

States Ramping Up Action on Passenger Rail

A Report on the First Year of the Recovery Act's High-Speed and Intercity Passenger Rail Program

On January 28, 2010, President Barack Obama announced that 31 states and the District of Columbia would receive \$8 billion in funds from the American Recovery and Reinvestment Act to plan, develop, and construct high-speed and intercity passenger rail projects in corridors across the country. One year later and well ahead of schedule, state departments of transportation, the Federal Railroad Administration, and the railroads are working aggressively to advance projects worth \$4.3 billion that will enhance passenger travel in the United States.

The strategic outcomes of this work are many:

- A modern, forward-looking passenger rail system
- Upgraded stations that meet the information and comfort needs of train travelers
- Better track for smoother and safer rides
- More tracks to move more people and goods

- Smart, long-term planning that incorporates public involvement to ensure that the needs of communities are met well into the future
- Sustainable jobs that will support our families
- Opportunities for U.S. manufacturing, small businesses, and local jobs
- Reduced emissions and greenhouse gases

"State governments understand that high-speed rail represents a unique opportunity to revitalize our manufacturing base, spur economic development, and create jobs," said U.S. Department of Transportation Secretary Ray LaHood. "Just as the Interstate Highway system transformed the American economy in the 1950s, the passenger rail network we are building today will ensure that America remains competitive well into the future."

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Building Passenger Rail: A Game-Changing National Enterprise

When President Obama announced the \$8 billion Recovery Act grants for high-speed and intercity passenger rail, he described them as an investment in America's future, nothing less than calling for the transformation of this country's infrastructure. This past year has seen a great start on that long-range undertaking. This report provides an update on this work and a look ahead at the next steps toward realizing that vision.

Great strides have been made since last January—new rail service, renovation of stations, modernization of rail corridors, groundbreaking agreements with freight railroads, and record ridership increases in many of our states. We have successes.

But I'd like to emphasize here the broader perspective. Although the nation has had a rail network since the mid-1800s, with this effort we are creating America's first nationwide investments in our high-speed and intercity passenger rail system. It is a classic American initiative on a grand scale—a partnership, with the federal government managing and the states and private rail carriers implementing a nationwide construction program of enduring value to our citizens.

We are not just doing a transportation project here. We are fully engaged in a game-changing national enterprise that enhances mobility, saves energy, reduces pollution, revives inner cities, creates jobs and boosts the economy—helping to pull the nation, literally, out of recession.

So let's pat ourselves on the back for a first year well done—and then roll up our sleeves for the long-haul business of transforming America."

—Eugene Conti, Chair, AASHTO Standing Committee on Rail Transportation, and Secretary, North Carolina Department of Transportation



Secretary Conti at the "christening" of two new passenger locomotives.

Major Milestones in Achieving America's Next Rail Network

2008
Oct 16

Passenger Rail Investment and Improvement Act signed by President Bush

2009
Feb 17

American Recovery and Reinvestment Act signed by President Obama—\$8 billion for high-speed intercity passenger rail

2009
Aug 24

214 applications from 34 states totaling \$7 billion submitted to FRA for corridor planning and smaller projects

2009
Oct 2

45 applications from 24 states totaling approximately \$50 billion submitted to FRA for comprehensive corridor programs

2009
Dec 16

FY 2010 THUD Bill signed by President, \$2.5 billion for high-speed intercity passenger rail programs

2010
Jan 28

President Obama announces 31 states plus the District of Columbia to receive \$8 Billion in ARRA funding for high-speed rail projects

State departments of transportation have long recognized that modern passenger rail service can provide the traveling public with genuine transportation choices, relieving highway and airport congestion in a safe, environmentally responsible way. This is already a reality in the densely populated northeast corridor between Washington, DC, and Boston, Massachusetts, which carried more than 10 million passengers last year.

But train travel is also growing elsewhere in the nation. Almost 14 million people rode on state-supported rail lines outside of the northeast corridor in the 12 months between October 2009 and September 2010. And most of these trains have seen big percentage increases in ridership. For example, ridership on North Carolina's Piedmont, which travels between Raleigh and Charlotte, rose 46 percent. The Empire line in upstate New York saw a 30 percent increase. The new Lynchburg, Virginia, route drew almost 150 percent more passengers and revenue than anticipated. On the West Coast, the Cascades line from Portland to Seattle grew 13 percent.

