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## That "State up North" is cleaning Buckeye State's clock Why Michigan kept its \$400 million for passenger trains when Ohio gave it back

This week, both houses of Michigan's Republican-controlled legislature strongly supported funding for improving intercity passenger rail service on Amtrak's Wolverine Corridor. The Detroit to Chicago line serves 17 cities in Michigan, Indiana and Illinois with up to eight trains a day. Michigan Gov. Rick Snyder is expected to sign the legislation.

The funding package of private, local, state and federal dollars amounted to \$398.1 million (SOURCE: <u>http://1.usa.gov/pvyK54</u>). Of that, \$360.4 million is federal, adding to a previous federal award to Michigan of \$40.3 million, or \$400.7 million in total federal investment.

The funding package will enable Michigan's Department of Transportation to buy 136 miles of railroad from Norfolk Southern Corp. between Kalamazoo and Dearborn, and make infrastructure improvements to raise train speeds to 110 mph over 76 percent of the overall 304-mile route. The latest funding adds to the previous \$40.3 million federal investment in Michigan, plus \$32.9 million by Amtrak, and another \$472.6 million in funding sponsored by Indiana and Illinois to bring the total Wolverine Corridor investment since 2009 to **§943.8 million** (SOURCE: <a href="http://1.usa.gov/n9pp7b">http://1.usa.gov/n9pp7b</a>).

"Thirty-three states in this country are undertaking passenger rail development of some kind" (SOURCE: <u>http://tinyurl.com/3d28fux</u>), said All Aboard Ohio Executive Director Ken Prendergast. "Our neighbors, including Pennsylvania, New York and our Canadian friends across the lake, are all developing 100+ mph trains. They aren't doing this for nostalgia or because of a political philosophy. They are doing it to continue the most successful public-sector program ever invented – economic development."

"While Michigan invests in more and faster trains, Ohio stands still," said Jack Shaner, public affairs director at the Ohio Environmental Council. "Watch for Michigan to attract more young professionals and trackside development while Ohio idles on a silent siding."

Why are Michigan, Indiana and Illinois investing in passenger rail, while Ohio, instead, chose to return \$400 million in no-match federal funds for starting up train service the busiest travel corridor in the Buckeye State (Cleveland-Columbus-Dayton-Cincinnati)?

It isn't because Michigan's governor is from a different political party. Republican Gov. Snyder has long been a vocal supporter of passenger rail development, unlike his Republican counterpart

in Ohio who said "We're not going to run some program that some train cult wants to support" (SOURCE: <u>http://bit.ly/mRBfjz</u>).

In fact, Gov. Snyder has stressed the importance of passenger rail to his state's economy and jobs. When the Federal Railroad Administration awarded Michigan a \$199.3 million grant last May, Snyder said: "This investment in our rail system is critical to Michigan's recovery" (SOURCE: http://bit.ly/pCkJcU).

Nor is it because Michigan's legislature has a different majority party than Ohio's. The Michigan Senate and House both have Republican majorities which didn't consider the rail funding a controversial issue. Indeed, the House approved SB 237 by a near-unanimous 101-8 margin, and Senate approved it by a 33-5 count (SOURCE: <u>http://tinyurl.com/6a23eco</u>).

Scio Township Republican State Rep. Mark Ouimet said in a written statement this week: "Highspeed rail represents the future of passenger service in the United States, and it's only fitting that Ann Arbor become a hub for this groundbreaking mode of transportation. It could usher in an economic boon as well" (SOURCE: <u>http://bit.ly/pxHhjl</u>).

In fact, political partisanship wasn't a factor at all, as Democrats joined Republicans to strongly support the rail project, too.

So what made the difference? Two issues: support from the track-owning freight railroad and experience with a passenger rail service that the state hasn't had to subsidize.

Let's take the second issue first.

Since Amtrak began in 1971, the national passenger railroad has operated Detroit-Chicago passenger trains and paid for them out of the Amtrak budget. The trains required operating subsidies, but since the route existed as part of Amtrak's initial National System, the federal government provided the funds. Michigan's Congressional delegation was vocal in urging President Richard Nixon's Department of Transportation that Detroit-Chicago be included in the national system.

