

Witness Testimony of
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Before the
Committee on Commerce, Science, and Transportation, United States Senate
The Honorable John Thune, Chairman
Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security

Hearing: "Passenger Rail: Opportunities and Challenges for the National Network"

Tuesday, February 23, 2016

Mr. Chairman and members of the committee, thank you for the opportunity to testify at this hearing.

My name is Tim Hoeffner and I am the director of the Office of Rail for the Michigan Department of Transportation (MDOT). I have been at MDOT for more than 35 years, with nearly 25 years of experience in rail. For 22 of those years, I have been involved in MDOT's relationship with Amtrak. In addition, I serve as Governor Snyder's designee to the [Midwest Interstate Passenger Rail Commission \(MIPRC\)](#), where I am in my third term as chairman. MIPRC is comprised of state legislators, governors or their designees, and private sector representatives selected by governors. We represent nine Midwestern states – Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, and Wisconsin – to promote, coordinate, and support regional improvements to passenger rail service. I have also served on the [Midwest Regional Rail Initiative \(MWRRI\)](#) since its inception. The MWRRI is a technical effort led by the state DOTs to develop and implement a nine-state, 3,000-mile intercity passenger rail network with Chicago as its hub. I am also a member of the State for Passenger Rail Committee (SPRC) and the Next Generation Equipment Committee (NGEC).

First, I would like to thank the members of this subcommittee and the Committee on Commerce, Science, and Transportation for including a rail title for the first time in a transportation funding authorization. The Fixing America's Surface Transportation (FAST) Act programs that address safety, capital and operations are critical for the states, as well as funding for the State-Supported Route Advisory Committee. These all have laid the groundwork for the development of a truly multi-modal transportation system in our nation. We must now take steps to ensure the programs outlined in the FAST Act are funded.

Since 1996, the Midwestern states have worked together to plan and implement a 3,000-mile Chicago-hub system to connect the region with fast, frequent passenger rail service through the MWRRI. When completed, approximately 90 percent of the Midwest's population will be within a one-hour car ride to a Midwest Regional Rail System station and/or within 30 minutes of a feeder bus station. Please see Exhibit A for a map of the Midwest Regional Rail System.

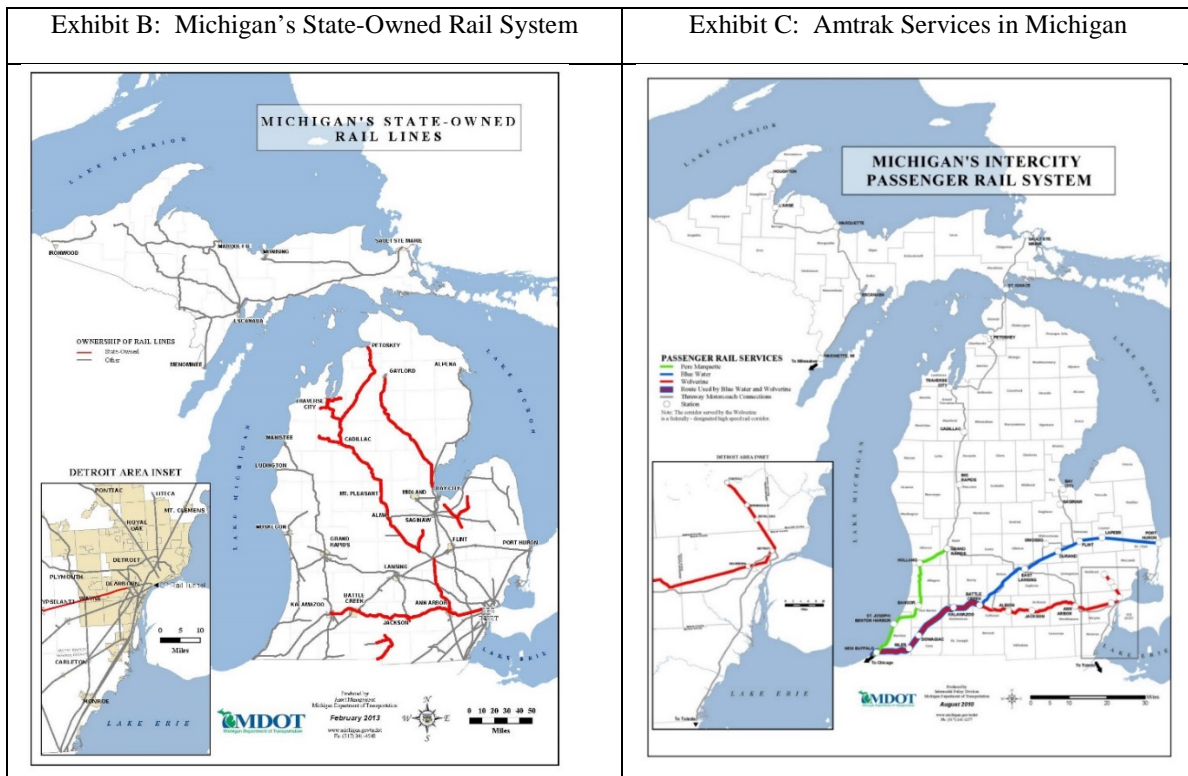
Exhibit A: Midwest Regional Rail Initiative System Map