Clearly, more people are taking the train for convenience, greater mobility, and reliability. But that's not the only story. From Moline, Illinois, to Brunswick, Maine, the revival of passenger rail is sparking significant economic development just when it is desperately needed. American manufacturing is stepping up to make sure rail in-

frastructure projects are built with American-made products, which, in turn, support an entire supply chain of American companies and their employees, maximizing the economic benefit of these infrastructure investments.

As examples,

- Nortrak, headquartered in Cheyenne, Wyoming, is making castings for track work along the Chicago–St. Louis corridor at its Decatur, Illinois, plant.
- Nippon Sharyo, the largest manufacturer of high-speed rail trains in Japan, is building a new manufacturing plant in Rochelle, Illinois, in hopes of building high-speed trains for corridors throughout the country.
- Work to rebuild two locomotives and passenger coaches for the North Carolina Department of Transportation helped keep the American Motive Power of Dansville, New York, in business. At that time, their locomotives were the only units on the shop floor.

“Through the Recovery Act, we are making the largest investment in infrastructure since the Interstate Highway System was created, putting Americans to work rebuilding our roads, bridges, and waterways for the future. That investment is how we can break ground across the country, putting people to work building high-speed rail lines, because there’s no reason why Europe or China should have the fastest trains when we can build them right here in America.”

—President Barack Obama

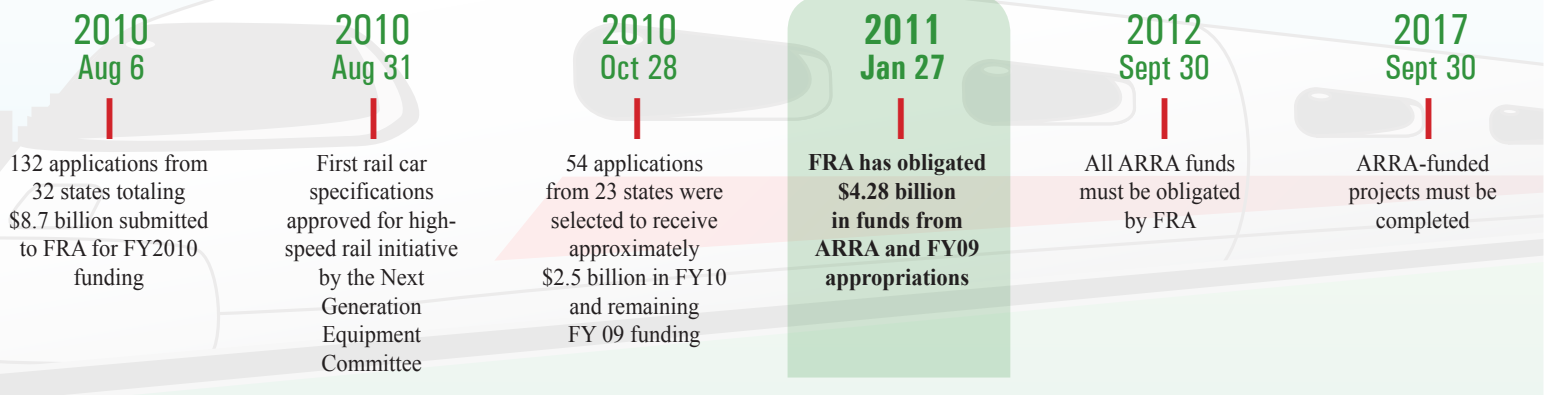
Just the potential for better passenger rail is spurring economic development across the country. In Normal, Illinois, more than \$200 million in private funds has been invested in anticipation of high-speed rail, including the construction of a new hotel and conference center. Uptown Normal is a neighborhood that surrounds the Bloomington-Normal stop on the Chicago–St. Louis corridor. Despite retail vacancies across the country, this pedestrian-friendly neighborhood is bustling with economic activity.

LL Bean, headquartered in Freeport, Maine, is also gearing up for more business when the expanded Downeaster rail line stops in its town. “LL Bean is very excited

State-Host Railroad Stakeholder Agreements

To protect the taxpayer's investment in passenger rail and insure high-quality and on-time train service, the Passenger Rail Investment and Improvement Act (PRIIA) required that states and the private railroads negotiate stakeholder agreements before federal funding could be released.

