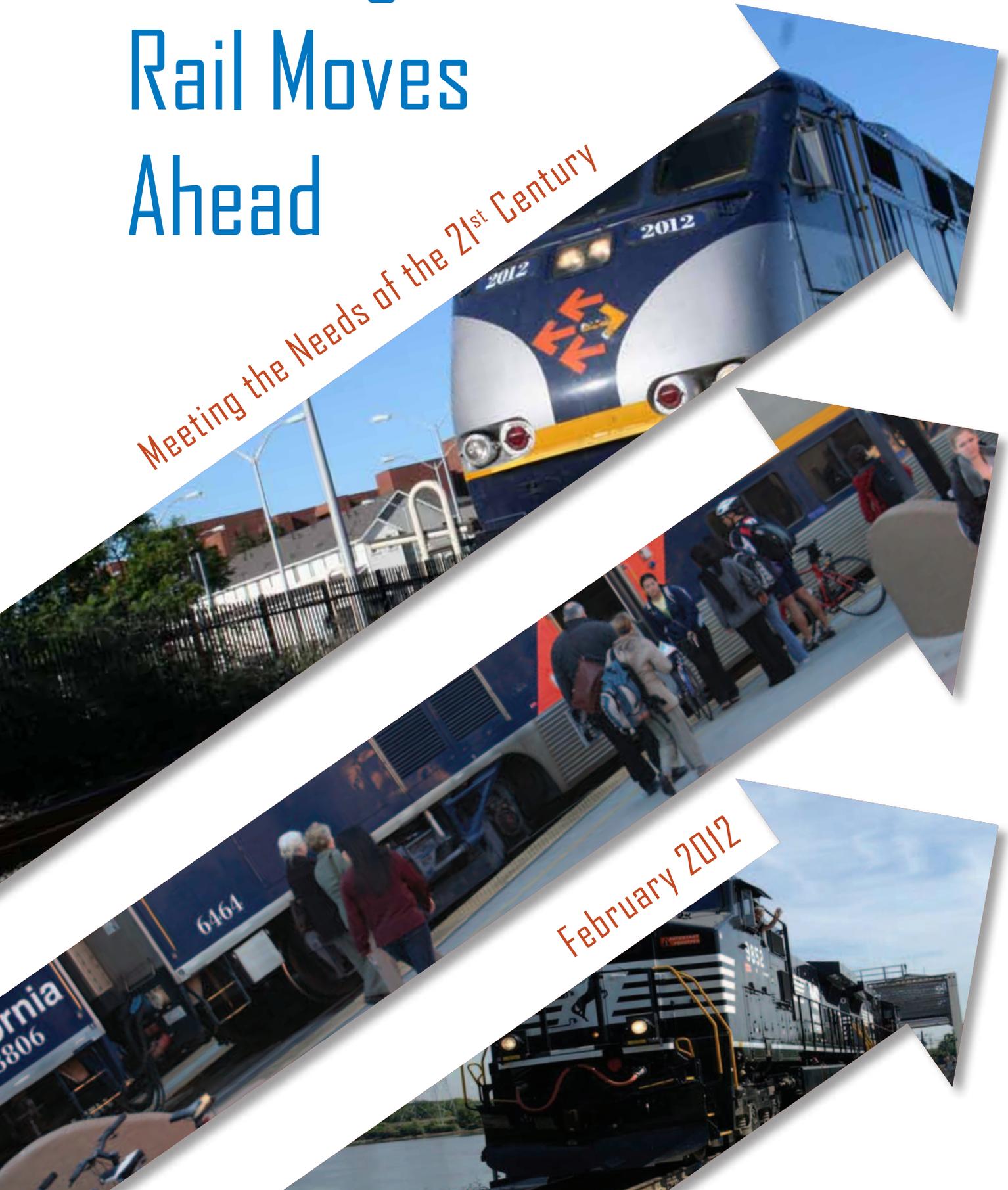


Passenger Rail Moves Ahead

Meeting the Needs of the 21st Century



February 2012



Passenger Rail Is Our Connection to the Future

We are entering a new era in the history of passenger rail in this country. Passenger trains in many corridors are now the preferred option for busy business executives, students, and smart travelers seeking to get where they are going in style and with less hassle. Given the expected population growth in the mega regions, intermodal services must be a viable, reliable, and inexpensive alternative to airports and automobiles in order to keep Americans mobile.

