Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

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SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Railroads, Pipelines, and Hazardous Materials
FROM: Staff, Subcommittee on Railroads, Pipelines, and Hazardous Materials
RE: Subcommittee Hearing on "Funding a Robust Freight and Passenger Rail Network."

PURPOSE

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will meet on Wednesday, March 4, 2020, at 10:00 a.m. in 2167 Rayburn House Office Building to hold a hearing titled, "Funding a Robust Freight and Passenger Rail Network." The hearing will discuss the benefits of both freight and passenger rail, examine the current state of the network, and address the need for continued investment through federal programs. The Subcommittee will hear testimony from Amtrak, Village of Oak Lawn, NJ TRANSIT Corporation, Brotherhood of Maintenance of Way Employees Division – International Brotherhood of Teamsters, American Council of Engineering Companies of Illinois, and the Association of American Railroads.

BACKGROUND

I. Background

A. Intercity Passenger Rail

The National Railroad Passenger Corporation, known as "Amtrak," was created by the *Rail Passenger Service Act of 1970*.[1] Prior to Amtrak's creation, privately-owned railroads provided passenger rail transportation, pursuant to their common carrier obligation that dated back to the late 1800s. As the federal government supported the growth of airports and invested heavily to develop the expansive interstate system, travel by aircraft and car grew in popularity while passenger rail mileage declined from 40 million in 1947 to less than 8 million just two decades later.[2]

[1] Public Law 91-518.
[2] Wilner, Frank. *Amtrak: Past, Present, Future.* Omaha, Simmons-Boardman Books, Inc., 2012. Page XIV.

In 1970, with several major railroads in or nearing bankruptcy, Congress relieved the private railroads from their obligation to provide passenger rail service by creating Amtrak as the Nation's passenger rail provider. Amtrak was established under the corporation laws of the District of Columbia (DC) but would receive government funding. Railroads bought into Amtrak and the purchase price was satisfied either by cash or rolling stock; in exchange, the railroads received common non-voting stock. Amtrak began operating passenger service on May 1, 1971.

Amtrak operates much of its service over tracks that are owned, maintained, and dispatched by the freight railroads. Due to the historical bargain in which freight railroads were relieved from their common carriage obligation for passenger rail service, Amtrak trains have a statutory "preference" over freight transportation in using a rail line, junction, or crossing, except in emergencies or unless the Surface Transportation Board (STB) orders otherwise.[3]

B. Commuter Rail

Rail transportation modes split into transit rail (heavy rail, light rail, and streetcar) and commuter rail. Typically, transit rail passengers use these services for shorter trips and on closed rail systems; commuter rail services carry passengers for longer trips on the Federal Railroad Administration (FRA)-regulated general railroad system, connected to the broader interstate railroad network. As such, commuter rail is designed to provide a longer-distance, regional service that connects riders from suburban areas to city centers. Commuter rail typically operates with higher-speed, higher-capacity trains and less-frequent stops, and often operates on freight railroad right-of-way.

C. Freight Rail

The U.S. freight railroad industry operates a 140,000-mile network across the country, delivering on average five million tons of goods every day. This industry is composed of varying sized railroads measured by their annual operating revenues into three different classes. The largest railroads include the seven Class Is, which are the biggest railroads that collectively provide long-haul operations in 44 states and D.C.[4] The Class Is transport nearly 69 percent of U.S. freight mileage.[5]

The 603 short line and regional railroads operate 38% of the nation's rail network.[6] Short lines are often the only way rural America can connect to the rest of the national freight network—playing an important role in providing first-mile and last-mile service that extends the reach of the rail network to rural communities, manufacturers, farmers, and others.[7] These smaller railroads range in size from small operators handling just a few carloads a month, to others that cross state lines and

[3] 49 U.S.C. § 24308(c).

[4] The seven Class I railroads include Burlington Northern Santa Fe Railway (BNSF); Union Pacific Railroad (UP); Norfolk Southern Railway (NS); CSX Transportation; Canadian National Railway (CN); Canadian Pacific Railway (CP); and Kansas City Southern (KCS).

