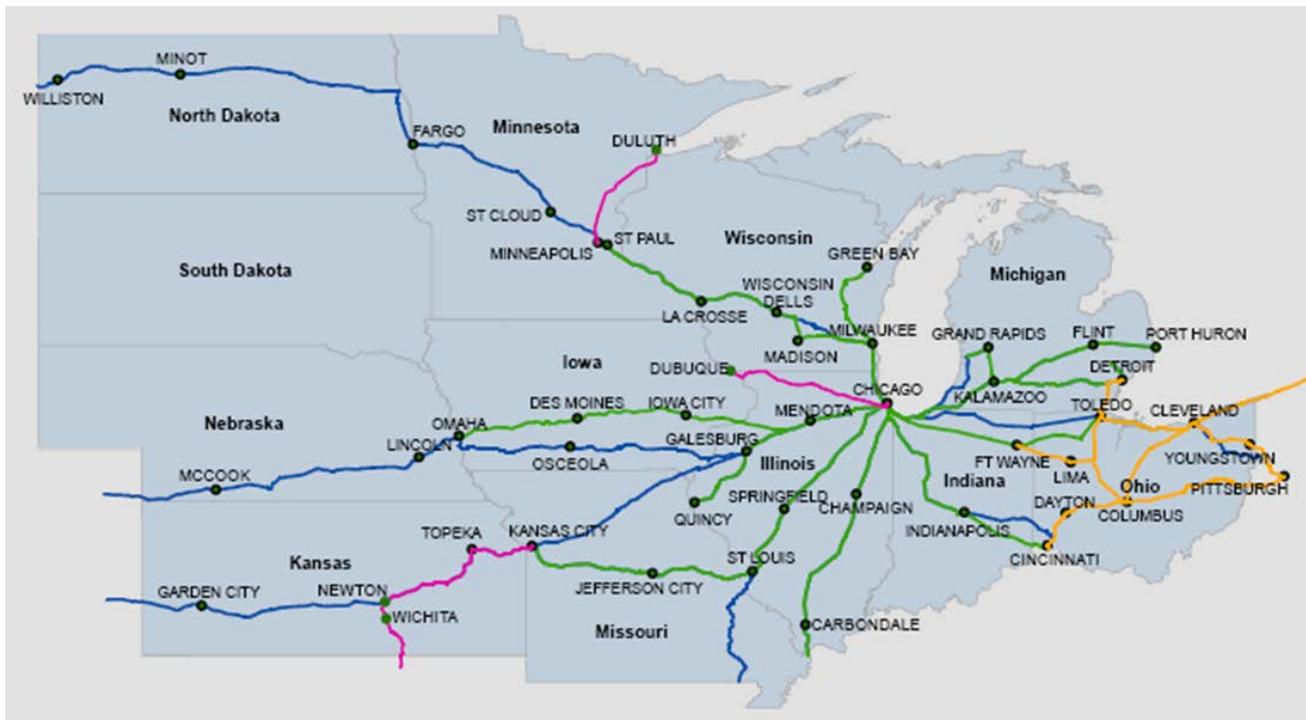


Midwest Response to Call for Statement of Interest and Qualifications for a Federally-Led Regional Rail Planning Project



November 12, 2014

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1. INTRODUCTION

The Midwest is uniquely qualified to both advance and benefit from state-of-the-art, multi-state intercity passenger rail planning to be led by the Federal Railroad Administration (FRA). If the Midwest's past can be used as an indicator, any planning it engages in is highly likely to result in higher levels of passenger rail service in the future. The region has developed a long history of collaboration with the FRA and Amtrak, accomplished extensive planning through the Midwest Regional Rail Initiative (MWRRI), and forged political and educational ties through the Midwest Interstate Passenger Rail Commission (MIPRC).