The 32 states and the District of Columbia that provide passenger rail services are excited about this new wave of interest, and are actively engaged in making improvements that will expand the passenger rail options for our residents.

Almost \$10 billion in federal dollars are being invested in projects large and small and across urban and rural landscapes. Track and safety improvements, station rehabilitation, planning for new service—these are only the beginning. In fact, the past two years have laid a strong foundation for what is to come in the years ahead.

States know that in order for passenger rail to be a preferred option, it has to be safe, reliable, easy to get to, and relatively inexpensive. Good planning, partnerships with host railroads and Amtrak, judicious procurement, and astute decisions about where and when to invest will ensure these objectives are met.

States are using these federal investments wisely. Many are matching this funding with state and private dollars to add increased value to their projects.

Overall, our goals are simple:

- Improve service and the passenger experience;
- Buy equipment made in America;
- Enhance mobility in our communities by creating multi-modal hubs;
- Improve safety at crossings; and
- Make wise investments by planning for the future mobility of our citizens.

But we cannot accomplish these goals alone. It is critical that we continue to maintain the strong working relationships we have developed with our freight hosts and partners. As states construct their projects, create jobs, and prove how successfully they can invest taxpayer dollars, we need Congress to continue to partner with us and provide additional resources so we have a long-term, predictable source of federal matching funds.

Passenger rail is a safe, fast, and efficient travel option. It is not just part of America's past; it is part of America's future.



Paula Hammond
Chair, AASHTO's High-Speed and
Intercity Passenger Rail Leadership Group
Secretary, Washington State
Department of Transportation



Gene Conti
Chair, AASHTO's Standing Committee
on Rail Transportation
Secretary, North Carolina
Department of Transportation

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Ridership is up, travel times are improving, and the WiFi is humming along key corridors across the country. Passenger rail is becoming a preferred option for many of today's travelers, particularly on the two coasts and in the nation's heartland. In the past year, states have begun pumping hundreds of millions of dollars into the nation's economy as they work to expand and improve passenger rail in their communities. And much more will move into the pipeline in 2012 as states ramp up their activities.

"There is definitely local excitement in our communities about passenger rail. State-sponsored rail organizations must now work hard to provide a solid customer experience so people will come back," said AASHTO President Kirk Steudle, director of the Michigan Department of Transportation. "What we are doing in Michigan mirrors what's being accomplished in other states: We want to build service that's faster, better, cheaper, safer, and smarter, and our efforts are all about accomplishing these goals."

Since a significant boost in federal funding was made available just 30 months ago, the state departments of transportation, the Federal Railroad Administration, and the freight railroads have moved into high gear with the goal of creating a more integrated passenger rail system that will be more reliable, offer more frequent and faster service, generate economic activity and jobs, and create real travel options for a growing population.

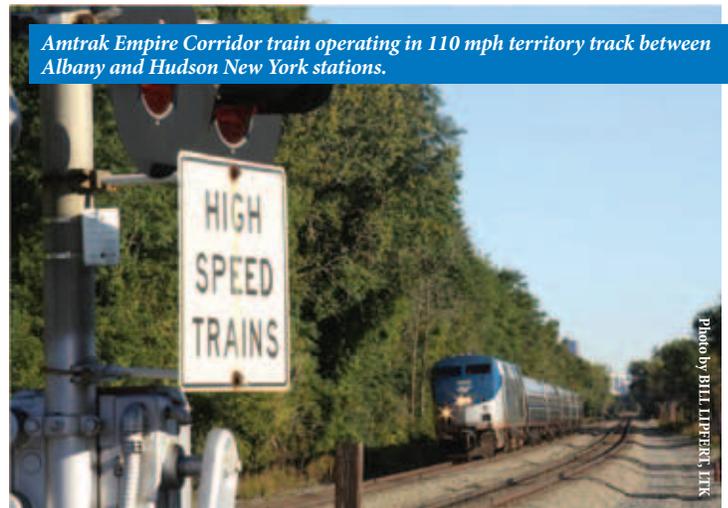
Jim Souby, president of the Colorado Rail Passenger Association, offers this assessment: "Passenger rail provides the readily available solution to our highway congestion. It provides great economic benefits at home and reduces massive environmental impacts."