Performance-based and quantifiable measures such as trip times, reliability and the frequency of service must be included in these agreements. Because much of the passenger service in the U.S. rides on rails owned by private railroads, the rights of these stakeholders to continue to maintain and improve their own service must also be incorporated into these agreements.



that the Downeaster is coming to Freeport. The train will serve the local residents as well as visitors. Freeport is a destination for shopping, outdoor activities, and as a gateway to all Maine has to offer. The train will truly enhance the visitor experience, as well as Freeport as a community,” said Carolyn Beem, manager of public affairs for the giant clothing company.

State Projects Are Modernizing Passenger Rail for the 21st Century

With the new Recovery Act money and increased funding from the Passenger Rail Investment and Improvement Act (PRIAA), states are moving quickly to expand and reinvigorate passenger rail. As of January 20, 2011, more than \$4.28 billion in projects have been approved by the Federal Railroad Administration and are moving ahead.

A sampling of projects from 13 states indicates where these monies are going during this first year: to construct new facilities and expand and upgrade existing lines; to purchase new locomotives, track and other equipment; to modernize and build new train stations; and, equally important, to plan for the future.

New Equipment

North Carolina’s Department of Transportation is using funds from the Recovery Act to buy and refurbish two locomotives for daily Piedmont passenger rail service. Delaware is purchasing four rail cars as part of a 120-car order by the Southeastern Pennsylvania Transportation Authority. The cars are being constructed by United Transit Systems, located in south Philadelphia; delivery is expected in December 2011.



Illinois’ Englewood Flyover project will improve the timeliness of passenger rail in the region.

Standardized Rail Cars Will Create New Incentives for American Industry While Reducing Costs for States and Taxpayers

The first specifications for bi-level coach, dining, baggage, and business class rail cars to be constructed under the High-Speed and Intercity Passenger Rail program were approved in August 2010. Rail cars that can be used by all the states will reduce costs while increasing the efficiency of procurement and manufacturing. Standard specifications are also expected to enable states to pool their equipment purchases and generate more demand for manufacturers.

The Next Generation Equipment Committee was established by Congress to “design, develop specifications for, and procure standardized next-generation corridor rail equipment.” Any state using federal funds for its high-speed and intercity passenger rail program must use equipment that meets these specifications. Members of the Executive Board include 11 state departments of transportation, the Federal Railroad Administration, and Amtrak. AASHTO acts as the secretariat for the Committee on behalf of the state DOTs. Efforts are currently underway to finalize specifications for a single-level car and diesel locomotive, which are expected to be approved in February 2011.

“The Committee’s work is critical to creating a pipeline of passenger rail equipment that will be needed over the coming decades. By providing a generic specification for rail equipment, the Committee is creating a strong incentive for the expansion of the U.S. rail equipment manufacturing industry.”

—Committee Chairman Bill Bronte, Rail Director, California Department of Transportation

Building More Capacity

Vermont and Massachusetts are working on two major projects to restore and expand the Vermonter service along the Northern New England rail corridor. More than \$141 million in rehabilitation work will improve the conditions of the track, roadbed, grade crossings and bridges, in some cases replacing track originally put down in the 1950s. The project will allow speeds in this area to increase while improving safety and reducing delays.

“Since this project dovetails with the stimulus-funded track improvements in Massachusetts and Connecticut, it will greatly reduce the time it takes the Amtrak Vermonter to travel from St. Albans to New York City,” said Brian Searles, Vermont Secretary of Transportation. “Not only will that 90-minute reduction represent a significant long-term improvement in the corridor, but we will also enjoy tremendous short-term benefits such as the creation of a number of much-needed jobs in our region.”

“The Knowledge Corridor is a cornerstone of our vision for regional rail and regional economic growth. This \$70 million (in funding) will support long-awaited improvements, create jobs and restore access to cities in the Pioneer Valley. Thanks to wonderful teamwork with our neighboring states and the advocacy of our congressional delegation, especially Congressman Olver, the Obama Administration recognized the project’s strong potential, and the powerful impact it will have on our economy. I couldn’t be more thrilled or more grateful.”