Four states – Illinois, Michigan, Wisconsin and Missouri – have 40 years of history of financial investment, program development, and operational support for Amtrak's service in their states. These four states also participated in the first Midwest rail agreement, the Midwest High Speed Rail Compact, to develop a feasibility study for high speed rail in the region. The work of that first compact evolved into the MWRRI, organized in 1996 by nine states – Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin. That effort resulted in a Service Development Plan that envisioned building an improved and expanded passenger rail system in the Midwest in seven phases over 10 years.

MIPRC is organized as an interstate compact that promotes, coordinates, supports, and can implement regional improvements to passenger rail service. Member states include Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota and Wisconsin. Enacted in 2000, MIPRC has taken a primary role in advocating for the federal government to develop an enduring collaboration with states for passenger rail development similar to the partnership it has with states for other modes of transportation. MIPRC also works to ensure that Midwestern states have the support and interstate coordination they need to move forward with the region's passenger rail improvement plans. The MIPRC compact is included as **Appendix A**. MIPRC has been the main organization to partner with the MWRRI to promote the build-out of the Midwest Regional Rail System (MWRRS).

Over the years, the Midwestern states have collectively invested hundreds of millions of dollars to operate passenger rail service. They have also spent similar amounts on environmental work; planning; capital projects for station improvements, track and signal/communication construction, grade crossing upgrades, and Wi-Fi; and matching funds for construction. Among projects representing significant implementation of the MWRRI are improvements to several corridors: Chicago-St. Louis, Chicago-Detroit/Pontiac, St. Louis-Kansas City, and Chicago-Milwaukee. The projects have been funded either through federal High Speed Intercity Passenger Rail (HSIPR) grants matched by the states and freight railroads or solely through state money. Improvements to other corridors are being planned.

The states, Amtrak, and MIPRC have identified the need to update the regional rail plan to better address interaction between freight and passenger services, encompass additional states and potential routes; work completed on existing corridors; and studies done by various groups aimed at better serving existing and potential riders. Interconnectivity with the Midwest's neighboring states/provinces and regions should also be considered.

An emerging trend in transportation use that was not addressed in past MWRRI work is the shift away from the personal car and toward modes of mass transportation such as passenger and commuter rail, light rail, buses, and car sharing, especially within the Millennial Generation and among senior citizens. The updated plan will address the growing need for reliable, economical, safe and faster intercity

passenger rail throughout the region, encompassing 12 states – Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

An even more immediate need to be accomplished through planning is the development of a governance structure to coordinate ongoing planning, implementation, oversight, and political and educational efforts for regional passenger rail. Jointly owned locomotives and passenger rail cars are scheduled to arrive in two years, and the arrangement for three states to decide the intricacies of their use has yet to be determined.

MIPRC is the lead entity submitting this proposal to participate in the planning process led by the FRA. The following document will demonstrate how multi-state planning in the Midwest can strengthen planning tools such as the FRA's CONNECT program; foster the momentum toward development of governance structures; and strengthen interconnectivity using the well-established relationships, both technical and political, of the Midwestern states and MIPRC.

The outcomes of an FRA-led multi-state planning study will be a comprehensive transportation plan for freight and passenger rail for the next 50 years to connect the Midwest with the rest of the nation through rail and other modes plus a governance structure that will facilitate the completion of the plan.

2. RATIONALE

Transportation Challenges

The Midwestern states are keenly aware of the benefits of regional rail planning: It allows for a long-term vision for passenger rail service; identifies constraints and opportunities in the existing rail system; fosters coordination among neighboring states to plan for common goals; and outlines institutional arrangements, financial requirements, and planning and development activities needed to achieve the vision and goals. The MWRRRI was founded to meet those objectives of rail planning in the Midwest.

The MWRRRI Business Plan was published in 2004. It updated prior plans for the MWRRS completed in August 1998 and February 2000. The 2004 report refined and updated ridership and revenue estimates as well as cost estimates for infrastructure, equipment and operating; it provided further detail related to requirements for operating feeder buses; and it further assessed freight rail capacity needs related to the enhancement and expansion of up-to-date passenger service. The 2004 MWRRRI Executive Report is can be found on [MIPRC's website](#). Since the plan was published, a number of opportunities and constraints have arisen that affect the conclusions of the plan and necessitate its being significantly revised.