The work now being undertaken by the states is focused in several areas:

- Restoring or building new rail stations and transportation hubs;
- Purchasing new equipment, locomotives, and passenger cars;
- Replacing or installing new track that will support higher speeds, greater safety, and more reliability;
- Adding new advanced warning signal systems, upgrading crossings, and implementing other safety-related projects;
- Expanding or providing service to new areas; and
- Planning for the future.

Federal funding for passenger rail during the past few years has come as a result of two important pieces of legislation: The Passenger Rail Investment and Improvement Act and the American Recovery and Reinvestment Act. As of January 2012, the Federal Railroad Administration has approved \$9.6 billion for 149 projects in 32 states and the District of Columbia. Prior to receiving the federal funds and to protect the taxpayers' investment, states and private railroads had to negotiate agreements that included quantifiable measures such as reliable trip times and frequency of service that must be met by all parties once work is completed. Because nearly all passenger service outside of the northeast corridor runs over rails owned by private railroads, it was critical that the agreements protected this private investment and ensured that freight continue to move in a timely fashion.

Amtrak Empire Corridor train operating in 110 mph territory track between Albany and Hudson New York stations.



As an example, proposed new passenger service on Norfolk Southern's busy Heartland Corridor route between the Hampton Roads region and Petersburg will serve one of Virginia's largest population centers and offer an alternative to the heavily congested I-64 and I-95 corridors. "The partnership between the Commonwealth and Norfolk Southern is a perfect example of business and government working creatively, cooperatively, and quickly to meet a challenge," said Norfolk Southern CEO Wick Moorman. "We are proud to be part of a timely and forward-looking response to a pressing public issue."

Ridership Is Increasing

More people than ever are riding the rails. Business travelers can work while they ride; others want a respite from high gas prices. From students seeking a cheaper alternative to driving to retirees who want to leave their cars behind and every demographic in-between, trains are at capacity in many parts of the country.

Travelers along Amtrak's Cascades line between Vancouver, British Columbia, and Eugene, Oregon, must certainly like the experience. Ridership for 2011 topped 850,000. In Michigan, ridership on three passenger rail lines surpassed 730,000 in FY 2011, with revenues almost reaching \$25 million. Along the Blue Water Line from Port Huron through East Lansing and into Chicago, targeted marketing campaigns such as "Home for the Holidays" and "Girls' Weekend in Chicago" have been successful in producing an almost 20 percent increase in ridership from 2010 to 2011.

"Ridership on the Hiawatha service is up nearly 5 percent in 2011 compared to 2010," said Wisconsin DOT Secretary Mark Gottlieb of the trains that run from Milwaukee to Chicago. "The expansion project at the Milwaukee Airport Rail Station will improve the quality of service for the growing number of passengers using rail service."

Overall, Amtrak's long-distance and state-supported network carried a record 30 million passengers in FY 2011, a 5 percent increase over FY 2010. Revenue was also up, rising more than 9 percent to \$983 million in FY 2011. Within this network, state-supported rail lines saw some of the biggest gains, experiencing a 6.5 percent increase overall. Some lines, such as the Blue Water in Michigan, the Piedmont in North Carolina and two in Virginia saw double-digit growth.

Creating More Business Opportunities and More Jobs

Expanding passenger rail is expected to spur economic growth around rail hubs in addition to generating jobs during and after construction.

"This is not just a railroad story but a business development story," said Patricia Quinn, executive director of the Northern New England Passenger Rail Authority, in discussing the expansion of the Downeaster from Portland to Brunswick, Maine with new stops at Freeport and New Brunswick expected by Fall 2012. The private investment associated

"To have high-speed rail talked about outside the Northeast Corridor has given a great boost in the arm to Amtrak and to those who support rail in this nation."

—Amtrak President and CEO Joe Boardman

with the Brunswick Station is about \$25 million and includes restaurants, retail shops, medical facilities, and the new Inn at Brunswick. In Freeport, construction has begun on a new state-of-the-art movie theater adjacent to the platform.

Virginia's effort to improve service from Arlington to Richmond is part of a larger project that will develop the Southeast High-Speed Rail Corridor from Washington, DC to Charlotte, North Carolina. The project is currently undergoing planning and environmental review and would include track and signal upgrades to achieve higher operating speeds.

"This is a no-brainer for us," said Kim Scheeler, president and CEO of the Greater Richmond Chamber of Commerce, in an article in the *Richmond Times Dispatch*. "It is really all about jobs and growth and opportunities that can be created by building our infrastructure."



