

**National Surface Transportation Policy and Revenue Study Commission
Chicago Field Hearing – April 19, 2007**

The Role of Interstate and Intercity Passenger Rail in the Surface Transportation Network

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Testimony**

You are charged with the immense task of providing a 50-year vision for the future of surface transportation in this country. I view my task as helping to explain why – and how – the inclusion of policy and revenue solutions for the development of passenger rail in our region, and country, needs to be an integral part of that vision.

First, a bit of background. The Midwest Interstate Passenger Rail Commission was created in 2000, triggered into existence when the requisite number of states (three) adopted the Midwest Interstate Passenger Rail Compact through enabling legislation. These states, and the others which have since enacted the compact (now eight), see the development of passenger rail service in our region as extremely important to the continued health and growth of the Midwest. They have banded together through this common law to advocate for improvements to our passenger rail system.

In 2005, the MIPRC called on Congress to authorize and fund a study of the condition and needs of the nation's transportation systems. It was our hope that the study would lead to the development of a truly multimodal transportation policy for the nation. By your commission's charge, we have received the first part of our wish. Now, seeing the broad range of testimony you have received thus far, and trusting in your ability to sort through all the transportation needs and opportunities for our great country, I am more hopeful than ever that you will help set a course for the adoption and implementation of transportation policies that will result in a re-energizing of our transportation system in the years ahead.

Passenger rail falls into a bit of a different category than other transportation solutions in our country, because it has not been put on the same level as other modes of transportation. It receives no dedicated source of federal funding. For many years it has been regarded as a negligible solution to passenger transportation problems. But states have begun to understand how the development of an efficient, modern passenger rail system can ease stress on other modes of transportation and provide their citizens with an additional, and necessary, way to travel. Twenty-nine states are now developing or implementing significant regional passenger and freight rail plans. Many others view the continuance of what passenger rail service they do have as a vital concern.

There are many reasons to build a modern, efficient passenger rail system as part of a truly intermodal transportation system – reasons that are very important to our nation's future health and vitality. Passenger rail development will

- Save transportation dollars (because it is cost-effective)
- Reduce traffic congestion

- Complement other modes of travel
- Decrease our dependence on foreign oil and decrease transportation's environmental impact
- Increase our nation's capacity to respond to emergencies
- Bring new jobs and economic growth

Save transportation dollars

Passenger rail development is a bargain compared to building roads and airports. One railroad track can carry the same number of people as a 10-lane highway, at a fraction of the cost. Many of the current plans for passenger rail development would implement "incremental high speed rail" (with trains running at up to 110 mph), making improvements to existing tracks – even more of a bargain.

In 2002, the AASHTO Standing Committee on Rail projected the total passenger rail corridor needs at about \$60 billion over the next 20 years – a little more than two times the amount of federal grants to states and local governments for highways in 2001. Let me clarify right away that the comparison is not in any way meant to imply that states do not need those monies for road improvements and expansions (nor does the MIPRC promote use of Highway Trust Fund monies for passenger rail development). But in looking towards the future, the cost effectiveness of passenger rail as a transportation mode should not be ignored.

Reduce traffic congestion

According to the U.S. Census Bureau, the nation's population is projected to grow by 39 percent between now and 2050. Building highways at the rate our population will need them in the next 50 years would be unsustainable. Congestion already costs us \$200 billion a year, according to Transportation Secretary Mary Peters.

The closest equivalent to passenger rail transportation on the roads is bus transportation. While the capacity of a typical bus is 40 people, one trainset carrying four cars could carry more than 10 times that many people.

Complement other modes of transportation

A strong intercity passenger rail system would provide the needed "piece of the puzzle" to help move people efficiently. While commuter rail or driving is ideal for distances up to 100 miles, and airplanes best justify their energy and take-off/landing time in long-distance travel, intercity passenger rail is ideal for travel between 100 and 500 or 600 miles.