Increased interest in intercity rail around the country offers opportunities to enhance the Midwest's rail system. Opportunities include providing connections to additional states, planning new routes, studying rail plans by other Midwestern groups, engaging Amtrak in long-distance route improvements, determining better system connectivity, and knitting together mega regions.

Because Chicago is the hub of rail networks in the United States and the key gateway between East and West rail traffic, one of the most significant constraints is rail gridlock in the Chicago area that is causing major delays throughout the United States. The delays, caused by insufficient capacity and the increase in intermodal and crude oil rail shipments, negatively affect Amtrak passenger trains and ripple through the entire freight rail network across the country. The Midwest's intercity passenger rail planning effort must address these freight constraints and build on work anticipated to be accomplished through [Amtrak's Chicago Gateway Initiative](#).

Study Region

The MWRRRI focused on developing a passenger rail system in nine Midwestern states with its hub in

Chicago. The region proposed for study in the FRA-led planning effort includes the 12 states eligible to join MIPRC. Given the interregional implications of this study, it should also, at some level, include neighboring states and provinces that would help the Midwest connect to other regions in the United States and Canada.

Among the topics that need to be addressed are: updating the 2004 MWRRRI Business Plan to encompass adding states and new or potential routes; governing the system regionally; addressing the ongoing freight and passenger rail congestion in the Chicago area; and planning for years 2030, 2040 and 2050.

Need for Federal Engagement

While the Midwest has a very strong foundation for passenger rail service, ongoing needs and issues have arisen since the Passenger Rail Investment and Improvement Act (PRIIA) became law in 2008 and the federal HSIPR program was developed in 2009. MIPRC and MWRRRI have worked fairly closely over the years, but they are two separate entities, with no formal ties. No entity coordinates regional, ongoing, long-term technical planning, nor does any ensure that the political and educational functions necessary for future regional passenger rail implementation will be coordinated. In addition, a number of issues loom on the horizon that may best be helped by a new or expanded governance entity: oversight and coordination of the Midwest's Next Generation equipment; better uniformity of Section 209 pricing; and priorities and cost-sharing for major infrastructure improvements such as those to be identified in the proposed Chicago Terminal Planning Study. Funding for that project would allow for critical improvements to Chicago Union Station. See **Appendix B** for the Chicago Terminal Planning Study application narrative.

Another need for federal engagement is to use the federal government's regulatory authority over freight rail to address current and future challenges on the freight network. Because states do not have authority over freight rail, a federal ally is needed to regulate issues impacting passenger rail's ability to provide on-time service when sharing track with freight.

Potential Benefits

A regional rail system provides the opportunity for efficiencies and economies of scale, such as better use of equipment, more efficient deployment of employees and crews, and cost savings from volume discounts such as on train equipment.

The 2004 MWRRRI plan identified numerous benefits that would be derived from the system's service: availability of a new, time competitive travel option for short- to medium-distance trips; downtown-to-downtown connectivity between urban centers; means to expand workforce recruitment; a transportation choice for smaller communities that do not have or are under-served by commercial air service; an environment conducive to both business and leisure travel; and a transportation system for individuals who do not, cannot or, in the case of the Millennial Generation, prefer not to drive a motor vehicle.

The system offers other financial, environmental and economic benefits generated by reducing the use of automobiles, lessening airport and highway congestion, and decreasing energy use and exhaust emissions. The [2004 MWRRRI Executive Report](#) includes more information on potential benefits of the MWRRS.

Investment in intercity passenger rail will also provide economic and operational benefits to freight and commuter rail in the region. Potential benefits include increased train speeds; improved safety at highway-railroad grade crossings; community development; commercial development at stations; and permanent and construction job creation.

