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Midwest Interstate Passenger Rail Commission

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As officers of the **Midwest Interstate Passenger Rail Commission (MIPRC)**, and on behalf of MIPRC, we are pleased to submit this request to the **Subcommittee on Transportation, Housing and Urban Development, and Related Agencies regarding the fiscal year 2016 budget**. For Fiscal Year 2016, we are requesting the following be appropriated to the **Federal Railroad Administration**:

1. \$300 million for the high-performance passenger rail program (PRIIA Sections 301, 302 and 501);
2. \$600 million for the TIGER program (ARRA Title XXII), with 10 percent set aside for planning;
3. \$1 million to continue the efforts of the Next Generation Equipment Committee (PRIIA Section 305);
4. \$1 million for a State-Supported Route Advisory Committee (PRIIA Section 209);
5. \$425 million to assist in implementation of Positive Train Control (PRIIA Section 105);
6. \$300 million for the Rail Line Relocation & Improvement (RLR) Capital Grant Program (SAFETEA-LU Section 9002); and
7. \$10 million for the National Cooperative Rail Research Program (NCRRP).

We also ask that a total of \$1.444.6 billion be appropriated to **Amtrak** for Fiscal Year 2016, including \$732.2 million for operating and \$543.7 million for capital.

The Midwest Interstate Passenger Rail Commission is a nine-state interstate compact commission that promotes, coordinates and supports regional improvements to passenger rail service. Our member states include Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota and Wisconsin. We believe that intercity passenger rail – both corridor and longer-distance – is playing a critical role in the region’s transportation network. Thereby, rail projects need a federal partnership with states, similar to that of other modes of transportation, to assist with the capital investments necessary to build a modern, efficient passenger system in the Midwest.

The Midwest is a testament to the fact that people increasingly want the option to take the train, especially with more frequent and reliable service. Ridership on existing corridor service (100-600 miles) in the Midwest has been growing rapidly. In FY 2014, ridership on the nine Midwestern corridor routes combined was 3.135 million, almost double the number of riders on those routes in FY 2004. Five-year growth (FY 2009 to FY 2014) was 27 percent (*please see Table 1 on page 4*).

Ridership on the eight longer-distance routes that serve the Midwest is growing, too, with an overall increase of seven percent over the past five years, and a 20 percent increase since FY 2004 (*please see Table 2 on page 4*). Altogether, these routes -- all originating out of the nation’s largest rail hub, Chicago – have 80 station stops across the Midwest, many of them in rural communities not served by other forms of intercity transportation.

Federal funds awarded to our states beginning in FY 2009 have allowed for the development of the first phase of the Midwest Regional Rail System – a 3,000-mile, nine-state passenger rail system plan to implement a network of faster, more frequent regional service (up to 110 mph) in 100- to 500-mile corridors, with its hub in Chicago. This development is already bringing significant economic development and jobs to our region. The full build-out of the MWRRS is expected to have an overall economic benefit of \$23 billion while creating more than 57,000 permanent jobs.

On behalf of our Midwestern states, we ask that appropriations for Amtrak and FRA for intercity passenger rail-related activities be included within the FY 2016 budget of the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies to allow for our Midwestern states – and other states – to continue and to develop this important travel mode. Explanations for each of the requests are included below. We thank you for your consideration.

1. \$300 million for the high-performance passenger rail program (PRIIA Sections 301, 302 and 501)

With no earmarks and an emphasis on “readiness to proceed,” awards should be made competitively with a mandate to spend promptly. Ten percent of the funds made available should be used for state and multistate planning.

Funds made available under PRIIA through the High Speed Intercity Passenger Rail (HSIPR) program in FY 2009 and FY 2010 are allowing the Midwest to begin implementing the first phases of a plan to bring faster, more frequent passenger rail service to the region. For example, HSIPR funds awarded to Illinois and Michigan have already enabled 110 mph service on portions of the Chicago to Detroit and the Chicago to St. Louis routes. On-time performance has improved dramatically on the St. Louis to Kansas City corridor by addressing key chokepoints along that route. In addition, necessary planning and environmental work on several other Midwestern corridors – including Chicago to Minneapolis/St. Paul, Minneapolis/St. Paul to Duluth, MN, and Chicago to Omaha – has been made possible through the federal/state partnership provided for intercity passenger rail under PRIIA.

Multistate planning and coordination have been a fundamental aspect of our region’s business plan for intercity passenger rail from the beginning. Although prioritizing and harmonizing a significant number of high-value projects is challenging, such an approach leads to greater efficiency and a higher return on investment.

We thank the Committee for repurposing funds for planning in the FY 2014 Omnibus and ask that language be included in FY 2016 for a \$300 million overall investment in a high-performance, state-supported intercity passenger rail program, with 10 percent directed for planning purposes, so our states can continue the next phase of planning and construction.