[5] Association of American Railroads https://www.aar.org/railroad-101/.

[6] American Short Line and Regional Railroad Association https://www.aslrra.org/.

[7] American Short Line and Regional Railroad Association https://www.aslrra.org/web/About/Industry_Facts/web/About/Industry_Facts.aspx?hkey=bd7c0cd1-4a93-4230-a0c2-c03fab0135e2.

approach the size of the large Class I railroads. The short line and regional railroads move about one-third of all U.S. freight, and operate in every state except Hawaii.

In 2018, the seven Class I freight railroads operating in the U.S. spent $24.9 billion on infrastructure and equipment throughout the country.[8] In addition, states also make investments in the rail network such as those that fund port improvements, capacity preservation and expansion, and grade crossing improvement projects. For example, the state of Indiana developed the Local Trax Rail Overpass Program, in which $125 million in state matching funds was made available to cities, towns, and counties interested in pursuing high-priority railroad grade separations, crossing closures, and other safety enhancements at railroad intersections with local roads.

II. Rail Investment Needs: A Snapshot

Since Amtrak began operations in 1971, federal funds have fluctuated, forcing Amtrak to cut services and defer maintenance on equipment and infrastructure across its network. Moreover, under the *Railroad Revitalization and Regulatory Reform Act of 1976*, Congress gave Amtrak ownership of the Northeast Corridor (NEC) after the Penn Central Railroad went bankrupt.[9] The heavy usage of the NEC combined with the age of bridges and tunnels— many of which date back to the period between the Civil War and the New Deal— has led to major needs in maintenance and capital infrastructure improvements, in order to remove bottlenecks and increase capacity along the corridor. According to the revised Northeast Corridor Commission's Capital Investment Plan for Fiscal Years 2020-2024, more than $21 billion remains unfunded for major rail infrastructure projects along the NEC. Some of these projects include: the Baltimore & Potomac Tunnel ($4.59 billion project, with $4.52 billion unfunded), which was built in 1873 and requires replacing the Civil-War era tunnel with a newer curve-moderated tunnel; replacement of the swing-span Portal North Bridge ($1.78 billion project, with $811 million unfunded) over the Hackensack River; and replacement of the Susquehanna River Bridge ($1.88 billion project, with $1.86 billion unfunded).[10]

In addition to the NEC major projects, much of Amtrak's fleet has aged and is in need of replacement. The average passenger railcar that Amtrak owns or leases is nearing 34 years of age, and the average locomotive or trainset unit is more than 20 years old.[11] Amtrak defines equipment as having a useful life of 30 years for locomotives and 40 years for railcars.[12] Aging equipment can negatively impact Amtrak's services, such as when old road diesel locomotives suffering from mechanical challenges cause train delays or when outdated railcars lacking amenities like Wi-Fi and changing tables degrade passenger satisfaction.[13] As these locomotives and railcars begin reaching the end of their useful life, Amtrak is planning major initiatives to modernize its rolling stock by replacing or refreshing locomotives and railcars currently in service. While Amtrak is experiencing additional rolling stock investment needs, Amtrak's FY 2021 grant request indicates an additional

[8] Association of American Railroads, "Overview of America's Freight Railroads," June 2019, Available at https://www.aar.org/wp-content/uploads/2018/08/Overview-of-Americas-Freight-RRs.pdf.
[9] Railroad Revitalization and Regulatory Reform Act of 1976, Public Law 94-210.
[10] Northeast Corridor Capital Investment Plan, Fiscal Years 2020-2024, Northeast Corridor Commission, Available at https://nec-commission.com/app/uploads/2019/12/NEC-Capital-Investment-Plan-20-24_Amended.pdf
[11] Amtrak Five-Year Asset Line Plans, Fiscal Years 2020-2025 (Base and Five-Year Strategic Plan), Available at https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/businessplanning/Amtrak-Asset-Line-Plans-FY21-25.pdf. Pages 17-18.
[12] Id. at 24.
[13] Id.

