



Firstline Midwest

The Midwestern Office of The Council of State Governments

Volume 14, Number 3 • March 2007

Spurred by increased demand, states find ways to support passenger rail expansion

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When Amtrak took over passenger rail service from the freight railroads in 1971, more than half of the country's passenger rail routes were eliminated, and the ones that remained were mainly long distance.

Ever since then, states have tried to fill the void left by that downsizing. In particular, they have kept alive what many now see as crucial to the future of passenger rail — shorter, intercity regional routes.

Under the law governing Amtrak, states can provide service above and beyond standard long-distance routes, if they are willing to pay most of the cost. Fourteen — including Illinois, Michigan and Wisconsin in the Midwest — now provide direct operating subsidies to Amtrak to support in-state and regional rail systems.

In recent years, those routes also have received increased attention from Amtrak itself. In January, Amtrak President Alexander Kummant announced a corporate reorganization that would focus on partnerships with states eager to improve rail service.


While overall Amtrak ridership has been growing, the rise in the number of passengers on shorter, regional routes has been particularly dramatic. In the

Midwest, ridership on these lines increased 22 percent overall between fiscal years 2004 and 2006.

Many states have developed plans to bring expanded passenger rail service to their communities as solutions to problems ranging from rising oil prices to pollution and increasing highway congestion. Although they have begun the work, states have been lobbying for a federal partnership, similar to programs created for other transportation modes, in which federal matching dollars are provided.

Legislation currently introduced in the U.S. Senate would begin that process. S. 294 would reauthorize Amtrak with \$19.2 billion in appropriations over six years and provide some grants to state projects. Legislation is expected to be introduced in the U.S. House this spring, and it may provide a fund-matching program for state rail projects.

While still looking for a federal partnership, states are forging ahead to provide additional service and find new ways to fund their plans.

Meanwhile, ticket sales on the Midwest's existing intercity rail lines have reached record numbers in the past few fiscal years, and states hope to ride that momentum into the future. 

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Next month:

Push for postsecondary school

State initiatives to improve high school graduation and college attendance rates



The Midwestern Office of The Council of State Governments supports several groups of state officials, including the Midwestern Governors Association and the Midwestern Legislative Conference, an association of all legislators in the region's 11 states. The Canadian provinces of Manitoba, Ontario and Saskatchewan are affiliate members of the MLC.



Region's states add rail service, look to feds as funding partner

Most intercity passenger rail service in the Midwest originates from Chicago's Union Station. This regional hub is Amtrak's fourth-busiest station, after New York, Washington, D.C., and Philadelphia. All long-distance service for the region begins and ends in Chicago.

In February, the U.S. Department of Transportation released the first phase of funding for a major project to relieve rail congestion in the busy Chicago area. While the primary goal of the Chicago Region Environmental and Transportation Efficiency Program is to alleviate freight bottlenecks and boost safety, it also will improve passenger rail trip times.

The Illinois legislature is being asked to appropriate \$100 million for this phase of the project. That money would be used to assess street crossings over railroad tracks.

Demand for service

Illinois has long provided funding to Amtrak to provide additional service within the state and to St. Louis. In 2006, the state doubled its funding of passenger rail service, from \$12.1 million to \$24.7 million. It is now the second-largest funder of intercity passenger rail service; only California provides more funding to Amtrak to add frequencies, or train trips, beyond its long-distance service.

Illinois' increase is funding additional frequencies on its existing routes

between Chicago and three cities: St. Louis; Quincy, Ill.; and Carbondale, Ill. Ridership in the first three months of the new service was up 69 percent over the same time period the previous year.

The state also pays for 25 percent of the operating share of seven daily roundtrips between Chicago and Milwaukee, and **WISCONSIN** pays 75 percent.

At Illinois' request, Amtrak also recently completed an analysis of starting new service from Chicago to Dubuque, Iowa via Rockford, Ill.

MICHIGAN has partnered with Amtrak and the Federal Railroad Administration (FRA) to test technologies that eventually will allow for 110-mph service between Chicago and Detroit. The FRA requires any passenger train traveling faster than 79 mph to have an override system in place in case of human error.

Positive results of the "incremental train control system" have allowed the state to provide 95-mph service on segments of the Detroit-Chicago corridor since 2005, and the state expects to receive final approval for 100-mph service soon. In all, the state has invested more than \$40 million in infrastructure improvements to the corridor.

Meanwhile, Michigan has reaped the benefits of ridership increases on its state-funded, short-distance passenger rail frequencies (daily roundtrip service between Chicago and Grand

Rapids, Pontiac and Port Huron).

Over the past two years, ridership has risen by 31 percent on the *Blue Water* route (Port Huron), 20 percent on the *Wolverine* (Pontiac), and 16 percent on the *Pere Marquette* (Grand Rapids).

Rising ticket revenues have reduced the state's share for funding the service by about \$1 million. The state now is working with Amtrak on a plan to add service between Detroit and Ann Arbor.

The number of passengers on most of Amtrak's long-distance routes through the Midwest is growing, too. For example, the *Lake Shore Limited* (originating in Chicago and traveling through **INDIANA** and **OHIO** on its way to the East Coast) showed ridership gains of 15.7 percent between fiscal years 2004 and 2006. Ridership on the *Empire Builder* (traveling from Chicago through Wisconsin, **MINNESOTA** and **NORTH DAKOTA**, ending on the West Coast) increased 13.7 percent.