2. \$600 million for the TIGER program (ARRA Title XXII)

We support \$600 million for the TIGER program, which has funded an array of critical projects. We would urge that again in FY 2016, the emphasis be placed on awards based on a rigorous benefit-cost analysis. Further, we request that 10 percent of the funding be set identified for planning purposes. This is especially needed as the pre-application process places a very heavy emphasis on planning requirements.

3. \$1 million to continue the efforts of the Next Generation Equipment Committee (PRIIA Section 305)

PRIIA Section 305 has helped both to stimulate the American railcar manufacturing industry and to begin the process of bringing a new generation of equipment on line. This highly successful effort should receive \$1 million to continue its efforts. Section 305 called for the establishment of the Next Generation Corridor Equipment Pool Committee (NGEC) “to design, develop specifications for, and procure standardized next-generation corridor equipment.” Since its inception in 2010, the NGEC has developed and adopted five specifications. The group is also well along in the process of developing the Dual Mode (DC 3rd Rail) Locomotive specification. In 2014, NGEC developed the PRIIA Digital Train Line (DTL) specification which is also a part the specification catalog.

This effort has initiated two ground-breaking multistate procurements: one for next generation bi-level passenger rail cars for California, Illinois, Michigan, Missouri and Wisconsin; the other (also for the Midwestern states, as well as California and Washington), for the manufacture of diesel-electric

locomotives. By providing publicly-available standardized specifications, the NGEN has created a common platform from which multiple states can procure rail equipment. The standardized specifications make it possible to buy equipment faster, at a lower cost, and with lower future costs relating to maintenance, rebuilding and the purchase of additional equipment. Specifications developed by the NGEN are available to all competitors in the rail equipment marketplace. That means equipment procured will expand employment in production, supply and manufacturing industries in the United States. FY 2016 funding will allow for maintaining and updating current specifications and for fostering additional procurements.

4. \$1 million for a State-Supported Route Advisory Committee (PRIIA Section 209)

Since the adoption of PRIIA in 2008, states and intercity passenger rail authorities have invested significant staff time and financial resources to work with Amtrak, FRA, the Surface Transportation Board (STB), the Federal Mediation and Arbitration Board, elected officials and stakeholders on the critical implementation of PRIIA Section 209. While much progress has been made on the national advancement of intercity passenger rail through the efforts of the states, continued successful efforts will require significant investment of time and professional services. Support for implementation of PRIIA Section 209 has been, up to this point, an unfunded federal requirement accomplished through the voluntary efforts of the states and rail authorities.

5. \$425 million to assist in implementation of Positive Train Control (PRIIA Section 105)

The implementation of positive train control is a daunting task for all concerned and recent tragic events clearly demonstrate the need for enhanced investments in developing a renewed rail safety culture. The cost of nationwide PTC installation is expected to be more than \$10 billion and states have been proactive in this vital effort. We ask that Congress provide \$425 million to assist in this vital effort.

6. \$300 million for the Rail Line Relocation & Improvement Capital Grant Program (SAFETEA-LU Section 9002)

The Rail Line Relocation & Improvement Capital Grant Program (RLR) funds could be used for safety and grade crossing programs that can contribute to overall system safety, especially when focused on energy transport. We recommend that the program receive \$300 million.

7. \$10 million for the National Cooperative Rail Research Program (NCRRP)

The National Cooperative Rail Research Program (NCRRP) is an important component of rail research among the state and federal governments, the rail industry and rail labor. Research addressed by this program is necessary to solve common operating problems, to adapt appropriate new technologies from other industries, and to introduce innovations into the rail industry. The NCRRP carries out applied research on problems that are shared by freight, intercity, and commuter rail operating agencies and are not being adequately addressed by existing federal research programs. Though authorized in PRIIA (2008) for five years at \$5 million a year, the NCRRP has been funded for only one year.

8. \$1.444.6 billion for Amtrak Appropriations

The railroad continues a period of revenue and ridership growth made all the more impressive by the challenges of weather, aging equipment and on-time performance issues. This growth reflects the return on capital investments made in recent years for such major items as Acela equipment. Such major capital investments are needed now in such key assets as Chicago's Union Station. We ask that a total of 1.444.6 billion be appropriated to Amtrak for FY 2016, including \$732.2 million for operating and \$543.7 million for capital.

MIPRC appreciates the Subcommittee providing this opportunity to submit testimony regarding the FY 2016 THUD appropriations. Please feel free to contact MIPRC's director, Laura Kliewer (lkiewer@miprc.org; 630.925.1922) if MIPRC can be of any further assistance.