Delaware's 2004 Rail to the Fair excursion vicinity of Wyoming, Delaware.

In Wisconsin, a recent survey conducted by the Texas Transportation Institute found that 33 percent of passengers using the newly expanded Milwaukee Airport Rail Station on the Hiawatha line would have used a different airport if the Hiawatha service was not an option to access the Milwaukee Airport. This suggests that multimodal hubs can enhance the marketing and revenue potential for all related services. Additionally, the survey uncovered an additional benefit—congestion relief. Almost 70 percent of the surveyed passengers said they would have driven if the rail service was not available.

Opportunities to Build an American Rail Manufacturing Base

New specifications adopted over the past two years for diesel-electric locomotives; single-level, stand-alone corridor passenger cars; and bi-level coach, dining, baggage, and business-class rail cars will make it easier, faster, and cheaper to build and purchase rail cars and other equipment for America's emerging high-speed and intercity passenger rail program. The Next Generation Corridor Equipment Pool Committee, a collaboration of states, FRA, Amtrak, and rail equipment manufacturers, is spearheading the standardization effort. Any state or Amtrak using federal funds for its passenger rail program must use equipment that meets these specifications.

As part of an effort to modernize and expand its fleet, Amtrak is buying 70 new electric locomotives and 130 new single-level rail cars to support its long-distance service. Siemens will build the new locomotives at its plants in Sacramento, California, Norwood, Ohio, and Alpharetta, Georgia. CAF USA is assembling and building the single-level cars at its plant in Elmira, New York. Together, these equipment purchases have a value of \$760 million.

An eight-state consortium that includes Missouri, Michigan, Iowa, Illinois, California, Oregon, and Washington State is developing the criteria to buy 120 bi-level passenger cars and 33 locomotives with a \$782 million grant from the U.S. Department of Transportation. By separating the purchases into several contracts, it is anticipated that more manufacturing firms will have the option to bid for the work.

North Carolina has already put into service three locomotives in 2011, refurbished by American Motive Power of Dansville, New York.

As a result of recent federal investments in passenger rail, GE Transportation has hired 1,000 production workers since late 2010. GE's locomotive plant in Texas will generate another 500+ high-tech jobs, according to Lorenzo Simonelli, president and CEO of GE Transportation, a major manufacturer of locomotives.

Speaking at a recent meeting of AASHTO's Standing Committee on Rail Transportation, Simonelli said, "GE Transportation supports 1 in every 11 jobs in Erie County and one in roughly 350 jobs in Pennsylvania, including employees at our 1,400 suppliers across the state. One dollar in every \$130 in the state's economy is generated by GE Transportation, with an economic impact larger than all Pennsylvania-based professional sports teams and the state's mining, oil, and gas extraction industries combined."

New or Refurbished Stations Generate More Economic Activity

Station improvements are not only adding to the aesthetics of their surroundings, they are also offering new facilities and parking, and, in many cases, are becoming the multi-modal hub for the city or town they are serving.

In Mount Joy, Pennsylvania, a train stop on the Keystone line is being enhanced with a covered platform and better parking and pedestrian access. The upgrades are linked directly with downtown development and a streetscaping project. In *Lancaster Online*, Mount Joy official Terry Kauffman calls the station a significant plus for his borough. "The value of having the train station in the heart of our downtown is just tremendous," Kauffman said. Other stations along Keystone line are slated for relocation and renovation. The Elizabethtown Station has been fully renovated and the historic train station completely restored.

The historic Portland Union Station along the Cascades line in Oregon is now undergoing significant repair work as a result of more than \$10 million in funds from several federal, state, and local sources being

The Buy America provisions contained in the Recovery act ensures that United States manufacturers and workers receive the maximum economic benefits from the federal investment in passenger rail. In 2009, U.S. Transportation Secretary Ray LaHood secured a commitment from 30 foreign and domestic rail manufacturers that they would locate or expand their base of operations in the United States if they were selected for high-speed rail contracts.

made available to the state. Built in 1896, the station is on the National Register of Historic Places and serves as the city's transportation hub. The renovation project includes roof repair and replacement, seismic upgrades, masonry, and utility work.