$3.8 billion in federal funds is required for a series of upgrades.[14] This includes replacement of Amfleet I railcars used throughout the network; Amfleet II railcars used primarily on long-distance routes serving New York and some state corridors; Superliner railcars used on a host of long-distance routes; and new diesel locomotives that operate on long-distance routes. Amtrak indicates these upgrades will benefit train performance and customer experience, while also achieving higher speeds, greater fuel range, and reduced emissions by up to 90 percent.[15]

More than 500 stations (owned by states, cities, host railroads, and Amtrak) within Amtrak's network must be properly maintained. Amtrak is investing in projects that enhance the passenger experience, sustain the national passenger rail network, provide much-needed additional capacity, and improve reliability and safety.[16] In 2016, Amtrak received a $2.5 billion Railroad Rehabilitation and Improvement Financing (RRIF) loan to purchase 28 new trains, make station improvements at Washington Union Station and Moynihan Station in New York City, and improve track capacity and ride quality in the NEC.[17] Amtrak's FY 2021 grant request indicates an additional $4.3 billion in federal funds is needed for select station and facility improvements.[18] Additionally, the *Americans with Disabilities Act* (ADA) required that all stations in the intercity rail transportation system be made accessible to and usable by individuals with disabilities no later than 2010.[19] Amtrak has sole or shared financial responsibility to bring 387 stations into compliance with ADA requirements and estimates that it will cost over $1 billion to complete this work.[20]

Commuter railroads are also in need of significant investments to maintain and upgrade infrastructure and rolling stock and to expand service. In September 2019, the Subcommittee heard testimony from several commuter railroads about their investment needs, with one stating it has a $444 million backlog[21] in unfunded maintenance and rehabilitation state-of-good-repair projects and another needing to invest more than $1 billion annually over the next decade to achieve and

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[14] Amtrak General and Legislative Annual Report and Fiscal Year 2021 Grant Request, Available at https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/reports/Amtrak-General-Legislative-Annual-Report-FY2021-Grant-Request.pdf Page 42.

[15] Amtrak Five-Year Asset Line Plans, Fiscal Years 2020-2025 (Base and Five-Year Strategic Plan), Available at https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/businessplanning/Amtrak-Asset-Line-Plans-FY21-25.pdf Pages 17-34.

[16] Amtrak Five-Year Asset Line Plans, Fiscal Years 2020-2025 (Base and Five-Year Strategic Plan), Available at https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/businessplanning/Amtrak-Asset-Line-Plans-FY21-25.pdf Page 67.

[17] Progressive Railroading, "Amtrak Receives $2.5 Billion RRIF Loan for Alstom Trains, Northeast Corridor Upgrades," Available at https://www.progressiverailroading.com/amtrak/news/Amtrak-receives-25-billion-RRIF-loan-for-Alstom-trains-Northeast-Corridor-upgrades--49275.

[18] Amtrak General and Legislative Annual Report and Fiscal Year 2021 Grant Request, Available at https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/reports/Amtrak-General-Legislative-Annual-Report-FY2021-Grant-Request.pdf, Page 42.

[19] 42 U.S.C. § 12162.

[20] Amtrak General and Legislative Annual Report and Fiscal Year 2021 Grant Request, Available at https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/reports/Amtrak-General-Legislative-Annual-Report-FY2021-Grant-Request.pdf page 43.