—Massachusetts Governor Deval Patrick

The effects on America’s manufacturing capability are reaching far beyond the immediate areas under construction. Steel Dynamics, Inc., in Fort Wayne, Indiana, is making the new rails for the Maine and Vermont projects. Officials at the company’s Columbia City plant said they plan to add a second shift of workers to keep up with the new orders.

Adding additional tracks is also the aim of several Recovery Act projects. In California, \$34 million is being used to construct a third main track between Los Angeles and Fullerton. The work, done in conjunction with BNSF Railway Company, will include signal work, modern traffic controls, drainage systems, utility work, and a number of other processes to upgrade the Pacific Surfliner line.



The trip from St. Albans to New York City will be 90-minutes shorter when work on the Vermonter line is finished.

“Our dedicated employees are very motivated and are making rapid progress ramping up rail production...We believe that the nation’s renewed emphasis on both freight and passenger rail transportation will provide our steel business a unique opportunity for incremental growth.”

—Dick Teets, President and COO of Steel Dynamics Inc.’s Steel Operations

BNSF’s contractual on-time performance between Fullerton and Los Angeles improved to 95.6 percent in 2009 for Amtrak’s Surfliner trains operating between Los Angeles and San Diego. In addition, the three state-supported passenger rail lines move more people than the Acela service in the Northeast, representing Amtrak’s second busiest corridor, behind only the Northeast Corridor. This project is expected to significantly improve that performance and passenger volume.



Workmen at the Steel Dynamics plant in Indiana.

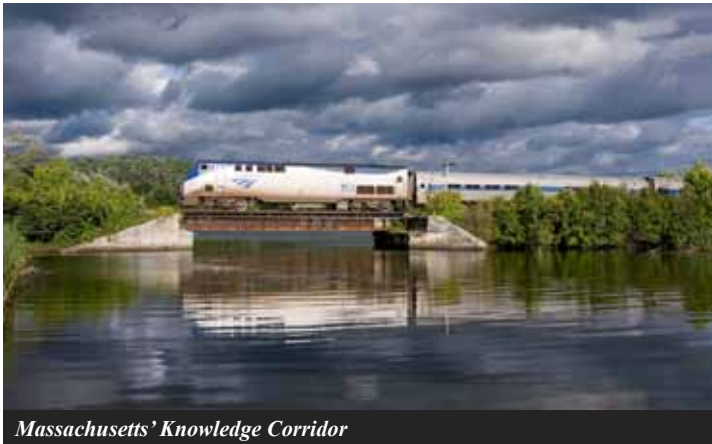
Given that the success of high-speed passenger rail depends on affording travelers with on-time performance, regular service and few, if any delays, New York’s Department of Transportation is beginning construction on a second main track between the Albany–Rensselaer and Schenectady stations. The new rails will help eliminate a major delay in passenger service along the current 17-mile-long, single-track crossroad in the heart of the state. Safety along this track will be improved through the installation of new crossing-gate warning devices at each of three at-grade crossings.

Increased speeds in the Chicago-St. Louis rail corridor are also the goal of an Illinois project to upgrade rails, ties, grade crossings, and signals between Dwight, Illinois, and the Mississippi River. Using \$1.1 billion in Recovery Act funding coupled with \$46.1 million in state matching funds, the project will allow speeds to be increased to 110 MPH by 2012. New locomotives and passenger cars will also be purchased as part of the project, to be delivered in 2014.

Missouri is also using Recovery Act funds to improve access to the busy terminal in St. Louis. Negotiations are underway to complete a two-mile track to improve the flow of both passenger and freight trains in St. Louis and across the Midwest, according to Brian Weiler, director of Multimodal Operations for the Missouri Department of Transportation.

In the Pacific Northwest, Washington plans to increase the frequency and reliability of its Amtrak Cascades service with a program of projects including multiple upgrades to existing track, as well as an advanced signal system. These improve-

ments will increase service reliability and add two round trips between Seattle and Portland; for a total of six. Washington's team is currently studying potential environmental impacts from rerouting passenger trains from a shared BNSF Railway main line to a dedicated passenger rail line.



Massachusetts' Knowledge Corridor

"This funding will help create and save good-paying jobs as we work to modernize our state's rail infrastructure. In addition to helping commuters get where they're going, this investment will also benefit the movement of freight rail in our state that is so critical to our economy."