The existing train station in Cary, North Carolina, was doubled in size through work done in 2011. A new waiting area, ticket office, added parking, and increased platform area, were part of the project conducted in partnership with the North Carolina Department of Transportation, the town of Cary, and Amtrak.

"We are hard at work improving Amtrak stations in North Carolina as well as modernizing the tracks on which faster trains will travel," said NCDOT Transportation Secretary Gene Conti. "The changes to the Cary Depot are remarkable, and will service passengers in that town and in surrounding areas as well."

A new intermodal passenger rail facility in Dearborn, Michigan, is now under design and construction, but it has already generated significant support from the community. Mayor Jack O'Reilly named the new station "one of the keys to making Dearborn a more economically viable, vibrant, and cool community."

Dearborn's economic and community development director Barry Murray calls the station "a real cornerstone of our economic development program... it will improve the quality of life and make this an attractive city to young professionals, people who want to raise their families here, and people who are looking for a cool place to live."

The \$28 million facility will include the intermodal passenger station building, parking, two platforms, a restored second track, parking lots, and a pedestrian bridge. The station will serve city and intercity buses, shuttles, limousines, taxis, and passenger cars, and will provide a direct connection to the Henry Ford tourist attraction.

Two states are using their rail fund to improve access to their airports. In Wisconsin, the expansion of an existing platform at the General Mitchell International Airport in Milwaukee has already increased ridership on the Hiawatha Service. Station improvements and new tracks at the Baltimore Washington International Airport MARC/Amtrak station in Maryland are also expected to increase efficiency and ridership.

“The additional tracks, platforms, and new rail station building are essential to improving customer service and increasing our ability to move Marylanders more efficiently by rail and motivate them to get out of their cars and use transit instead,” said Maryland DOT Secretary Beverley Swaim-Staley.

Improving the Passenger Experience

Improvements to the rail tracks—either through replacement or realignments—as well as new bridges and grade crossings are a primary focus of much of the work being done through federal investments. Track replacement can boost the speed of passenger trains from 62 mph to 110 mph, cutting travel time, producing a smoother ride, and increasing reliability of service.

One of the most significant efforts to address congestion and improve on-time performance and reliability for Amtrak’s Northeast Corridor service is the Harold Interlocking project being undertaken by the New York State Department of Transportation. The interlocking is a complex two-mile stretch of signals and switches in Queens, serving 783 trains each weekday. The \$368 million project will construct grade-separated routes for Amtrak within the interlocking, giving these trains a clear path to Penn Station.

In Missouri, the state is purchasing new right of way for a \$28.3 million project to build a second rail bridge over the Osage River that will eliminate the last single track portion between Jefferson City and St. Louis. The project will also increase the capacity for freight movement in this corridor.

Two other projects in St. Louis—the \$150 million replacement of the more than 110-year-old Merchants Street Bridge, and a \$3.6 million grant to construct a third main line track near St. Louis’ Gateway Station will make it easier for freight and passenger trains to pass each other and reduce the congestion that occurs now as trains have to wait for others to clear before they enter the station. It will also reduce traffic tie-ups that occur when vehicles have to stop and wait at key railroad crossings.

Chronic delays to Amtrak’s California Zephyr trains that travel across Iowa between Chicago and San Francisco will be reduced by the installation of four remotely controlled high-speed crossovers in the Iowa communities of Osceola and Afton. Once the \$17.3 million project is completed in 2013, passenger trains can move around slower-moving coal and freight trains.

The BNSF Fort Worth Sub Crossing Signal Improvements project awarded at \$3.7 million in final design/construction funds will adjust signal timing over 63 miles and reduce travel time on the Texas portion of Amtrak’s Heartland Flyer by over 15 minutes by increasing travel speeds from 49 mph to 79 mph between Fort Worth and Gainesville, Texas.

California also added bike and luggage storage on cab control cars to accommodate the rapid growth of bike users along the Capitol Corridor.

In Illinois, track, signal, station, and rolling stock improvements will help implement faster, 79- mph service in the corridor from Chicago to Moline. Similar work will offer sustained 110-mph passenger rail service on the “Lincoln Service” corridor from Dwight, Illinois, to St. Louis. Work has been underway since the fall of 2010 to upgrade all Union Pacific track on the corridor with concrete ties, premium rail, and improved crossing surfaces.



The ARRA-funded Milwaukee Airport Railroad Station project will extend the platform canopy, in support of the Milwaukee to Chicago Hiawatha service.