An [economic development study by the Midwest High Speed Rail Association](#) lists additional benefits of a Chicago-based intercity passenger rail system: broadening of regional labor markets, growth of technology clusters, expansion of visitor markets, and generation of additional visitor spending.

Potential for System Connectivity

A planning effort led by the FRA affords the opportunity to expand on the system envisioned by the MWRRRI and to coordinate with states, cities, metropolitan planning organizations (MPOs), railroads and others to integrate all transportation modes. MPOs have engaged in significant planning to integrate bus rapid transit, commuter rail, light rail, regional transit authorities, on-demand rural transit, bus, biking, walking, and ride/bike sharing in their transportation plans. See **Appendix C** for links to MPOs within the region. The intent is to make available as many transportation modes as possible, including direct connections to major hub airports.

Potential for Interconnected Livable Communities

The purpose of a Midwest intercity passenger rail system is to foster livable communities in the region by providing a cost- and energy-efficient transportation choice, increasing mobility, improving economic conditions and developing station areas while providing robust system connectivity to all transportation modes. The key to advancing these interconnected livable communities is intense coordination with local communities, MPOs, and regional planning commissions (RPCs) on their transit-oriented development efforts. Examples of transit oriented development projects already in the Midwest include work at the [St. Paul Union Depot](#) in Minnesota, the [Bloomington-Normal Amtrak Station in Illinois](#), the [Milwaukee Intermodal Station](#) overhaul, and the proposed Detroit Intermodal Passenger Transportation Facility in Michigan.

3. STAKEHOLDERS

MIPRC, the existing interstate compact among the Midwestern states, will partner with FRA in the study.

Key regional stakeholders are MIPRC; DOTs from Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, North Dakota and Wisconsin; and Amtrak. These stakeholders will have direct contact with FRA.

Other key stakeholders are MPOs and/or planning task forces for station communities and host railroads in the key regional stakeholder states, as well as in Nebraska, Ohio and South Dakota. The “key regional stakeholders” above will work with the FRA to coordinate these entities’ involvement.

Additional regional stakeholders will be non-governmental organizations, transit operators, chambers of commerce, economic development authorities, unions, non-profit organizations, major employers, universities, and [MIPRC Partners](#). The high level of interest in this multi-state intercity passenger rail system has already generated many potential stakeholders. As part of the FRA-led process, stakeholders will be defined. The level of a stakeholder’s involvement will depend on its role in passenger rail service.

Letters demonstrating widespread support for this application from the Midwest can be found in **Appendix D**.

4. PREVIOUS WORK

Midwestern states have a long history of planning and financially supporting passenger rail. Some Midwestern states have funded passenger service since Amtrak started in 1971. The genesis of Midwestern regional rail planning goes back to the early 1980s, under a previous compact, wherein several states in the Midwest and East produced a feasibility study for high-speed rail service. From the early efforts of the previous Midwest compact to the 15 years of MWRRRI work and more recent efforts

by states, MPOs and other stakeholders, a plethora of meaningful planning documents have been completed. The following sections describe previous planning efforts.

MWRRRI

As discussed earlier, nine state departments of transportation (as well as the FRA and Amtrak) collaborated on the MWRRRI through 2010 under the terms of a Memorandum of Understanding. During that time, the states provided funding and the MWRRRI periodically received federal funding to undertake tasks that resulted in the following deliverables:

- Development of the MWRRS plan – a proposed 10-year plan to implement a network of faster, more frequent regional passenger rail service (up to 110 mph) in 100- to 500-mile corridors, with a hub in Chicago.
- Development of ridership and revenue forecasts and market analysis (2000)
- Executive business plan and project notebook (2004)
- Economic impact analysis (2007)
- Equipment and facility study
- Update of capital costs
- Conceptual alternatives analysis of routes
- Implementation plan (on-going)

The MWRRRI plan served as the blueprint for the vast majority of the Midwestern states' applications to the federal HSIPR grant program, including the Midwest's joint procurement of equipment with California. Work resulting from the MWRRRI tasks above can be found on [MIPRC's website](#).