*Indiana DOT is evaluating additional passenger rail service to South Bend and to Louisville.
 **In Missouri, current restrictions limit train speeds to 79 mph.

Michigan’s rail system is comprised of more than 3,600 miles of track, of which 665 miles are state-owned rail lines. This includes 135 miles of the federally designated Chicago-Detroit/Pontiac high-speed rail corridor. In addition, Amtrak owns approximately 97 miles of this same corridor in Indiana and Michigan. This is largest area of Amtrak ownership not associated with the Northeast Corridor. This combined 232 miles of public ownership represents nearly 80 percent of the entire Chicago-Detroit/Pontiac corridor.

Please see Exhibit B for a map of the state-owned rail lines and Exhibit C for a map of Michigan’s intercity passenger rail system, as operated by Amtrak.



In partnership with MDOT, the Indiana Department of Transportation (INDOT), the Illinois Department of Transportation (IDOT), and the Federal Railroad Administration (FRA) have initiated a program to evaluate passenger rail improvements for the [Chicago-Detroit/Pontiac passenger rail corridor](#). The program includes three components:

- An evaluation of potential route and service alternatives for the corridor.
- A Tier 1 Environmental Impact Statement that reviews the impacts and benefits of the rail service.
- A Service Development Plan that will serve as a business plan for future implementation decisions.

The program's purpose is to improve intercity mobility by providing an improved passenger rail service that would be a competitive transportation alternative to automobile, bus, and air service between Chicago and Detroit/Pontiac. The vision for the corridor includes safe and reliable passenger rail service that offers frequent, daily round trips at speeds up to 110 miles per hour. The program will provide sufficient information for FRA to potentially support future decisions to fund and implement a major investment in the Chicago-Detroit/Pontiac passenger rail corridor.

Being developed in concert with the Chicago Regional Environmental and Transportation Efficiency (CREATE) program, the Englewood Flyover and other proposed projects, this program will increase efficiency in the region's rail network and reduce rail corridor congestion in and around the Chicago area. Michigan has been working very closely with Indiana and Illinois to develop plans in the south of the lake region key to both CREATE and the Detroit/Pontiac Rail Corridor Program.

Preparation of the Final Environmental Impact Statement and Service Development Plan are under way and expected to be complete in 2016. Please see Exhibit D for a map of the study area.

Exhibit D: Chicago-Detroit/Pontiac Passenger Rail Corridor Program



Exhibit E portrays the ownership of rail along the Chicago-Detroit/Pontiac corridor. Since 1995, FRA, Amtrak and MDOT have tested, developed and implemented Incremental Train Control System (ITCS), which is a communications-based Positive Train Control (PTC) system to allow trains to travel at speeds more than 90 mph, between Porter, Indiana, and Kalamazoo, Michigan. Trains have been traveling at 110mph on this segment since February 2012. This was the first place not connected to the Northeast Corridor to operate at 110 mph.