Illinois Governor Pat Quinn said the importance of this work will have the added benefit of increasing reliability and capacity for freight as well as passenger trains. “Thanks to hard work and perseverance, our vision to have Illinois serve as the nation’s high-speed rail hub is becoming a reality, bringing jobs and economic growth to our communities.”

In Delaware, where passenger rail and transit are “uniquely important to connect Delaware to the surrounding region and the nation” according to DelDOT Secretary Shailen Bhatt, a third track is being added near Wilmington. Long a chokepoint on the North East Corridor, the \$33.6 million project will provide more reliable service for Amtrak, intercity, and commuter rail service in the area.

Improving safety is one goal of the \$23 million project to eliminate the last three remaining at-grade public crossings on the Keystone corridor in Pennsylvania. Once completed in 2013, trains between the state Capitol of Harrisburg and Philadelphia will be able to operate at higher speeds and will reduce travel times for passengers.

It Takes Planning to Build a Solid Network

Throughout 2012, significant efforts have been undertaken across the states in the areas of environmental reviews and preliminary design, as well as analyzing passenger use and route alternatives. Virginia's Department of Rail and Public Transportation (VDRPT) is conducting environmental reviews in support of design and construction of a rail line along the I-95 corridor between Richmond and Washington, DC.

Thelma Drake, VDRPT's director, is looking at the long-term: "Passenger rail development takes time, but good things come to those who are patient and stay the course as we strategically advance our rail initiatives in Virginia."

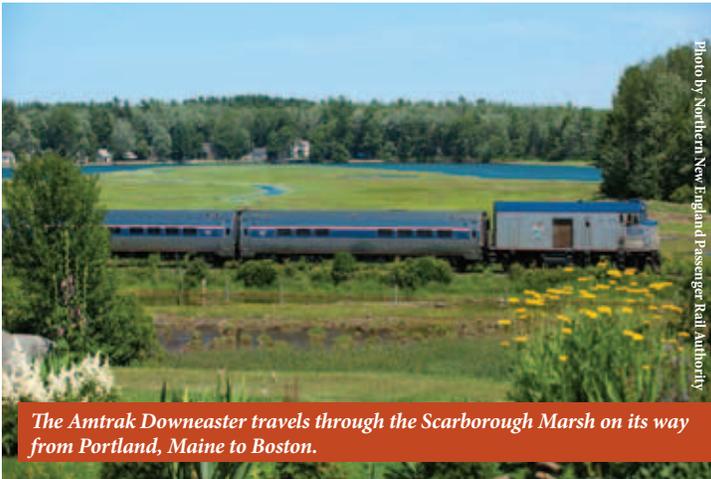


Photo by Northern New England Passenger Rail Authority

The Amtrak Downeaster travels through the Scarborough Marsh on its way from Portland, Maine to Boston.

Colorado began developing its first statewide passenger and freight rail plan in January 2011. Calling the effort "a huge step for the state", Mark Imhoff, director of the Colorado DOT's Division of Transit and Rail, said the plan will ultimately establish the framework for future expansion of rail in his state. Colorado is also undertaking a \$2.5 million interregional connectivity study that will provide preliminary recommendations for high-speed intercity passenger rail alignments, technologies, and station locations in the Denver Metropolitan Region. It will look at alignments from Fort Collins to Pueblo and in the I-70 corridor from the Denver International Airport to Eagle County Regional Airport.

The new Texas Rail Plan addresses future and existing passenger and freight rail service in Texas by inventorying and reviewing all rail lines in Texas. Analysis of rail service goals and rail's contribution to the state will help Texas develop a long-range investment program in freight and passenger rail infrastructure. Rail safety will also be a major focus of the rail plan.

Michigan is also planning for accelerated rail in the 304-mile corridor between Chicago and Detroit. The cooperative effort includes the states of Indiana and Illinois, and the Norfolk Southern railroad and will be completed in January 2014. Michigan Governor Rick Snyder has made revitalizing the state's transportation network a priority in his administration.

"Accelerated rail service has the ability to enhance our economy, environment, and overall quality of life," Governor Snyder said. "An investment of this magnitude can spur economic development in our communities with rail stations, and provide access to a 21st century rail system that will help Michigan citizens compete in a global economy. Reliable, fast train service is attractive to businesses that want to locate or expand near it. This investment in our rail system is critical to Michigan's recovery."