The 10-year plan has not been substantively updated since 2004. Enhancements are needed to incorporate additional states and routes that have emerged since the initial plan, to develop a long-term vision of passenger rail for the region, and to identify governance and financial structures.

State Rail Plans

The following Midwestern states have completed state rail plans:

- [Illinois \(2012\)](#)
- [Indiana \(2011\)](#)
- [Iowa \(2009\)](#)
- [Kansas \(2011\)](#)
- [Michigan \(2011\)](#)
- [Minnesota \(2010\)](#)
- [Missouri \(2012\)](#)
- [North Dakota \(2007\)](#)
- [Ohio \(2010\)](#)
- [South Dakota \(2014\)](#)
- [Wisconsin \(2014\)](#)

In Nebraska, state rail planning activities can be found in its [Long Range Transportation Plan \(2012\)](#).

MPO Plans

One core function of a Metropolitan Planning Organization is to develop and update a fiscally constrained long-range transportation plan for the urban area it covers. These long-range plans identify transportation goals and projects to be implemented over 20 years. The regular updating of long-range

plans requires crucial coordination with MPOs regarding intercity passenger rail projects during the FRA-led planning process. **Appendix D** lists the Midwest MPOs and provides links to the most current Long-Range Transportation Plans for each MPO.

Other State Rail Planning Efforts

As stated in the introduction section, the Midwestern states have undertaken and completed many plans over the past 40 years. Since the MWRRI plan was published in 2004, the following planning projects have been undertaken:

- [Chicago-Detroit/Pontiac Passenger Rail Corridor Program](#)
- [Chicago-St. Louis High Speed Rail Program](#)
- [St. Louis-Kansas City](#)
- [Chicago-Milwaukee Environmental Assessment and Service Development Plan](#)
- [CREATE](#)
- Chicago-Twin Cities-St. Cloud 2nd Empire Builder Frequency Study
- [Minneapolis/St. Paul-Milwaukee High Speed Rail Tier 1 EIS](#)
- [Twin Cities-Duluth Northern Lights Express](#)
- [Chicago-Omaha Regional Passenger Rail System Planning Study](#)
- [Chicago-Rockford-Dubuque](#)
- [MSP-Rochester Zip Rail Study](#)
- Quad Cities – Danville Passenger Rail Study
- Chicago-Carbondale Passenger Rail Study of two additional round trips
- [Kansas City-Wichita-Oklahoma City-Fort Worth Service Development Plan](#)
- [Hoosier State Joint Local Funding Agreement and RFP for competing operators](#)
- Improvements to long-distance Amtrak routes including the *Southwest Chief* and *Empire Builder*

At the MIPRC Annual Meeting this year (2014), each state gave a status of passenger rail improvements and plans for the future. The presentation is included as **Appendix E**.

Other Stakeholder Efforts

Other stakeholders in the Midwest and nationally have undertaken planning in support of improved intercity passenger rail in the region. Some of the planning projects include:

- [NARP Vision](#)
- [America 2050](#)
- [Midwest High Speed Rail Association long-term vision](#)
- [University of Illinois 220 MPH High-Speed Rail Study](#)
- [Chicago-Ft. Wayne-Columbus](#)
- [Chicago-Cleveland-New York Initiative](#)
- [Cleveland-Toledo Corridor Improvement Initiative](#)

MIPRC

The Midwest has completed some preliminary work with the FRA using the CONNECT tool. MIPRC invited Kyle Gradinger of the FRA to give a demonstration of the tool's functions via a MIPRC webinar in May 2014. He followed with a "CONNECT 2.0" presentation at MIPRC's 2014 Annual Meeting in June. During the second presentation, Mr. Gradinger explained the FRA's planning process and gave examples of the potential of CONNECT to help with the Midwest's passenger rail planning in the future. The

presentations are included as **Appendix F**. Based on these demonstrations, MIPRC feels the CONNECT tool offers an opportunity to help the Midwest with future ridership and revenue forecast work as proposed in this application.