—U.S. Senator Patty Murray

Station Improvements

New rail cars, faster trips, and smoother rides are just part of the equation in the 21st century train experience. Train stations will also need to be refurbished or rebuilt to serve growing numbers of passengers and to provide them with enhanced security, comfort, and timely information. This year, several stations across the country are getting major face lifts or are being completely rebuilt.

In Rochester, a 37-year-old "temporary" building will be replaced with a new intermodal station that will include bus service as well as rail. Other similar station work will be done in Niagara Falls and at the Moynihan Station in New York City.

Michigan's Battle Creek Station is in for a complete renovation, including work to comply with the Americans with Disabilities Act. Similar work will be done in Troy/Birmingham and Dearborn.



The \$2.2 million Recovery-funded project will expand the depot in Cary, NC, to accommodate full Amtrak service and additional trains.

Building for the Future

California's Central Valley will be the first area in the west to see high-speed rail tracks. The California High-Speed Rail Authority is developing an 800-mile, high-speed train system that will operate at speeds of up to 220 miles per hour, connecting the state's urban centers, including the Bay Area, Fresno, Los Angeles, and San Diego. In December 2010, the Authority selected the initial construction segment, a 120-mile stretch starting just north of Fresno and extending to Bakersfield, which is anticipated to create hundreds of thousands of construction and economy-wide jobs. The state has received more than \$3 billion from the Recovery Act for these and other high-speed rail projects.

"Our environmental work is progressing well, we've identified a starting point for construction that will build the backbone of a system, and we're on track to break ground next year and start running trains a few years after that," wrote Curt Pringle, chairman of the Authority's Board, in a recent letter. "We know high-speed rail will give Californians a clean, safe, low-cost, and fast way to travel even as it relieves pressure on freeways and runways."

The Authority has released its request for expressions of interest, giving private enterprise its first formal chance to explain how it envisions participating in California's initial infrastructure construction segment and its San Francisco-to-Los Angeles operations.

"With Proposition 1A, Californians did their part with state funding, and the federal government has stepped up with a pledge for a long-term commitment to high-speed rail. We are now eager to hear from the private sector," said Roelof van Ark, chief executive officer of the California High-Speed Rail Authority.



"This investment is a transformation of our state's high-speed rail transportation system, giving people a travel option that is good for jobs, good for business and good for the environment," said Michigan State Transportation Director Kirk T. Steudle. "Train travel provides an alternative to highway travel that reduces congestion, energy use and emissions."

Work is expected to be completed by next winter on three new tracks and two new platforms at the San Jose-Diridon Train Station in California. This project will

add new messaging signs, public address systems, and closed-circuit TVs for added security. The \$18 million project, according to Cindy McKim, director, California Department of Transportation, “will enhance not only the Capitol Corridor service performance but will improve passenger amenities in San Jose.”

Back on the East Coast, Maryland is working to upgrade the Amtrak station at the Baltimore–Washington International Thurgood Marshall Airport. The more than \$80 million project will include new platforms, tracks, and a new rail building. Overall, the work is “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 Beverley K. Swaim-Staley, Secretary of the Maryland Department of Transportation.

Ensuring Public Involvement

If the nation is investing billions of public dollars in high-speed and intercity passenger rail, the public and the private sector must have a voice. State departments of transportation are reaching out to local governments, chambers of commerce, advocacy groups, environmentalists, and regular private citizens and inviting them to come to the table.

A critical piece of work being done under the Passenger Rail Investment and Improvement Act is to develop state freight and passenger rail plans that will guide current and future efforts.



Nearly 1,600 people attended an industry forum sponsored by Florida DOT in 2010 to showcase the economic opportunities of high-speed rail.

To this end, Missouri has issued an on-line survey to garner public opinion on passenger rail, which will help inform the development of its state rail plan.

In November 2010, New York’s Department of Transportation completed a series of public outreach open houses and scoping meetings on bringing high-speed rail to the Empire corridor. Meetings were held in Rochester, Buffalo, Syracuse, Utica, Albany, and New York City, as well as virtual meetings hosted on the state’s website. The public response was overwhelmingly positive and a compilation of public comments is expected soon.