Track improvements are under way between Kalamazoo and Dearborn to allow trains to travel at speeds of up to 110 mph, which will extend higher speeds from Porter, Indiana, to Dearborn. This will allow travel time by train to be competitive with travel on the highway in the region.

Exhibit E: Ownership of Rail, Chicago-Detroit/Pontiac



MDOT has contracted with Amtrak for intercity passenger rail service since 1973. Michigan has continued (Chicago-Detroit/Pontiac) this relationship over the years, even as the financial burden to the state has greatly increased. There are three Amtrak-operated services in Michigan: the *Pere Marquette* service (Grand Rapids – Chicago), the *Blue Water* service (Port Huron – Chicago), and the *Wolverine* service (Pontiac – Detroit – Chicago). These services are summarized below:

- *Pere Marquette* service (Grand Rapids – Chicago)
 - 176 Miles
 - One round trip daily
 - Serving 4 station communities in Michigan
- *Blue Water* service (Port Huron – Chicago)
 - 319 Miles
 - One round trip daily
 - Serving nine station communities in Michigan
- *Wolverine* service (Pontiac – Detroit – Chicago)
 - 304 miles
 - Three round trips daily
 - Serving 12 station communities in Michigan

The *Pere Marquette* and *Blue Water* have always been state-supported services. The *Wolverine* was part of Amtrak’s basic system of service, but became state-supported with the implementation of Section 209 under the Passenger Rail Investment and Improvement Act (PRIIA) of 2008. Michigan is now one of only a few states that has no benefit from Amtrak long distance service, or the basic system of service.

Without state support for Amtrak services, there would be no intercity passenger rail service in Michigan. With the implementation of PRIIA, Michigan’s operating support went from \$8 million in 2013 to upwards of \$25 million in 2014. In addition, the State of Michigan has made more than \$1.1 billion in capital investments in the Amtrak-operated rail corridors over the last 40 years.

More than \$129 million of these capital investments have come from state dollars, as well as more than \$18 million from local or private funds with the remaining \$956 million from federal dollars.

The following are Exhibits F and G, which summarize the annual ridership and revenue for the three Amtrak services in Michigan from 2008 to 2015. While Michigan’s revenue numbers are maintaining steady levels, fuel prices have impacted Michigan’s ridership, which is consistent with Amtrak services nationwide.