Decrease our dependence on foreign oil while decreasing transportation's environmental impact

Currently, based on energy consumed per passenger mile, Amtrak is 18 percent more efficient than commercial airlines and 17 percent more efficient than automobiles

(source: Oak Ridge National Laboratory, which produces the Transportation Energy Data Book for the U.S. DOE). High speed trainsets, especially if they use electric locomotives, will bring even more energy efficiencies. Although not widely used in the U.S. yet, using biodiesel blends to run our trains will also decrease our dependence on foreign oil and increase passenger rail's energy efficiency over other modes of transportation. The Rail Runner Express commuter line in New Mexico, for example, has been using a blend of the cleaner-burning fuel (B20) and has experienced the same performance as using conventional diesel fuel.

Increase our nation's capacity to respond to emergencies

The MIPRC has also seen that rail can prove a vital resource when disaster strikes, and is crucial to managing traffic from other modes of transportation that may be shut down. A study we released last fall, *Responding Regionally: The Role of Passenger Rail in Midwestern Emergency Planning*, showed how rail was successful in moving both emergency workers into downtown New York, and citizens out of it, during the Sept. 11 crisis, when a large mode of transportation was out of commission. Following the foiled terror plot on an airplane from the United Kingdom to the U.S. in 2006, Amtrak reported a 26 percent increase in bookings. Passenger rail systems had the potential to carry thousands of people out of harm's way during hurricanes Katrina and Rita. Also, rail is safe in many kinds of weather disasters, when planes and vehicles aren't an option. They can carry hundreds of people in relative comfort when roads are gridlocked.

Bring new jobs and economic growth

Since this field hearing is being held in the Midwest, I'd like to take a minute to talk about our region, while also hopefully dispelling the myth that extensive intercity passenger rail service can only thrive in the Northeast, or perhaps in California.

The Midwest has two, complementary multi-state plans for significantly improving passenger rail service in the region, the Midwest Regional Rail Initiative (MWRRI) and the Ohio Hub Plan.

The MWRRI is a plan for a 3,000-mile high speed rail system that will provide passenger rail services to nine states using a "hub" system based in Chicago. The MWRRI recently updated its economic analysis of the benefits the fully-implemented plan would bring to the region. The new projections show a benefits-to-cost ratio of 1.8 – \$1.80 in return for every dollar invested – one of the highest for any regional rail system in the U.S. In addition to generating \$23 billion in overall benefits, the system would generate nearly 58,000 permanent new jobs and \$5.3 billion of increased earnings over the construction period.

The MWRRI is currently in its "Phase 1" implementation stage. This phase would bring high speed passenger rail service up to 110 mph and increase passenger rail frequencies

on three corridors: Chicago to St. Louis (increasing from 4 round trips to 8); Chicago-Milwaukee-Madison (increasing Chicago-Milwaukee service to 10 roundtrips from 7, and introducing new service between Milwaukee and Madison – bringing 6 roundtrips per day to this corridor); Chicago-Detroit (increasing from 4 roundtrips to 9). Future phases would increase speeds and service from Madison to Minneapolis, and from Chicago to Indianapolis, Kansas City, Omaha, Cincinnati and Cleveland.

The Ohio Rail Development Commission's Ohio Hub Plan is almost ready to move into the federally-required environmental impact study process. The Ohio Hub is projected to create more than 6,000 construction jobs, 1,500 permanent railroad jobs and another 16,500 permanent jobs tied to development along the rail corridors. This 1,270-mile system is also projected to generate more than \$3 billion dollars in joint development benefits, another \$1 billion dollars in increased income in its proposed service area, and more than \$9 billion dollars in traveler benefits and resource savings. The ORDC is in the midst of revising its plan to incorporate two hubs. The four corridors emanating from Cleveland (the original hub) would bring passenger rail service to Toledo-Detroit; Columbus-Dayton-Cincinnati; Pittsburgh; and Buffalo-Niagara Falls-Toronto, Canada. The revised plan will add the Columbus hub, with service to Pittsburgh, Toledo and Chicago (via Ft. Wayne, Indiana).

When implemented, the MWRRRI and Ohio Hub plans together will include 17.4 million annual train miles (more than half of Amtrak's passenger rail service for the entire nation), provide an additional 67 trainsets and connect more than 150 communities across the Midwest.

But implementation of these plans is dependent on the establishment of a federal matching program.