Colorado is developing a plan to ensure that the state implements a more efficient and effective approach to passenger and freight rail that will integrate these modes into a larger multi-modal and intermodal framework. The plan will cover 30 years. In addition, they are examining the feasibility of high-speed rail service along the I-25 and I-70 corridors from the Denver International Airport to the Eagle County airport.

Early in 2011, a project to identify how high-speed rail service could connect with Denver’s expanding passenger rail system will be put out to bid and work will begin with a completion date of mid-2012.

Delaware and Maryland are studying a plan to provide new passenger rail service to connect the Northeast corridor with coastal communities from Lewes, Delaware, to Ocean City, Maryland, a critical tourism area. Planning work is expected to begin in February 2011 on two phases: the first to develop a service plan based on potential ridership and estimated capital and operating costs for intercity passenger rail service. The second phase will include an environmental analysis, preliminary design, and engineering cost estimates. The work is expected to be completed by December 2012.

What’s Ahead?

Eight billion dollars has been made available for intercity passenger rail through the Recovery Act. Another \$2.6 billion has come from the implementation of the Passenger Rail Investment and Improvement Act. States have stepped up and are matching this additional funding. Yet this is just a down payment of what will be needed to bring an updated, integrated, viable and passenger-friendly rail system back to prominence in the United States.

By comparison, the concept of an interstate system as we know it was first described in a 1939 report to Congress. Then, in 1944, Congress designated a “National System of Interstate Highways,” but did not authorize a program to build it. After taking office in January 1953, President Eisenhower made modernizing the nation’s highways one of his priorities and worked with a Democratic Congress to reach a compromise in 1956 that ultimately produced the interstate system. In 1956, Congress assumed initial funding for that Interstate System at \$27 billion. In the end, the federal contribution was \$119 billion of the total \$129 billion authorized for its construction. Since then, states have been building, maintaining, and expanding this 47,000-mile-highway that has become the backbone of America.





More than 40 neighborhood meetings have been held in the Tacoma, Washington, area to discuss passenger rail projects.

Implementing high-speed passenger rail and improving train service across America will present similar challenges. State and local government officials, representatives from the business community, and the traveling public recognize the critical importance in a strong intercity passenger rail system that connects people to jobs, builds a healthier manufacturing economy, and reduces our reliance on the automobile.

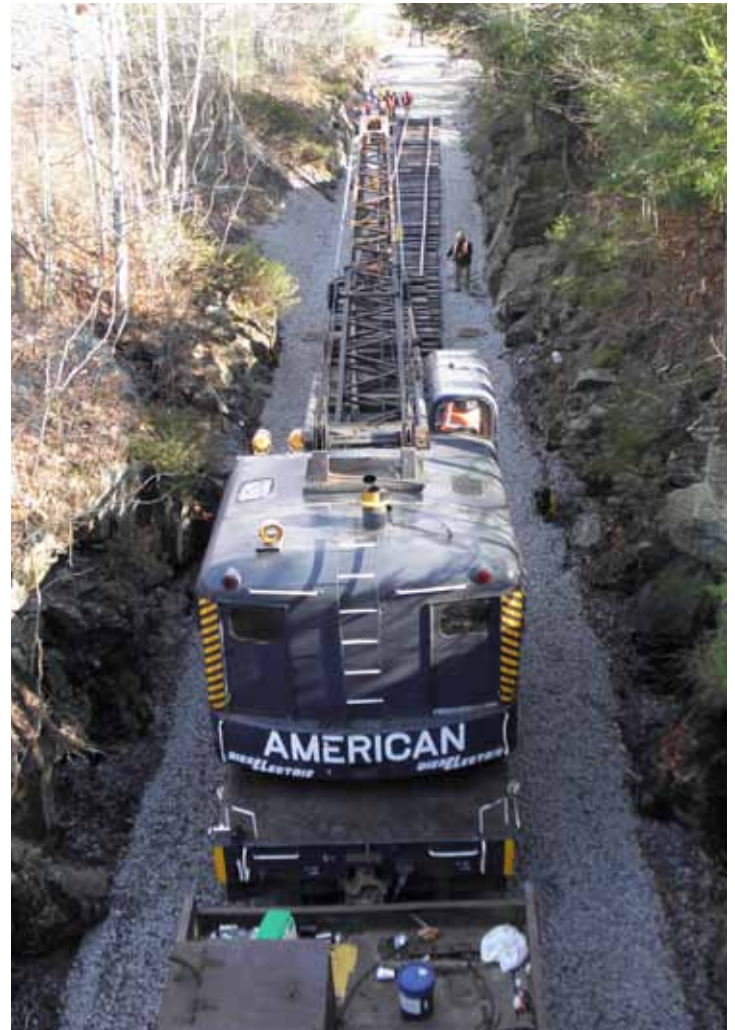
“This program is helping to create and save good-paying jobs as we work to modernize the nation’s rail infrastructure. These improvements will help make intercity train services more frequent and reliable, providing more people better travel options.”

