

Background Information on Passenger Rail (Federal): 2008-2009

National Surface Transportation Policy & Revenue Study Commission

The 12-member study commission, headed by U.S. Department of Transportation Secretary Mary Peters, released its final report in January of 2008. The commission was charged with examining "not only the condition and future needs of the nation's surface transportation system, but also short and long-term alternatives to replace or supplement the fuel tax as the principal revenue source to support the Highway Trust Fund over the next 30 years." [Commission website](#)

Passenger rail's benefits, potential and needs are well-presented in the report, and the commission estimates that an average annual investment of \$8.1 billion over 44 years is needed, primarily to develop "new and enhanced 'regional service' in high growth intercity corridors." (Ch. 4, pg. 20) [Final Report](#)

Testimony of MIPRC director at commission's April 19 field hearing in Chicago

Passenger Rail Working Group

The Passenger Rail Working Group (PRWG) released its recommendations for the future of intercity passenger rail in the United States in December, 2007. The group was formed by Wisconsin Secretary of Transportation Frank Busalacchi, who is appointed to the National Surface Transportation Policy and Revenue Study Commission.

The PRWG's work is an important culmination and crystallization of the input of many who had urged the commission to include intercity passenger rail development as an integral component of a strong, balanced intermodal transportation vision for the future. The full report contains an interesting global perspective. The executive summary is available [here](#). The full report is available [here](#).

Federal Initial Federal Railroad Administration grant funding to states for intercity passenger rail development and planning (2008)

In September of 2008, the Federal Railroad Administration announced its first grant funding to states for intercity passenger rail development and planning. The Midwest received almost half of the funding; five of the 11 states to receive funding are Midwestern states. Altogether, the five states (Illinois, Minnesota, Missouri, Ohio and Wisconsin) received funding for seven projects, totaling over \$13 million of the \$30 million awarded.

The winning projects from the Midwest included:

- Illinois: Two projects for installation of centralized traffic control and cab signals (\$3.4 million total);

- Minnesota: Planning study for a Programmatic Environmental Impact Statement (PEIS) for new passenger rail service from Minneapolis/St. Paul to Duluth (\$1.1 million);
- Missouri: Construction of one passing track and preliminary engineering for a second (to be used by the state-supported St. Louis-Kansas City passenger rail service) eliminating two 20-mile gaps between passing tracks on a primarily unidirectional line (\$3.3 million);
- Ohio: Planning project to advance the analysis of alternative routes and station locations for new service between Cleveland, Columbus and Cincinnati (the "3C corridor") (\$62,500); and
- Wisconsin: Two projects - one to replace the last sections of jointed rail on the Milwaukee-Chicago corridor with continuously-welded rail, and the other to continue the planning for the Midwest Regional Rail Initiative (\$5.3 total).

[Descriptions of Projects Receiving Awards](#)

Passenger Rail Investment and Improvement Act of 2008 (HR 2095)

The Passenger Rail Investment and Improvement Act of 2008 (HR 2095), signed by President Bush on October 16, 2008, reauthorizes Amtrak for five years and provides the authorization for the Federal Railroad Administration's High Speed Intercity Passenger Rail program.

Click here to read [the entire bill](#) (beginning on page 151):

The following is an explanation of the major PRIIA provisions:

- Amtrak authorizations, reforms and operational improvements (beginning on page 152)-- Authorizes Amtrak for 5 years, including authorization levels for capital and operating expenses, and requiring reform and operational improvements;
- State-Supported Routes (Section 209, beginning on page 178) – Development and implementation of a standardized methodology for establishing and allocating the operating and capital costs among the States and Amtrak associated with corridor (shorter distance) trains;
- Passenger Train Performance (Section 213, beginning on page 198) – provides a process for the Surface Transportation Board to investigate and determine if host rail carriers are not providing preference for Amtrak over freight as required by law.
- Intercity Passenger Rail Service Corridor Capital Assistance (Section 301, beginning on page 224) -- \$1.9 billion over 5 years, at up to 80 percent federal match. For "financing the capital costs of facilities, infrastructure, and equipment necessary to provide or improve intercity passenger rail transportation" (projects must be part of an approved state rail plan – see section 303 below);

- Congestion Grants (Section 302, beginning on page 254) – \$325 million over 4 years. Projects identified by Amtrak to reduce congestion or facilitate passenger rail growth along heavily traveled corridors, or by the Surface Transportation Board to improve on-time performance;
- State Rail Plans (Section 303, beginning on page 256) – Describes the purpose and minimum necessary components of state rail plans;
- Next Generation Corridor Equipment Pool (Section 305, beginning on page 265);
- Rail Cooperative Research Program (Section 306, beginning on page 267);
- Biofuels (Sections 404 & 405, beginning on page 281) – mandates studies on the feasibility of using biofuels for powering locomotives (Sec. 404) and bio-based lubricants on locomotives, rolling stock or other equipment (Sec. 405);
- High Speed Rail Corridor Program (Section 501, beginning on page 287) – \$1.5 billion over 5 years, specifically for projects that would achieve speeds of at least 110 mph.

Congress Passes Economic Stimulus Bill with \$8 Billion for Passenger Rail

February, 2009: The American Recovery and Reinvestment Act of 2009 will provide \$8 billion in capital assistance for intercity and high speed rail development (the Secretary of the US DOT will have flexibility in deciding how the amounts are apportioned between the two programs).

Other significant information:

- The funds will be available through September, 2012.
- This is 100 percent federal funding (no state match requirement)
- Projects are not required to be part of a state's rail plan

Amtrak has also fared well, with \$1.3 billion -- \$450 million for capital security grants and \$850 million for "general" use, with a priority for equipment rehabilitation. The money cannot be used for operating, and no more than 60 percent of it can be used in the Northeast Corridor.

President Obama issues strategic plan for \$8 billion passenger rail funding

On April 16, 2009, President Obama, Vice President Biden and Secretary LaHood released the strategic plan for allocating the \$8 billion in passenger rail funding provided in the American Recovery and Reinvestment Act. The plan also gives insight into the process for project funding going forward (with a planned \$1 billion investment per year over five years).

Three key aspects of the [report](#) include:

1) **Funding Approach.** The document outlines a tiered approach for 1. projects that can receive full ARRA funding; 2. corridor programs that will involve a series of projects to develop over time, some of which may be funded by ARRA; and 3. longer-term planning (which will *not* qualify for ARRA funding, at least in the first rounds);

2) **Prerequisites.** Prerequisites for applicants include demonstrating planning and project development; securing stakeholder agreements; and having a solid financial plan, including ridership forecasts and commitment to operating expenses); and

3) **Selection Criteria.** General criteria for selection are explained, mainly in keeping with overall ARRA funding requirements, and notes that further guidance will be provided in the upcoming guidance, due to be issued by mid-June).

The due date for the first round of applications is tentatively scheduled for August.

In March, the MIPRC sent a [letter to Secretary LaHood](#) providing input into the development of the strategic plan.