By comparison, Ohio's Congressional delegation was silent 40 years ago. It did not seek any routes to connect Ohio's largest population centers to each other, said All Aboard Ohio President Bill Hutchison, a charter member of the association which began in 1973. The only Amtrak trains in Ohio were routed through it in the middle of the night to link the Midwest to the Northeast – a situation that continues unchanged 40 years later.

In 2009, the proposed Cleveland-Columbus-Dayton-Cincinnati (3C) route was a new route. Since it was not part of Amtrak's National System, the Ohio Department of Transportation would be responsible for paying its operating costs – up to \$17 million per year (an unusually high amount compared to other state-sponsored trains nationwide).

Furthermore, because Ohio has been served by overnight trains only – a mere 34 trains per week – linking Chicago and the East Coast, few Ohioans have any experience with trains. The only Amtrak routes cross the state at its extreme northern and southern boundaries, and serve only seven Ohio stations. Passenger trains are much less mysterious and better understood in Lower Michigan,

which is served by 70 trains per week stopping at 22 stations, all during convenient hours. Michigan DOT does sponsor two Amtrak routes – Chicago to Grand Rapids and to Port Huron – costing the state up to \$7 million per year (SOURCE: <u>http://1.usa.gov/n9pp7b</u>).

Michigan has these Amtrak train services:

- Chicago-Grand Rapids "Pere Marquette" (one daily round trip) averages 44 mph and in 2010 carried 101,907 riders.
- Chicago-Port Huron "Blue Water" (one daily round trip) averages 45.5 mph and in 2010 carried 157,709 riders.
- Chicago-Detroit "Wolverine Corridor" (three daily round trips) average 46.7 mph and in 2010 carried 479,782 riders.

SOURCES: <u>http://tinyurl.com/6jlf2bt</u> and <u>http://tinyurl.com/3fcob42</u>

Then there's the other issue, which is no less important – support from the track-owning freight railroads. Michigan, Indiana and Illinois had support from Norfolk Southern Corp. to develop the Wolverine Corridor. In fact, NS contributed \$4 million worth of engineering staff time to Indiana's portion of the project. And, NS discounted the appraised value of its Kalamazoo-Dearborn rail corridor by \$38.5 million as its share of a federal grant request (SOURCE: <u>http://tinyurl.com/5thkjol</u>). Few freight trains use the 230-mile Porter, IN to Dearborn, MI section where 110 mph passenger train speeds will be offered. West of Porter, the trains slow to 79 mph where they must mingle with up to 80 NS freight trains per day.

In Ohio, the 3C plan lost the freight railroad support it once had. Gov. Bob Taft's Ohio Rail Development Commission began planning the Ohio Hub System a decade ago, starting with 3C (per state law). The Ohio Hub System would evolve from a 79-mph startup service, like what Michigan has today, to offer 110-mph passenger trains using dramatically enhanced rail infrastructure that would be designed to also benefit freight railroads like CSX, NS and short-line operators. The Ohio Hub plan had bipartisan support from state legislators which urged Ohio's Congressional delegation to seek federal funding for it (SOURCE: <a href="http://tinyurl.com/6frgnks">http://tinyurl.com/6frgnks</a>).

Gov. Ted Strickland's transportation planners thought it still had their support for the introductory 3C plan with passenger trains traveling at 79 mph on freight railroad tracks (SOURCES: <u>http://tinyurl.com/3ex4ppx</u> and <u>http://tinyurl.com/6fjyn34</u>). CSX owns much of the corridor north of Columbus and NS southward. But it was later learned that at least one freight railroad expressed concern to Kasich's campaign staff that 3C's proposed siding tracks and other capacity enhancements weren't enough to accommodate predicted future freight traffic growth. So the freight railroads privately lobbied against the 3C plan (SOURCE: <u>http://bit.ly/pEwfqH</u>).

If anything, Michigan has given Ohio hope that it can succeed. It shows that a passenger rail development plan that is built on prior success and experience, based on community development initiatives and goals, buoyed by bipartisan political support and backed by track-owning freight railroads can become reality. Organizations like All Aboard Ohio and the Ohio Environmental Council will be watching Michigan's passenger rail progress closely. We urge others to do so as well and to remember this: If our Midwestern neighbors can succeed, surely Ohio can, too.

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