New funding sources

In Indiana, a bill that allows the state DOT to enter into public-private agreements for railroad projects passed the Senate in February. The bill adds passenger or freight railroad systems to the law that allowed for the much-publicized lease of the Indiana Tollway in 2006.

The measure also establishes an

alternative transportation construction fund and requires the state DOT to report annually on the progress of projects created as a result of the act. Currently, most passenger rail service in Indiana is only provided as part of long-distance Amtrak service from Chicago to New York (three times a week) and Washington, D.C. (daily).

Minnesota is considering legislation that would provide \$10 million in bonds to finance improvements to the state's portion of a federally designated high-speed rail line between Minneapolis/St. Paul and Chicago. The state would use the money to prepare to receive federal funding for increased rail speeds and additional frequencies.

Innovative plans

As envisioned under the Midwest Regional Rail Initiative (see sidebar), roundtrip trains between Minneapolis/St. Paul and Chicago would increase from one to six per day. The trip time would decrease from more than eight hours to about five and a half.

Other legislation introduced in Minnesota would provide \$1.7 million in state bonds to add rail service to a route originally slated for bus service under the MWRRI. Funds would allow the state to acquire and restore track, design a station, and begin preliminary studies on adding passenger rail service between Minneapolis/St. Paul and Duluth.

Wisconsin has been preparing to add service to Madison from Mil-

2 plans would improve Midwest's rail system

The Midwest has two complementary multistate plans for significantly improving passenger rail service in the region: the Midwest Regional Rail Initiative (MWRRI) and the Ohio Hub plan.

The MWRRI calls for a 3,000-mile high-speed rail system that would provide passenger rail service to nine Midwestern states, with Chicago as the hub. New projections for the initiative anticipate a benefit of \$1.80 for every \$1 invested, one of the highest benefit-to-cost ratios for any regional rail system in the United States. Generating \$23 billion in overall benefits, the system would create nearly 58,000 permanent new jobs and \$5.3 billion of increased earnings over the construction period.

Along with connecting to the Midwest's major airports, the Ohio Hub system would link the region's rail network to the East Coast's. Four routes starting in Cleveland would connect to Detroit (via Toledo), Cincinnati (via Columbus), Pittsburgh, and Toronto (via Buffalo, N.Y.). A revised plan, along with an economic impact report of the system, is scheduled to be released this spring. The new plan would also allow passengers to travel from Columbus to Chicago (via Ft. Wayne, Ind.), Pittsburgh, and Toledo.


Together, the MWRRI and Ohio Hub plans would account for 17.4 million annual train miles (more than half of Amtrak's passenger rail service for the entire nation). If implemented, they would provide 67 additional sets of train equipment and connect more than 150 communities in the region.

waukee as part of the MWRRI plan, and secured \$50 million in bonding authority in anticipation of a federal matching program.

In February, Gov. Jim Doyle proposed increasing the bonding to \$80 million, saying it would provide a clear signal to Congress that the state would match whatever federal funds are appropriated.

OHIO currently has passenger rail service provided only by long-distance trains. While seven cities are served, trains pass through the state just once per day or less, often in the

middle of the night.

That would change under the Ohio Hub plan, an ambitious project aimed at dramatically increasing passenger rail and freight service in the state (see sidebar). The state has entered into a public-private partnership to finance rail crossing upgrades, and expects to receive matching grant funds when a federal program is established. 

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Ridership increases on Midwest's rail corridors

Route	FY 2004 Ridership	FY 2006 Ridership	Change
State House (Chicago-St. Louis)	212,999	262,320	+23.2%
Hiawatha (Chicago-Milwaukee)	460,430	580,333	+26.0%
Wolverine (Chicago-Pontiac, Mich.)	366,291	438,529	+19.7%
Illini (Chicago-Carbondale, Ill.)	113,281	136,640	+20.6%
Illinois Zephyr (Chicago-Quincy, Ill.)	108,856	119,719	+10.0%
Blue Water (Chicago-Port Huron, Mich.)	94,398	123,823	+31.2%
Pere Marquette (Chicago-Grand Rapids)	87,767	101,932	+16.1%
Hoosier State (Chicago-Indianapolis)	17,934	20,096	+12.1%
Ridership totals	1,461,956	1,783,392	+22.0%

Source: CSG Midwest calculations based on Amtrak data

Source Guide

For more information on passenger rail, please visit the following Web sites:

Amtrak
www.amtrak.com

Amtrak Historical Society
www.amtrakhistoricalsociety.com

CREATE Program
www.createprogram.org

Federal Railroad Administration
www.fra.dot.gov

Illinois Department of Transportation
www.dot.state.il.us/org4.html

Michigan Department of Transportation
www.michigan.gov/mdot

Midwest Interstate Passenger Rail Commission
www.miprc.org

National Association of Railroad Passengers
www.narprail.org

Ohio Rail Development Commission
www.dot.state.oh.us/OHIORAIL

Wisconsin Department of Transportation
www.dot.wisconsin.gov/modes/rail.htm

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- Putting rural families on the road to economic success
- Efforts to preserve and protect the Great Lakes
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March 2007
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