MIPRC FY 2016 OWT Appropriations Request to US Senate THUD Subcommittee (cont.)

Table 1: Ridership on Corridor Service in the Midwest (FY 2004-FY 2014)

Route	Frequency	Five-Year Growth (FY 09 to FY 14)*	10-Year Growth (FY 04 to FY 14)*	Average Annual Growth (04 to 14)*	Ridership FY 14	Ridership FY 09	Ridership FY 04
Chicago-St. Louis (<i>Lincoln & Texas Eagle</i> ¹ services)	5 daily	42%	237%	24%	717,565	506,235	212,999
Kansas City-St. Louis (<i>Missouri River Runner</i> service)	2 daily	26%	48%	5%	189,402	150,870	128,084
Chicago-Milwaukee (<i>Hiawatha</i> service)	7 daily ³	8%	74%	7%	799,638	738,231	460,430
Chicago-Detroit/Pontiac, MI (<i>Wolverine</i> service)	3 daily	7%	30%	3%	477,157	444,127	366,291
Chicago-Grand Rapids, MI (<i>Pere Marquette</i> service)	1 daily	-2%	15%	2%	100,961	103,246	87,767
Chicago-Port Huron, MI (<i>Blue Water</i> service)	1 daily	44%	103%	10%	191,231	132,851	94,398
Chicago-Carbondale, IL (<i>Illini, Saluki & City of New Orleans</i> ¹ services)	3 daily	45%	231%	23%	375,443	259,630	113,281
Chicago-Quincy, IL (<i>IL Zephyr, Carl Sandburg, Southwest Chief</i> ^{1,2} & <i>California Zephyr</i> ^{1,2} services)	3.5 daily	23%	129%	13%	249,734	202,558	108,856
Chicago-Indianapolis (<i>Hoosier State</i> service)	4 per week	8%	89%	9%	33,930	31,384	17,934
Midwest Corridor Service Ridership Totals*	N/A	27%	97%	10%	3,135,061	2,465,886	1,590,040

Source: Amtrak

*Ridership totals, average annual growth and five- and ten-year growth compiled by MIPRC

Notes:

¹ *Texas Eagle*, *City of New Orleans*, *Southwest Chief* and *California Zephyr* ridership numbers are included only to the extent that the ridership is applicable to stops on the corridor (e.g. ridership on the *Texas Eagle* outside of the Chicago-St. Louis corridor is not included).

² The *Southwest Chief* and the *California Zephyr* do not serve the entire Chicago-Quincy route

³ *Hiawatha* service runs 7 daily roundtrips every day except Sunday, when there are 6.



Table 2: Ridership on Long-Distance Routes Serving the Midwest (FY 2004-FY 2014)

Route	Frequency	Five-Year Growth (FY 09 to FY 14)*	Ten-Year Growth FY 04 to FY 14*	Average Annual Growth (04 to 14)*	Ridership FY 14	Ridership FY 09	Ridership FY 04
<i>Cardinal</i> [Illinois; Indiana; Ohio; Kentucky; West Virginia; Virginia; Washington, D.C.; Maryland; Delaware; Pennsylvania; New Jersey; New York]	3 per week	0%	23%	2%	109,154	108,614	88,930
<i>Empire Builder</i> [Illinois; Wisconsin; Minnesota; North Dakota; Montana; Idaho; Washington/ Oregon]	1 daily	-13%	3%	0%	450,932	515,444	437,191
<i>Capital Limited</i> [Illinois; Indiana; Ohio; Pennsylvania, Maryland, West Virginia, Washington, D.C.]	1 daily	10%	30%	3%	235,926	215,371	180,810
<i>California Zephyr</i> [Illinois; Iowa; Nebraska; Colorado; Utah; Nevada; California]	1 daily	6%	9%	1%	366,564	345,558	335,764
<i>Southwest Chief</i> [Illinois; Iowa; Missouri; Kansas; Colorado; New Mexico; Arizona; California]	1 daily	11%	21%	2%	352,162	318,025	290,003
<i>City of New Orleans</i> [Illinois; Kentucky; Tennessee; Mississippi; Louisiana]	1 daily	28%	32%	3%	251,106	196,659	190,017
<i>Texas Eagle</i> [Illinois; Missouri; Arkansas; Texas (3/week on to New Mexico; Arizona; California)]	1 daily	20%	34%	3%	313,338	260,467	234,619
<i>Lake Shore Limited</i> [Illinois; Indiana; Ohio; Pennsylvania; New York/Massachusetts]	1 daily	12%	33%	3%	373,331	334,456	279,662
Ridership Totals*	N/A	7%	20%	2%	2,452,513	2,294,594	2,036,996

Source: Amtrak

*Ridership totals, average annual growth and five- and ten-year growth compiled by MIPRC