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

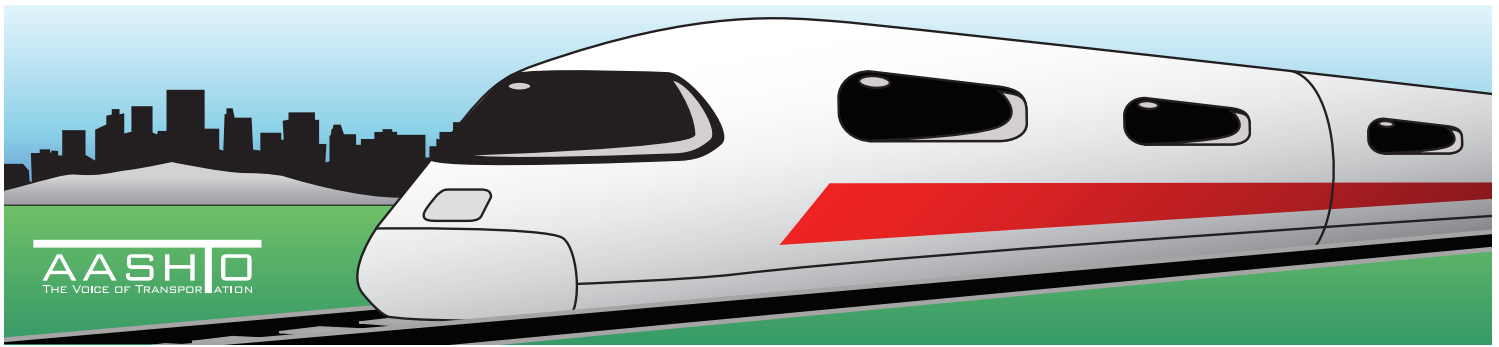


AASHTO’s Vision and Call to Action for a National High-Speed and Intercity Passenger Rail Program

- A National Rail Policy to provide a robust high-speed and intercity passenger rail network.
- Federally funded, state-administered dedicated funding for a high-speed and intercity passenger rail program.
- Competitive, reliable, and frequent passenger rail service, comparable to world-class systems.
- Expedited project delivery.
- Ability to grow the capacity of our world-class freight network while expanding capacity for intercity passenger rail.



Thirty miles of new track are being laid at parts of the Downeaster expansion from Portland to Brunswick, Maine.



Quick Facts About Passenger Rail

Federal contribution to passenger rail since 2009

- \$8 billion from the American Recovery and Reinvestment Act
- Under the Passenger Rail Investment and Improvement Act (PRIIA)
 - \$90 million in FY 2009 appropriations
 - \$2.5 billion in FY 2010 appropriations

States receiving passenger rail funding: 29 states and the District of Columbia

\$4.28 billion in state projects approved by the Federal Railroad Administration

Existing train ridership

- 28.7 million passengers carried by Amtrak from October 1, 2009 to September 30, 2010—up 6 percent
- 37 percent increase in Amtrak ridership, 1999 to 2010
- 10.4 million passengers carried annually between Washington and Boston
- 5.2 million passengers carried annually on California's state-owned rail lines

Expected benefits

- Reduced congestion
- Reduced energy needs: passenger rail is 21 percent more fuel efficient than vehicles
- Reduced emissions: 71 percent reduction in carbon dioxide emissions, compared to vehicles
- Reliable, well-paying jobs
 - 150,000 jobs projected to be created by high-speed rail in four U.S. cities over next 25 years
 - 24,000 construction and manufacturing jobs per \$1 billion of capital investment
 - 41,000 operation and maintenance jobs per \$1 billion operating investment

Information included in this report has been provided by the Federal Railroad Administration and the State Departments of Transportation.