5. GOVERNANCE

Governance is the heart of the matter and on our critical path. A strong governance structure is critical to the success of a regional rail system. It allows for planning, design and implementation to take place efficiently by defining and streamlining the passenger rail functions and organizational structure within the confines of the constitutional, statutory and regulatory issues that impact rail planning, coordination, and financing. A vibrant and collaborative governing process will lead to successful regional planning, implementation, oversight, and advocacy.

MIPRC and the Midwestern states recognize the importance of establishing a functional governance structure. It is needed more urgently than ever because of the Midwest next generation fleet that three states are purchasing through a joint agreement. As stated earlier, design is almost complete and deliveries will begin in 2016. A Request for Proposal on fleet management and a Request for Information on a fleet maintainer will be released in the next few weeks. A governance plan for fleet management is needed immediately and standardization on procurement to allow all states to participate is necessary.

A challenge will be to develop a governance structure that will effectively manage the various aspects of a regional rail system with federal funding that has in recent history been corridor-based. In addition to a governance structure, MIPRC and the states will look to the FRA for guidance on establishing a long-term, dedicated federal funding source for rail; public/private partnerships; more flexible federal loan programs such as the Transportation Infrastructure Finance and Innovation Act (TIFIA); and other potential sources for both passenger and freight rail funding.

Existing Institutional Arrangement

MIPRC serves as the interstate compact that promotes, coordinates and supports regional improvements to passenger rail service. The purposes of the compact are, through joint or cooperative action:

- a. To promote development and implementation of improvements to intercity passenger rail service in the Midwest;
- b. To coordinate interaction among Midwestern state elected officials and their designees on passenger rail issues;
- c. To promote development and implementation of long-range plans for high speed rail passenger service in the Midwest and among other regions of the United States;
- d. To work with the public and private sectors at the federal, state, and local levels to ensure coordination among the various entities having an interest in passenger rail service and to promote Midwestern interests regarding passenger rail; and
- e. To support efforts of transportation agencies involved in developing and implementing passenger rail service in the Midwest.

MIPRC brings a unique added benefit to supporting regional planning and development through its educational mission and the political force of having governors and legislators as commission members.

Previous Institutional Arrangement

MWRRI was established under a Memorandum of Agreement among nine Midwestern states; the agreement expired in 2010. The function of MWRRI was to provide planning and collaborative oversight.

The MWRRRI did not provide a dedicated, reliable source of funding to the projects as each state contributed annually to fund the activities, and in some states the funding was subject to annual appropriations. The benefit of the MWRRRI was that it provided a single point of contact for the region.

Recent Midwest Governance Studies

The Minnesota Department of Transportation (MnDOT) commissioned a study in 2011 to recommend a governance structure and revenue mechanisms to enable MnDOT to move forward with developing the passenger rail system identified in Minnesota's 2010 State Rail Plan. Although MnDOT has been actively participating in intercity rail planning since 1991, the study recognized that the administration of a passenger rail network involves a wide range of organizational responsibilities. The report analyzed the current governance and financing structures; studied governance and financial structures of other states with demonstrated success in implementing passenger rail services; identified steps that could be taken to enhance intergovernmental effectiveness in passenger rail planning and development; and identified funding sources that could be tapped to support new passenger rail services. The report is provided in **Appendix G**.

Nossaman, LLP made a presentation to the MWRRRI in February 2010 on the process of transitioning from planning rail to implementing it. This led to a collaborative discussion on potential governance models that would function well for the MWRRS. Nossaman provided information on three types of existing institutional arrangements for consideration: 1) Decentralized Model; 2) Autonomous and Consolidated Entity; and 3) Oversight Authority and Federation. To facilitate the selection of a model, criteria were discussed that would identify the model that best balanced the benefits of in-state control with the value of regional performance. Nossaman's presentation is included as **Appendix H**.