Exhibit F: Michigan Statewide Intercity Passenger Rail Service - Ridership

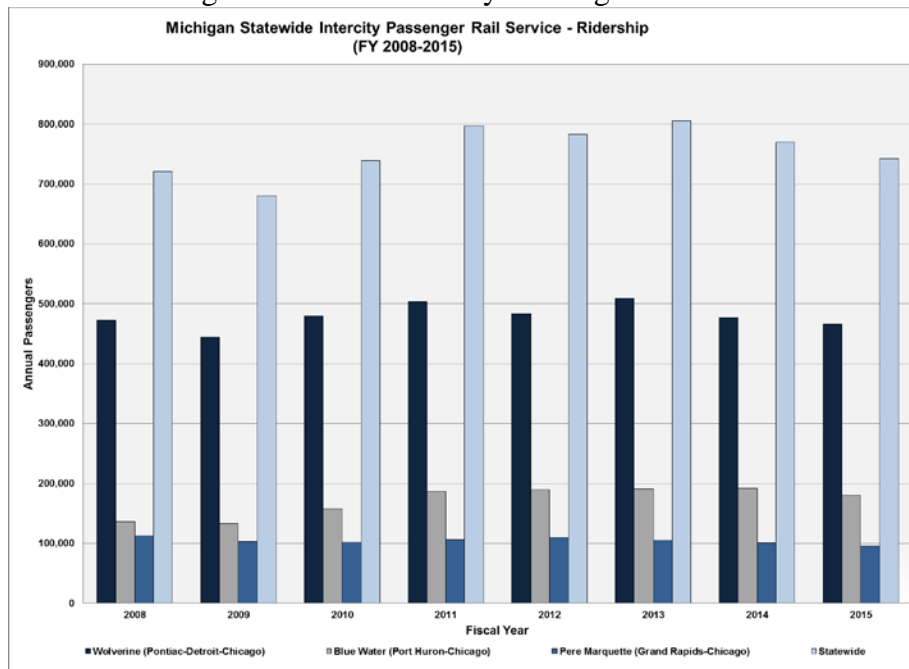
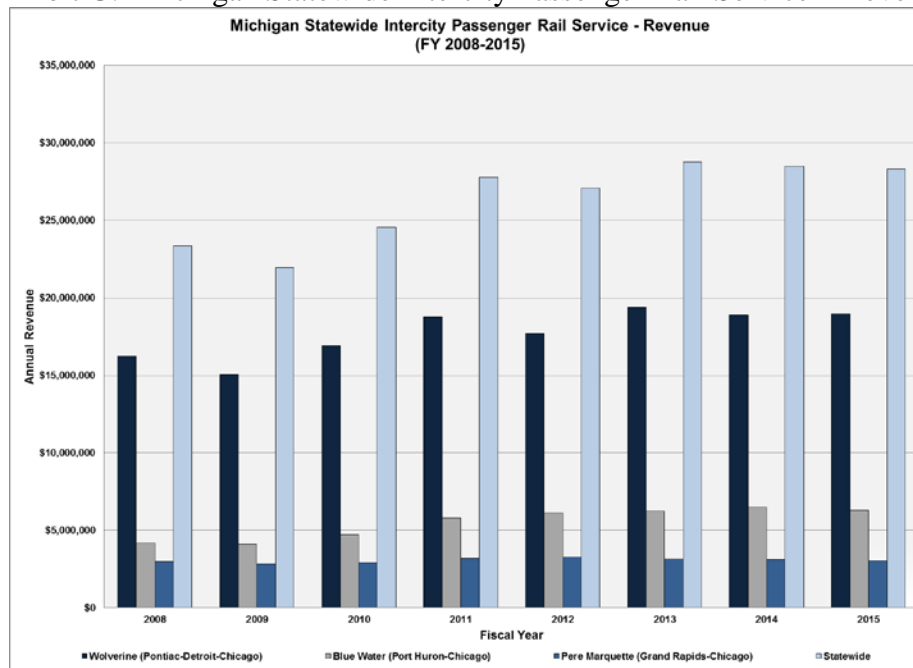


Exhibit G: Michigan Statewide Intercity Passenger Rail Service – Revenue



In July 2015, the Midwest was chosen as one of two regions that FRA will partner with to develop a long-term (20-40 years) vision for a high-performance regional rail network. The Midwest's FRA-led planning project will determine the priorities, studies and investment needs to advance projects within the multi-state network context and also will identify the potential institutional arrangements, financial requirements, phasing, planning, and development activities needed to achieve the vision.

During fiscal year (FY) 2015, more than 2.8 million people traveled on corridor services within the Midwest, capping off 10 years of impressive growth on these regional, state-supported routes. During the past 10 years, ridership on Midwestern corridor routes has increased 58 percent, while ridership on long-distance routes that serve the Midwest has grown by 14 percent. Eight long-distances routes serve the Midwest, all originating out of Chicago, which is the nation's largest rail hub. Altogether, these routes have 80 station stops across the Midwest, many of them in rural communities not served by other forms of intercity transportation.

Economic development nationwide will benefit if transportation is developed as an integrated system of all modes. Passenger rail is generally the best option for transporting people who are traveling between 100 and 600 miles. It is also often the best transportation mode in certain types of weather and under emergency situations. A weak intercity passenger rail "leg" results in congestion, lost travel time, and decreased fuel-efficiency.