[21] Wiggins, Stephanie N., Southern California Regional Rail Authority (Metrolink), Testimony before the House Subcommittee on Railroads, Pipelines, and Hazardous Materials, September 24, 2019, Available at https://transportation.house.gov/imo/media/doc/Testimony-Wiggins.pdf, Page 8.

maintain a state-of-good-repair.[22] Commuter railroads also continue working toward compliance with the positive train control (PTC) mandate from 2008. According to the FRA's 2019 fourth quarter reporting, of the 28 commuter railroads required to install PTC, six have fully implemented their systems and another 22 expect to complete implementation in 2020. The American Public Transportation Association estimates that commuter railroads will spend approximately $160 million annually in operations and maintenance of these systems. [23]

III. Funding Amtrak

Appropriations

Like several other transportation modes in the U.S., Amtrak receives funding from the General Fund through the annual appropriations process. The chart below indicates Amtrak's funding levels authorized by the *Fixing America's Surface Transportation Act* (FAST Act) and the amounts appropriated by Congress:

	Northeast Corridor		National Network	
	Authorized	**Appropriated**	**Authorized**	**Appropriated**
FY 16	$450,000,000	*	$1,000,000,000	*
FY 17	$474,000,000	$328,000,000	$1,026,000,000	$1,167,000,000
FY 18	$515,000,000	$650,000,000	$1,085,000,000	$1,291,600,000
FY 19	$557,000,000	$650,000,000	$1,143,000,000	$1,291,600,000
FY 20	$600,000,000	$700,000,000	$1,200,000,000	$1,300,000,000

*Amtrak received FY 16 appropriations in the format that existed prior to FAST Act enactment: $288,500,000 in operating grants, and $1,101,500,000 in capital and debt service grants.

State-Supported Routes, Section 209 of PRIIA

Prior to enactment of the *Passenger Rail Investment and Improvement Act of 2008* (PRIIA 2008), most of the expenses associated with state-supported routes were funded by the federal government through Amtrak. However, PRIIA Section 209 shifted that funding responsibility to the states and required Amtrak and its state partners to jointly develop a methodology to determine operating and capital costs of state-supported routes. The Section 209 methodology became effective in October 2013. Continued operation of these state-supported routes is subject to annual operating agreements and state legislative appropriations according to Section 209. In FY 2018, state contributions to Amtrak for state-supported services totaled $233.8 million for operations and $57.2 million for equipment capital.[24] Fueled by Amtrak's partnership with its state partners, state-supported routes carried 15.438 million passengers in FY 2019, a 2.4% increase from 15.079 million in FY 2018.[25]

[22] Derwinski, James., Metra, Testimony before the House Subcommittee on Railroads, Pipelines, and Hazardous Materials, September 24, 2019, Available at https://transportation.house.gov/imo/media/doc/Testimony-Derwinski.pdf, Page 2.
[23] Skoutelas, Paul P. American Public Transportation Association, Testimony before the House Subcommittee on Railroads, Pipelines, and Hazardous Materials, September 24, 2019, Available at https://www.apta.com/wp-content/uploads/APTA-TESTIMONY-TI-Rail-Subc.-Hearing-re-Commuter-Rail-09.24.2019.pdf Page 5.
[24] FY 2018 is the most recent year for which data is available, State-Amtrak Intercity Passenger Rail Committee, 2018 Annual Report, Page 2.
[25] Amtrak Route Ridership FY 2019 vs. FY 2018, Available at http://media.amtrak.com/wp-content/uploads/2019/11/FY19-Year-End-Ridership.pdf.

State-supported routes have previously benefited from additional investments through high-speed passenger rail investment grants.[26] These grants supported a broad range of projects that increased speeds, added service frequencies, extended service to new stations, and improved reliability of aging infrastructure on state-supported routes.[27] While many improvements were made to state-supported routes under these programs, additional opportunities for improvement remain.[28] For instance, the State of Michigan used federal funds to purchase and upgrade a track segment in the Chicago-Detroit corridor, allowing 110-mph service. Planning studies identified additional potential service improvements, but these projects are on hold. Likewise, travel times and congestion on certain portions of the Chicago-St. Louis corridor were improved through use of $1.3 billion of federal funding. A federally funded environmental study of the corridor identified investments capable of doubling existing service levels and reducing end-to-end travel time. The study estimated that such investments would cost between $4.9 billion and $5.2 billion.[29]

