Presentation to the Hagestad Sandhouse Gang
Northwestern University Transportation Center
Evanston, Illinois

April 29, 2011

Karen Hedlund, Chief Counsel
Federal Railroad Administration
Contents

1. High-Speed Passenger Rail Funding Update
2. Why HSR? Why Now?
3. Midwest Leading the Way
4. Going Forward
High-Speed Rail Has a Robust Future
A Commitment to Passenger Rail

“We know what it takes to compete for the jobs and industries of our time... We need to out-innovate, out-educate, and out-build the rest of the world... That’s how we’ll win the future.”
- President Barack Obama, January 25, 2011

“We’re not going to reduce the deficit by sacrificing investments for our infrastructure... We’re not going to allow our roads and our bridges to grow more and more congested, while places like China are building... thousands of miles of high-speed rail.”
- President Barack Obama, April 19, 2011
HSR in the State of the Union

1. “The third step in winning the future is rebuilding America. To attract new businesses to our shores, we need the fastest, most reliable ways to move people, goods and information – from high-speed rail to high-speed internet.”

2. “Over the last two years, we have begun rebuilding for the 21st century, a project that has meant thousands of good jobs for the hard-hit construction industry. Tonight, I’m proposing that we redouble these efforts.”

3. “Within 25 years, our goal is to give 80% of Americans access to high-speed rail, which could allow you to go places in half the time it takes to travel by car. For some trips, it will be faster than flying – without the pat-down. As we speak, routes in California and the Midwest are underway.”

* Source: Quoted from President Obama’s State of the Union address, January 25, 2011.
Bridging the American Economy
Why High-Speed Rail and Why Now?

**Population Growth**
+70 million people (2010-2035)
(Source: U.S. Census Bureau)

**Climate Change**
+14% GHG emissions (1990-2008)
(Source: U.S. Environmental Protection Agency)

**Oil Dependency**
13m barrels/day for transportation – 5x E.U.
(Source: U.S. Energy Information Administration)

**Economic Vitality**
-4% manufacturing share of GDP (1998-2009)
(Source: U.S. Bureau of Economic Analysis)

**Congestion**
$100 billion/year
(Sources: Texas Transportation Institute; Air Transport Association)

**Livable Communities**
+200% land consumption per capita (1977-2010)
(Source: Center for Neighborhood Technology)
Studies project dramatic growth in population which will drive increased passenger mobility needs.

- 25 years: 70 million more people
- 40 years: 100 million more people

Emerging Mega-regions

Source: Regional Plan Association
Important High-Speed Rail Legislation

October 2008: PRIIA

March 2009: ARRA Funding for HSR announced

April 2009: HSR Strategic Plan/Guidance issued

October 2009: First Round Applications Received

January 2010: First Grant Awards Announced

April 2010: First Funds Distributed

October 2010: FY 2010 Announcements

February 2011: White House Requests $8B for HSR
Tiered Passenger Rail Corridors

Core Express Corridors
- Connects urban areas up to 500 miles apart (2-3 hour travel time)
- 125 – 250 mph
- electrified & dedicated track

Regional Corridors
- Connects mid-sized urban areas
- 90-125mph
- dedicated/shared track

Emerging/Feeder Routes
- Connects regional urban areas
- up to 90mph
- shared track

Build a High-speed and Intercity Passenger Rail Network
$5.685 billion has been obligated through 48 awards for 41 projects

$5.667 B in ARRA funds, $17.1 M in FY09 funds, and $1.1 M in FY10 funds has been obligated
Rail Projects in the Region

**CHICAGO-ROCKFORD**
- $60 million
- Funding to link Chicago, Rockford and Dubuque, IA
- Service will begin in 2012

**MISSOURI**
- $37 million
- Build bridge over Osage river to relieve congestion
- Improve rail safety
- PE for six improvement projects
- Construction on Webster Universal Crossover
- State Rail Plan
- Third Track Construction in St. Louis

**CHICAGO – ST LOUIS**
- $133 million in ARRA funds for Englewood flyover
- $100 million in TIGER grants for other projects

**CREATE**
- $18 million
- $17M for improvements to BNSF tracks that host Amtrak service
- $1 M for planning study for Chicago-Omaha service
- $230 million
- Funding to link Chicago to Iowa City
- Service will render 2 daily roundtrips
- Estimated 825 new jobs to be created

**INDIANA AND MICHIGAN**
- $272 million for improvements on the Detroit – Chicago route
- Station renovations in Battle Creek and Troy
- New station in Dearborn
- Track work will relieve congestion btw Chicago and Porter

**IOWA**
- $18 million
- $17M for improvements to BNSF tracks that host Amtrak service
- $1 M for planning study for Chicago-Omaha service
- $230 million
- Funding to link Chicago to Iowa City
- Service will render 2 daily roundtrips
- Estimated 825 new jobs to be created

**CHICAGO – ST LOUIS**
- $1.3 billion
- Upgrade 183 track miles and rehabilitate track between Dwight and St Louis
- Double track 23 miles of track
- Replacement of railway bridges
- Add enhanced warning devices
- Provide 12 new locomotives and 30 new passenger cars
- $22 M TIGER grant to construct intermodal station at Normal, IL
HSR will work in the US

Midwest vs. France

- A Midwest rail system would serve the same number of people as the current French system centered on Paris.
- The Midwest system would connect five regions with over 2 million residents; the French system only connects two such regions.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Chicago Hub</th>
<th>Paris Hub</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>≈ 27 million</td>
<td>≈ 28 million</td>
</tr>
<tr>
<td>Ave. Metro Density</td>
<td>≈ 850 ppl./sq.mi.</td>
<td>≈ 2,600 ppl./sq.mi.</td>
</tr>
<tr>
<td>Ave. City Density</td>
<td>≈ 5,800 ppl./sq.mi.</td>
<td>≈ 10,650 ppl./sq.mi.</td>
</tr>
<tr>
<td>2M+ Metro Regions</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>
Challenges to Creating High-Speed Rail in US
Working with Freight Railroads

Union Pacific:
Track Renewal Train
• Removes wooden crossties and worn rail
• Replaces old ties with modern concrete ties
• Provides opportunities for public private partnerships

Producers jobs:
• Station design
• Refurbishment
• Construction
• Subcontractor support

UP’s Track Renewal Train literally paves the Way for High-Speed Rail
Principles for Service Outcome Agreements

Achieving and maintaining quantifiable performance outcomes based on objective, mutually agreed-upon analysis and modeling, including:
- Operating slots / frequencies;
- Trip times
- Reliability (to the extent it is under a party’s control)

America’s world-class freight rail system must be preserved and improved.

Grants are for the benefit of existing or future intercity passenger rail service and will fund the infrastructure improvements necessary to deliver new service or ensure a higher level of performance.

Achieving the right balance necessary to protect and advance both private and public interests.
Buy America

• Applies to all PRIIA authorized spending for high-speed and intercity passenger rail grants

• FRA may obligate funds to a project only if the steel, iron, and manufactured goods used in the project are produced in the US.

• Why? We want to put Americans to work, as the President said in the State of the Union.
The Ultimate Goal

National High Performance Rail System

- Infrastructure
- Stations
- Equipment
- Capacity
- Reinvestment
- Amtrak
- Maintenance

Amtrak

US Department of Transportation
Federal Railroad Administration
A Transformational Vision

We have done it before, we can do it again.

Highway System
≈$800B*

*Guestimates of Public Sector Development Costs (in current $)

Airport System
≈$300B*