Between FY 2009 and FY 2011, Congress appropriated more than \$10 billion in federal funding to states for passenger rail capital improvements and planning. Under the High Speed Intercity Passenger Rail (HSIPR) program, the Midwest was awarded \$2.5 billion. The majority of funding will help improve or develop four key interstate passenger rail corridors:

- Chicago-St. Louis-Kansas City
- Chicago-Minneapolis/St. Paul
- Chicago-Quad Cities
- Chicago-Detroit/Pontiac

A group of Midwestern states also has received \$268 million to buy "next generation" rail cars and locomotives that will modernize the Midwest's fleet, help accommodate increased ridership, improve service reliability, and reduce operating costs on eight interstate corridors. While this funding is allowing our states to strengthen and expand passenger rail service significantly in our region, Midwestern states need continued assurance of adequate federal capital assistance in order to continue this valuable development.

Connectivity between the regional services and national network also is important. Regional services offer more frequencies on shorter corridors, while the national network of long distance services offers less daily frequencies. Both regional and long distance services are mutually beneficial, as they provide vital connectivity to many areas of the country. This is similar to how regional airlines connect to major airports, or local roads connect to the interstate freeways, which then connect to the important national highway system. Not only do long distance services provide end-to-end connections, but they also provide connections to rural communities along the routes that may not be served by other modes of intercity transportation.

It is important to Michigan to implement a direct connection to the east coast and Northeast Corridor. This will eliminate the need for Michigan travelers to go west to Chicago and then east. This could be accomplished by rerouting one of the long distance trains through Michigan, which may reduce the costs of these trains. Another option would be to provide a direct connection from Michigan routes to the long distance trains. Michigan has requested Amtrak to consider rerouting one of the long distance trains to the east coast through Michigan over their ownership and Michigan ownership.

It is also important to consider international connectivity, for which Michigan and the Midwest are at the center of the Great Lakes international economic mega-region. The United States and Canada are one another's largest trading partners, with more than \$575 billion in annual trade last year, of which more than 35 percent passed through Michigan's borders. Also in this region, more than one-third of the populations of both the United States and Canada live within an approximately 600-mile radius. This presents great opportunity for success of an international passenger train service between Chicago and Toronto/Montreal by connecting these major population centers.

- Chicago urban area population: 9.5 million
- Detroit urban area population: 3.75 million
- Toronto urban area population: more than 6 million
- Montreal urban area population: 3.8 million

Michigan is actively supporting and working toward restoring cross-border passenger rail service on the Detroit-Windsor rail corridor. Establishing this service is a priority for MDOT as part of an expanded seamless rail corridor providing passenger service between Chicago and Toronto or Montreal. Michigan has been working closely with the government of Ontario to plan for and implement this corridor. The Chicago-Toronto/Montreal corridor is the most obvious "missing link" in the North American rail passenger system.

Providing cross-border passenger rail service will increase the attractiveness of passenger rail travel within the region, allowing us to capture travelers who may be currently choosing other modes of transportation. This improved and expanded service along the corridor will also enhance our economic competitiveness – at the local, state, and regional levels – through increased ridership and will promote cross-border tourism and travel. It will promote energy and environmental efficiency by reducing vehicle emissions, as well as alleviate bridge, tunnel, and road congestion. Intercity mobility along the Chicago-Toronto/Montreal corridor also will be enhanced and will support interconnected communities by providing a more reliable passenger rail service.

In FY 2015, the 30 state-supported services nationwide carried approximately 15 million passengers, which represented nearly 50 percent of Amtrak's ridership, to nearly 300 communities throughout America. These trains have generated more than \$486 million in ticket sales for Amtrak. The states have paid Amtrak another \$223 million to operate these services, all with no direct involvement in Amtrak's oversight or governance.

In closing, I want to stress the importance of continued and reliable capital investments, which are key to the success of all transportation modes – including passenger rail. While funding received in recent years is allowing the Midwest to strengthen and expand passenger rail service significantly, we need to maintain our momentum and continue strengthening the performance of our regional rail

system. Michigan and our partner Midwestern states need continued assurance of adequate federal capital assistance.

Thank you for your consideration and the opportunity to submit testimony.

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