Northeast Corridor, Section 212 of PRIIA

Moreover, under Section 212 of PRIIA 2008, the Northeast Corridor Commission (Commission) is directed to develop a standardized formula for determining and allocating operating and capital costs to Amtrak and commuter rail agencies operating in the NEC based on their proportionate share of joint-benefit costs. The formula must also ensure that there is no cross-subsidization of commuter, intercity, or freight rail transportation on the NEC. In September 2015, the Commission adopted the NEC Commuter and Intercity Rail Cost Allocation Policy, which took effect in FY 2016 and remains effective until the Commission replaces or annuls it.[30] The total amount that Amtrak and commuter operators have paid to the four NEC infrastructure owners is more than $5.5 billion, of which $4.3 billion has been paid to Amtrak by both commuter operators and Amtrak itself.[31]

IV. Grant Opportunities for Intercity Passenger and Freight Rail

Congress authorizes several federal discretionary grant programs that can be used to support intercity passenger and freight rail services, such as those discussed below.

Federal Railroad Administration Grant Programs

Consolidated Rail Infrastructure and Safety Improvements

The FAST Act authorized the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program to provide discretionary grants for projects that improve the safety,

[26] Goldman, Ben. *Improving Intercity Passenger Rail Service in the United States*, Congressional Research Service R45783, June 25, 2019 Available at https://fas.org/sgp/crs/misc/R45783.pdf page 2.
[27] Id. at 10.
[28] Id.
[29] Id. at 12.
[30] Northeast Corridor Commuter and Intercity Rail Cost Allocation Policy, Effective October 1, 2019. Available at https://nec-commission.com/app/uploads/2018/04/2019-06-19_Cost-Allocation-Policy_v09.00_Cmsn-Amended-2019-June-19-Clean.pdf
[31] The four NEC owners include Amtrak, Connecticut DOT, Massachusetts Bay Transportation Authority, and Metro-North Railroad. Data is from the Northeast Corridor Commission.

efficiency, or reliability of freight and passenger rail transportation systems.[32] Short line and regional railroads, any rail carrier (including Class Is) in partnership with at least one state entity, public agencies or public chartered authorities established by one or more states, states or groups of states, interstate compacts, political subdivisions of states, Amtrak, and others are eligible for grants under the program, which the Federal Railroad Administration (FRA) administers. Activities eligible for CRISI funds include capital projects that improve short line and regional railroad infrastructure; highway-rail grade crossing improvements projects; and rail line relocation and improvement projects, among others. The maximum federal share of total project costs under the program is 80 percent. For FY 2020, CRISI was authorized at $330 million,[33] and the program was appropriated $325 million.[34]

Federal-State Partnership for State of Good Repair

The FAST Act also authorized the Federal-State Partnership for State of Good Repair grant program, which awards federal funds for capital projects to replace or rehabilitate qualified railroad assets to reduce the state of good repair backlog.[35] Eligible applicants include states or their political subdivisions, groups of states, interstate compacts, public agencies or publicly chartered authorities established by one or more states, Amtrak, or any combination of these entities. Federal-State Partnership for State of Good Repair grants have a maximum federal share of 80 percent.[36] The FAST Act authorized the program at $300 million in FY 2020,[37] and it was appropriated at $200 million.[38]

Restoration and Enhancement Grants

The FAST Act authorized the Restoration and Enhancement grant program, which provides operating assistance grants to initiate, restore, or enhance intercity rail passenger transportation.[39] Eligible entities include states or their political subdivisions, groups of states, interstate compacts, public agencies or publicly chartered authorities established by one or more states, Amtrak or other intercity rail carriers, rail carriers in partnership with any eligible entities, or a combination thereof.[40] For projects funded by a Restoration and Enhancement grant, the grant may not exceed 80 percent of the projected net operating costs for the first year of service; 60 percent of the net operating costs for the second year of service; and 40 percent of the projected net operating costs for the third year of service. For FY 2020, the Restoration and Enhancement grant program was authorized at $22 million,[41] and it was appropriated $2 million in funding.[42]