Current Governance Study

As part of the Midwest's current procurement of next generation bi-level cars and locomotives, governance options are being explored to own, manage, and maintain the equipment. Some of the alternatives being considered are the creation of a regional entity; dividing cars among the states by various criteria such as daily round trips; and proportionally owning the fleet based on percentage of usage within each state. All alternatives are being analyzed from operational efficiency and liability perspectives; an FRA-led planning effort on overall governance would be of great assistance in this difficult endeavor.

FRA-Led Governance Strategies

The multi-state plan for a comprehensive, high-performing passenger rail network in six Southwestern states, led by the FRA, is a model for future regional planning efforts, especially for emerging regional rail endeavors. The Southwest Multi-State Rail Planning Study report emphasizes the need for flexibility in developing governance strategies. An FRA-lead effort in the Midwest could form the perfect companion piece to the Southwest's study. While the Southwest had not studied a regional approach in 35 years, the Midwest has been using a regional approach for nearly 40 years. These bookend studies could show the range of planning levels for multi-state regions.

An FRA-led multi-state planning effort in the Midwest will capture the energy generated by both our region's history and our current activities. Perhaps more importantly, such a planning effort will accelerate progress.

As demonstrated above, the Midwest has a history of employing governance structures to manage the rail planning and oversight and coordination processes for the region, but gaps exist that can be best addressed with assistance from the FRA.

6. COMMITMENT

Midwestern states have coordinated on, and have been engaged in, intercity rail planning for 40 years. Even before federal grants were available for rail planning activities, the states funded regional planning. The states continue to fully fund or match federal funding for projects today. The Midwestern states are committed to continuing these efforts and look forward to benefiting from the FRA's guidance and leadership.

Over the course of the MWRRRI, the DOTs have committed thousands of hours of staff time and tens of thousands of dollars in travel and expenses as well as consultant fees apportioned among the states. In addition, MIPRC member states pay annual dues for the passenger rail coordination and support the commission provides the region.

For this FRA-led project, MIPRC and the states will provide staff to review documents, coordinate activities, and attend meetings. MIPRC and the states also have a library of resources that will be made available to the FRA.

Under the FRA's leadership, MIPRC and the states will continue to coordinate efforts to move the Midwest forward in multi-state rail planning and governance. In addition to coordinating with each other, MIPRC and the states will continue to work with Amtrak, host railroads, affected communities, local governments, regional councils and metropolitan planning organizations, advocates, the general public and many other stakeholders. MIPRC and the Midwestern states are committed to engaging as many stakeholders as possible in the process to update and enhance the MWRRRI plan. A historical record of meaningful engagement supports this claim. **Appendix D** contains letters of support for this application from a range of stakeholders across the region. We look forward to continuing our work into the foreseeable future.

7. CONCLUSION

The Midwest is perfectly positioned to be the subject of the next FRA-led multi-state rail planning study. Because Chicago is the heart of both the intercity passenger rail and freight rail systems in the U.S., the FRA will be able to have a positive impact on national rail operations quickly and efficiently. FRA involvement in the Midwest is guaranteed to get more "bang for its buck" than in any other region in the country because MIPRC and the states have communicated and coordinated over decades; states have poured hundreds of thousands of dollars into project planning, design, and construction; and the federal government has contributed millions of dollars to these efforts.

Also, as importantly, MIPRC, the states and stakeholders are fully committed to continuing this important work into the future as demonstrated by the past: rail planning work is memorialized in state rail plans and is ingrained in the fabric of our state DOTs. Midwestern states have further proven their commitment to passenger rail development, coordination and advocacy by enacting the only regional compact dedicated to supporting states' passenger rail planning and implementation.

MIPRC and the states look forward to working with the FRA and its consultants and using and expanding tools such as CONNECT to further Midwest rail planning. With the FRA's oversight and guidance, the team will effectively advance a governance option, analyze the current system for expansion, and develop and prioritize a pipeline of projects for implementation at the end of the process that will grow the Midwest system into a full transportation network linking mega-regions and informing the national rail plan.