States' role, and the dramatic rise in ridership

Faced with increased highway and air congestion, as well as rising oil prices, many states have developed plans to bring increased passenger rail service to their communities. While states have begun the work, most have anticipated that a federal partnership would be developed similar to other transportation modes, matching state funds with federal.

Fourteen states now provide direct operating subsidies to Amtrak for increased passenger rail service, including Illinois, Michigan, Missouri and Wisconsin in the Midwest. While ridership on Amtrak's service overall has been growing, the rise in the number of those taking the train on shorter, regional routes – which are mainly state-supported – has been particularly dramatic. In the Midwest, ridership on these shorter routes increased 20 percent overall between FY 2004 and FY 2006.

Illinois has long provided funding to Amtrak for additional service within the state and to St. Louis, Missouri. In 2006, the state doubled its funding of passenger rail service, from \$12.1 million to \$24.7 million. The state is now the second largest funder of intercity passenger rail service (only California provides more funding to Amtrak to add frequencies above its long-distance service). Last fall, Illinois began providing the increased passenger rail service. Ridership in the first three months (November through January) in those corridors was up 69 percent from the same period in 2005.

Michigan's ongoing funding of passenger rail frequencies – daily roundtrip service between Chicago and Grand Rapids, Pontiac and Port Huron – has been rewarded with strong ridership increases. Over the past two years, ridership on the state-sponsored *Blue Water* route (to-from Port Huron) has risen 31 percent, while ridership on the *Wolverine* (Pontiac) has risen almost 20 percent and the *Pere Marquette* (Grand Rapids), 16 percent.

Ridership on five of the eight Amtrak long-distance routes that travel through the Midwest is growing, too. Two routes showed significant growth between 2004 and 2006: the *Lake Shore Limited* (which originates in Chicago and travels through Illinois, Indiana and Ohio before going on to Pennsylvania and New York/Boston) and the *Empire Builder* (Chicago through Wisconsin, Minnesota, North Dakota and west to Portland/Seattle) showed ridership gains of 15.7 percent and 13.7 percent, respectively. The only long-distance route which travels through the Midwest that lost ridership significantly between 2004 and 2006 was, understandably, the *City of New Orleans*.

The Downside

Seventy percent of the miles traveled by Amtrak trains are on tracks owned by other railroads, a large reason why Amtrak too often can't run trains on time. While the MIPRC has strongly supported the "incremental high speed rail" approach chosen by the MWRRI and Ohio Hub plans – making improvements to existing rail lines and grade crossings and purchasing newer, more efficient trainsets – there will definitely come a time within your 50-year timeframe when the more substantial investments for dedicated high speed corridors will be called for.

Policy and funding recommendations

In the ideal nation of 2057, people will walk or ride their bikes for short distances, take commuter rail or buses to their jobs, utilize passenger rail for regional business trips and leisure travel, take an airplane for cross-country and international travel, and drive only when they really want to.

As we look to the future of passenger transportation, the development of frequent, more efficient passenger rail service is an important part of the solution that we can no longer afford to overlook. Passenger rail is the most fuel- and emission-efficient means to move people and goods. Intercity passenger rail can also play a very important role

in helping to meet growing demand placed on our highway and aviation systems. As you put together your plan for the future of our transportation system, on behalf of the Midwestern states I ask that you:

- 1) **Include passenger rail development as an integral part of the solution to our nation's pressing transportation needs.** For all of the reasons stated above – its benefits and its increasing popularity – it is time to once again put passenger rail on par with other modes of transportation.
- 2) **Recommend the creation (with state and local input) of a comprehensive national plan for passenger rail development.** While states have been developing regional plans, a comprehensive plan for systematic, nationwide development of passenger rail as part of a larger, interconnected, multimodal plan would help ensure that all the states' needs are considered and developed.
- 3) **Find a way to provide passenger rail with a substantive dedicated source of federal funding for passenger rail improvements, with similar cost sharing between federal and state sources as other major modes of transportation.** While new and creative ideas may also be on the horizon, the MIPRC has long supported the creation of a tax-credit bonding program for passenger rail projects. These bonds would provide the multi-year, substantive source of funding that the states need, while not competing for transportation dollars with highway and transit funding.

Thank you very much for this opportunity to give input into your vital task.

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