[32] 49 U.S.C. § 24407.
[33] Public Law 114-94 Sec. 11102.
[34] Further Consolidated Appropriations Act of 2020, Public Law 116-94.
[35] Public Law 114-94 Sec. 11302.
[36] 49 U.S.C. § 24911.
[37] Public Law 114-94 Sec. 11103.
[38] Further Consolidated Appropriations Act of 2020, Public Law 116-94.
[39] 49 U.S.C. § 22908.
[40] Id.
[41] Public Law 114-94 Sec. 11104.
[42] Further Consolidated Appropriations Act of 2020, Public Law 116-94.

Other Department of Transportation (DOT) Funding

BUILD Grants

DOT awards grants for national infrastructure investments under its "Better Utilizing Investments to Leverage Development (BUILD)" grant program, formerly known as "TIGER." Eligible applicants for BUILD transportation grants are state, local, and tribal governments, including U.S. territories, transit agencies, port authorities, metropolitan planning organizations (MPOs), and other political subdivisions of state or local governments. These grants are awarded on a competitive basis for surface transportation infrastructure projects that will have a significant local or regional impact, with a balance between projects in rural and urban areas.[43] In FY 2020, the BUILD program was appropriated $1 billion, and required a maximum federal share of 80 percent for projects, while giving the Secretary discretion to allow a higher federal share for rural projects.[44]

INFRA Grants

The FAST Act also created a new competitive grant program, providing $4.5 billion over the life of the bill, to assist states in funding nationally-significant highway, bridge, and freight projects.[45] The Nationally Significant Freight and Highway Projects program (referred to as INFRA by this Administration and FASTLANE by the previous Administration) is funded by the Highway Trust Fund and is generally aimed at large-scale and multi-jurisdictional projects that cannot be funded with highway funding apportioned to the states.[46] At least 25 percent of the funding is reserved for projects in rural areas, and 10 percent of the funding is reserved for smaller projects (project costs of less than $100 million). Up to $500 million over the life of the FAST Act may be used to fund freight rail or intermodal projects if the projects will significantly improve freight movements on the National Highway Freight Network. For FY 2020, the INFRA program was authorized at $1 billion,[47] with an appropriation of $906 million.[48]

Railroad Rehabilitation and Improvement Financing Program

The Railroad Rehabilitation and Improvement Financing (RRIF) program was originally established by Congress in Title V of the *Railroad Revitalization and Regulatory Reform Act of 1976* and later amended in the *Transportation Equity Act for the 21st Century* (TEA-21). RRIF offers long-term, low-interest loans for improving rail infrastructure. Eligible recipients include railroads, state and local governments, government-sponsored corporations, and joint ventures that include at least one railroad. RRIF-eligible projects include the following: acquiring, improving, and rehabilitating track, bridges, rail yards, buildings, and shops; preconstruction activities; PTC; transit-oriented development projects; and new rail or intermodal activities. Under this program DOT is authorized to provide direct loans and loan guarantees up to $35 billion to finance development of railroad infrastructure. Since 2002 the RRIF program has provided $6.286 billion in financing. There is currently about $30.2 billion available in loan authority under the RRIF program.

[43] Department of Transportation, https://www.transportation.gov/BUILDgrants/2019-build-application-faqs.
[44] Further Consolidated Appropriations Act of 2020, Public Law 116-94.
[45] Public Law 114-94 Sec. 1105.
[46] INFRA is funded through funds appropriated out of the Highway Trust Fund other than the Mass Transit Account.
[47] Public Law 114-94 Sec. 1101.
[48] Further Consolidated Appropriations Act of 2020, Public Law 116-94.

V. Funding Commuter Rail

Ensuring the safety of commuter rail is the responsibility of the Federal Railroad Administration (FRA), which establishes minimum acceptable levels of railroad safety equipment and operating practices. While FRA regulates safety, federal funding for commuter rail transportation is provided by the Federal Transit Administration (FTA).

