ridership, surpassing one million passengers in 2008. Ticket revenue increased by 20 percent to \$24.7 million.
- ❑ New York's Empire Service, which operates daily between New York City, Albany/Rensselaer, and other upstate New York destinations, carried 994,293 passengers in the past year, a four percent increase over the same period last year. Ticket revenue topped \$41 million, a 6.5 percent hike over the previous year.
- ❑ On the Downeaster, operating several times daily between Portland, Maine, and Boston, Massachusetts, ridership grew 31 percent, reaching 474,492. The Downeaster also earned \$5.8 million, a 36.7 percent increase in ticket revenue from a year ago.
- ❑ Steep growth in ridership is also reported from the Amtrak hub in Chicago, with Hiawatha Service ridership up nearly 26 percent on the trains sponsored by the Wisconsin and Illinois state transportation departments. Nearly 750,000 passengers rode the seven daily round-trips between Milwaukee and Chicago last year, an increase of more than 150,000 passengers.
- ❑ The Illinois DOT also supports service between Chicago and Downstate Illinois, with more than one million passengers riding the routes, the first time that milestone has been reached. Ridership on the Chicago–St. Louis Lincoln Service corridor, via Bloomington–Normal and Springfield, is up 14 percent; on the Illini and Saluki route to Carbondale, via Champaign and Mattoon, ridership is up 15 percent. On the Illinois Zephyr and Carl Sandburg to Quincy via Galesburg and Macomb route, ridership is up 19 percent and totals 231,701, including local travel on the Southwest Chief and California Zephyr between Chicago and Galesburg.
- ❑ Elsewhere in the Central U.S., Kansas City to St. Louis ridership is up by more than 30 percent on the two daily round-trips sponsored by the Missouri Department of Transportation. The Heartland Flyer