

**Rail Subcommittee of the U.S. House Transportation & Infrastructure Committee
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The Benefits of Intercity Passenger Rail for the Midwest and the Nation

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Panelist Testimony**

Chairwoman Brown, members of the rail subcommittee of the House Transportation & Infrastructure Committee, thank you for inviting me here today to speak on a subject that many of our states consider a key to building a strong, modern, intermodal transportation system for our nation's future: intercity passenger rail.

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 nine altogether), 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.

The member states of this compact, which was granted Congressional consent through the Amtrak Reform and Accountability Act of 1997, 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. And our region is not alone. In fact, over half of the states in the nation 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.

In the Midwest, we have 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 Midwest's plans

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 MWRRI 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.

Along with the economic and other benefits illustrated by the MWRRI and Ohio Hub plans, building a modern, efficient passenger rail system is beneficial for other reasons. These benefits include saving transportation dollars, reducing traffic congestion, complementing other modes of travel, increasing our nation's capacity to respond to emergencies and decreasing our dependence on foreign oil while also decreasing transportation's impact on the environment. All of these objectives are critical to our nation's future health and vitality.

Saving 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.

Reduce traffic congestion and complement other modes of transportation

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.

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

Traveling via Amtrak is significantly more efficient than either commercial airlines or cars. The most current figures show that, based on energy consumed per passenger mile, on average airlines consume 20 percent more energy than Amtrak, and cars consume 27 percent more energy than Amtrak (source: Oak Ridge National Laboratory, *Transportation Energy Data Book, Edition 26*). High speed trainsets, especially those that use electric locomotives, bring even more energy efficiencies.

Using biodiesel blends to run our trains will also help decrease our dependence on foreign oil and further increase passenger rail's energy efficiency over other modes of transportation. Although biodiesel is not widely used by trains in the U.S. yet, the Rail Runner Express commuter line in New Mexico has been using a blend of the cleaner-burning fuel (B20) and has experienced the same performance as trains using conventional diesel fuel. Last fall, the MIPRC adopted a resolution detailing the benefits of biodiesel usage, and encouraging a demonstration of its use in passenger trains. We are now planning to approach a segment of the biofuels industry to help underwrite such a demonstration.

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. For example, Amtrak's *Empire Builder* proved a lifeline for North Dakotans during a severe winter storm, when no other mode of transportation could function. When the Midwest has the trainsets envisaged under the MWRRI and the Ohio Hub, our states will be able to make plans to utilize those trains as part of their emergency preparedness plans.

Having laid out some of efficiencies that passenger rail will contribute to our country's transportation system, I would like to talk a bit more about the current condition of passenger rail.

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.

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*.

Amtrak and the states have seen all this growth in ridership and service despite the fact that Amtrak has not been reauthorized since 2002, and talk in Congress about our nation's passenger rail system has largely been confined to the annual battle to just keep what we have going. Also, Amtrak has informed us that there are no more trainsets that can be used for additional service.

Recommendations for legislation

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. While states have begun the work, we have anticipated that a federal partnership would be developed similar to other transportation modes, matching state funds with federal.

The states are ready with the plans. People are taking the train like never before. Passenger rail is less expensive to build than other modes of transportation and its efficiencies once built will serve our nation well. In short, there has never been a better time to put together and pass strong legislation that will give our current passenger rail system the stability it needs, and to fund a first-ever mechanism for a federal-state matching program to provide states with the capital they need to implement their plans.

The MIPRC appreciates that you, Congressman Oberstar, and the rest of the T&I committee are taking the time to receive input on passenger rail needs and priorities before you finish drafting legislation. The MIPRC suggests the following ideas be included in your legislation:

1) Provide passenger rail with a dedicated source of funding similar to other modes of transportation. Passenger rail needs to be put on the same level as other modes of transportation. Currently, passenger rail receives less than one percent of total transportation funding, and there is no mechanism established for states to be able to make the capital improvements necessary to build the plans we have developed. The MIPRC is looking to you to create legislation that will establish a first-ever mechanism to provide states with the long-term, dedicated matching funding on an 80/20 federal-state basis. While the *level* of funding does not need to be on par with our highway program, it does need to be substantive enough to allow our states to implement their plans. The state capital grants funding program for the states proposed in S. 294 is

welcomed as a first step, but we look to the House legislation to provide more substantive funding.

2) **Reauthorize Amtrak.** The MIPRC supports the provisions in the Passenger Rail Improvement Act (S. 294) to reauthorize Amtrak for six years, while requiring reforms and improvements.

3) **Create (with state and local input) 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.

4) **Help ensure that passenger rail service can run on time.** Across the country, ridership on passenger rail has seen steady, and sometimes phenomenal, growth. But when trains can't run on time due to freight hold-ups, states have a difficult time supporting service, and ridership can be affected. When disruption is severe, ridership growth can stagnate, and even decline – such has been Missouri's experience. Federal law guarantees Amtrak preferential access to freight lines, and the MIPRC would welcome language in the House bill that helps strengthen that guarantee.

5) **Provide incentives for biofuel usage in passenger trains.** Usage of biofuels in intercity passenger trains in other countries, as well as on commuter trains in this country, show that blends up to at least 20 percent biodiesel can be used in passenger trains without any negative affect on the train's engine. Federal help with getting this effort moving would be appreciated.

Thank you again for holding these hearings, and for inviting me to testify. The MIPRC looks forward to working with you to craft and pass legislation this year that will move our nation's passenger rail system into the 21st century.

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