Commuter rail agencies are eligible to receive FTA formula funds, including funding under 49 U.S.C. Sections 5307 (Urbanized Area Formula Grants); 5337 (State of Good Repair Grants); and 5340 (High Density States Formula funds). These formula funds typically go to a regional transportation agency (designated recipient) and are allocated by regional agreements to various transit agencies operating commuter rail, heavy and light rail, streetcars, ferries, and bus transit in the same urban area. The FAST Act authorized approximately $38 billion for these programs from fiscal year 2016 through fiscal year 2020.

Additionally, commuter railroads may compete for discretionary grants under FTA's Capital Investment Grant (CIG) program, which funds capital investments in commuter rail as well as heavy and light rail, street cars, and bus rapid transit projects. The FAST Act authorized $11.5 billion for the CIG program over five years.

While commuter railroads are not statutorily eligible for the FRA grant programs discussed above, in FY 2018, Congress made commuter railroads temporarily eligible for $250 million available under the CRISI program for PTC installation.[49] Of these funds, commuter railroads received $187 million, according to the FRA.[50] In the FAST Act, Congress also authorized $199 million in fiscal year 2017 FTA funds to assist financing the installation of PTC. Moreover, commuter railroads are eligible for RRIF loans to support infrastructure improvement projects.

VI. Snapshot: Chicago's CREATE Project

The city of Chicago's unique history as a rail hub has led to modern-day congestion challenges. In 2003, a coalition of private and government entities initiated the Chicago Region Environmental and Transportation Efficiency (CREATE) project—a $4.6 billion public-private partnership to address passenger and freight rail congestion in the Chicago area rail network.[51] Chicago's rail congestion is partly due to the fact that 25 percent of all U.S. freight rail traffic touches Chicago.[52] CREATE has three broad infrastructure focuses: 1) increasing capacity, speed, and reliability for freight train traffic; 2) separating freight and commuter trains at six key junctions; and 3) eliminating 25 highway-railroad grade crossings through grade separations to reduce the impact of railroads on the surrounding local communities.[53] Many of these projects will benefit both passenger and freight trains due to shared track.

CREATE partners include the U.S. DOT (Federal Highway Administration and FRA), the Illinois Department of Transportation, the Chicago Department of Transportation, Cook County,

[49] FY 18 Consolidated Appropriations Act, 2018, Public Law 115-141.
[50] In determining this figure, the FRA does not consider the Alaska Railroad to be a commuter railroad. Alaska Railroad received $12.9 million under the program.
[51] http://createprogram.org/linked_files/CREATE_Overview.pdf.
[52] Id. at 6.
[53] Id. at 2.

the six largest Class I freight railroads, two switching railroads (Belt and Indiana Harbor Railroads), and two passenger railroads (Amtrak and Metra, Chicago's commuter rail authority).[54] The CREATE project received an initial federal contribution of $100 million in 2005 through the Projects of National and Regional Significance funding established by the *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU) surface transportation reauthorization.[55]

As of August 2019, 30 of the 70 identified projects have been completed with 21 projects underway in various stages (construction, engineering, environmental review).[56] These projects have been funded through a variety of federal, state, and local sources. For example, the 75th Street Corridor Improvement Project, a major $474 million project that will build a new double track rail connection between two rail lines to increase freight and passenger rail capacity and upgrade crossover speeds to allow for higher freight speeds, received a $132 million INFRA grant in 2018. That $132 million will be matched by $337 million in funds from other CREATE partners.[57] In total, the $4.6 billion CREATE public-private partnership has a projected benefit over 30 years of $31.5 billion.[58]

[54] http://createprogram.org/linked_files/CREATE_Overview.pdf. at 2.
[55] https://ops.fhwa.dot.gov/freight/safetea_lu/1301_pnrs_funding.htm.
[56] http://createprogram.org/linked_files/status_map.pdf.
[57] Id.
[58] Id.

WITNESS LIST

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