Michigan DOT Director Kirk Steudle is in agreement. "Investments in transportation infrastructure grow the economy by creating jobs in the short and long term," Steudle said. "Improving rail travel between Detroit and Chicago will spur economic development and enhance the quality of life in the communities along the corridor and ease congestion on I-94, one of the nation's busiest truck routes."

Looking Ahead

The initial federal investment in the national network of intercity passenger rail corridors will continue to support good-paying jobs and economic development in communities along key rail corridors for years to come. With the over \$10 billion in federal commitment and billions more in state, local, and private funding invested in passenger and freight rail networks, job creation will continue to expand across the nation.

By Spring 2012, for example, the land needed for a 135-mile rail segment between Kalamazoo and Dearborn along the Chicago–Detroit/Pontiac accelerated rail corridor will be acquired from the Norfolk Southern. The purchase agreement includes a provision to build a double track on the busiest freight segment of the line to ensure adequate capacity for both freight and passenger operations. The next phase of the project is to move into design and construction, which is slated to be complete in Fall 2015.

Preliminary design and engineering is underway for a new Rochester, New York, Intermodal Transportation Center, to be completed by March 2016. The Center will include an intercity bus terminal, intermodal connections to downtown, improved pedestrian and bicycle access, new secure parking, and enhanced public spaces.

In Texas, preliminary engineering and NEPA documentation for the Dallas/Fort Worth to Houston Core Express Service will evaluate the potential alternative routes, probable cost estimates, project schedule, and construction phasing. The development of this corridor will connect the nation's fourth and sixth largest metropolitan regions.

A new line being proposed to connect Chicago to Rockford, Illinois, is on the drawing board as is a segment to build the Joliet-to-Dwight leg of the Chicago to St. Louis high-speed rail project. Six new sets of trains capable of running at 110 mph will be purchased for this high-speed corridor. Testing will begin in 2012 on the Dwight-to-Pontiac segment, and the project is anticipated to be completed in 2014.

Washington State will begin work to upgrade Seattle's historic King Street Station in 2012. The station will continue to be fully operational



Looking Ahead (continued)

during the renovation, which will include seismic work and upgrades to the aging electrical, mechanical, and plumbing systems. Improvements to the entrances will also increase access for passengers.

Montana is seeking to promote passenger rail planning through its state rail plan, while also advocating for a national policy. Montana's Lieutenant Governor John Bohlinger has stressed the need for "a national passenger rail policy that includes long-distance routes with a multi-year federal funding package that supports it," in testimony before the U.S. House Committee on Transportation and Infrastructure's Subcommittee on Railroads, Pipelines, and Hazardous Materials.

California continues to move forward in its effort to bring high-speed rail to the state. The past year has seen the results of several studies and the identification of preferred routes through the Central Valley, as well as the development of a draft business plan. Initial construction in the Valley will begin next fall, upon completion of the environmental process. With an estimated value of \$1.5 billion–\$2 billion, this large design-build construction contract will be placed before the end of 2012. Smaller construction packages, focused in and around the city of Fresno, will be released for bid in the coming months and awarded in mid-2012. According to a recent statement from the California High-Speed Rail Authority, "Job creation is certainly an important immediate benefit of the project, but first

and foremost the purpose for developing a high-speed rail system in California is to address the long-term mobility needs of a quickly growing population. This mobility requirement must be solved with either a rail system or new roads and runways. High-speed rail is a lower-cost, more environmentally friendly way to address the state's future mobility needs."



Photo by Colorado DOT

Outreach effort for the development of Colorado State Freight and Passenger Rail Plan in La Junta, Colorado, on August 31, 2011.

"With America's population set to grow by 100 million over the next 40 years, passenger rail will play a vital role in meeting America's long-term transportation challenges," said U.S. Transportation Secretary Ray LaHood. "Projects like these critical upgrades will employ local workers, make it easier for passengers to reach their destinations safely and quickly, and lay a strong foundation for future economic growth."



Illustration: Neumann Smith Architecture, City of Dearborn and MPOC

The new Dearborn Intermodal Passenger Rail Station with direct linkages to the Henry Ford (south), Downtown West Dearborn (west), and the Regional Greenway System (north). On the Detroit–Chicago high-speed corridor and the Ann Arbor to Detroit Commuter rail.