



**MIDWEST
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Bush Administration Rail Plan Leaves Critical Questions Unanswered

President Bush has proposed a complete restructuring of the nation's intercity passenger rail program.

The Midwest High Speed Rail Association welcomes any change that results in faster, more frequent and more dependable trains serving more places. Unfortunately, however, the Administration has left critical questions unanswered. The success or failure of the Administration's proposal turns upon the answers:

- **What is the total amount the Administration will seek for interstate rail service?** Secretary Mineta has recently suggested an amount similar to Amtrak's most recent budget request. However, the Administration's plan will cause increased administrative and other overhead expenses, so additional funds would be required.
- **What will be the source of those funds?** The reauthorization for existing highway and transit programs is years behind schedule because trust fund revenues will not meet the projected need. Perhaps interstate rail service can be included in a comprehensive package of revenue enhancements.
- **Will interstate rail service receive a dedicated long-term funding stream similar to highways and transit?** Being dependent on an annual appropriation has made Amtrak unable to create long-term capital plans. Any new program must solve this problem.
- **What role will the railroads play?** Unlike highways and airports, railroads are privately owned. Amtrak's right to incremental costs has not motivated these private owners to maintain their tracks to passenger train standards. Simply transferring Amtrak's rights to other operators will make the situation worse.
- **Are there any good examples of multi-state cooperation on this scale?** There are very few examples of locally funded passenger trains crossing state lines. The Association is not aware of any examples of more than two states sharing operating costs. "Closing the doors" while traveling through an intermediate state will destroy the train's unique ability to generate volume and revenue by making multiple stops.
- **What parts of the country do people not want to visit?** The Secretary has suggested that Amtrak runs trains to places that people do not want to visit. Could he be suggesting that people don't want to travel to the central Texas cities served by the Texas Eagle?

The Midwest High Speed Rail Association urges the Secretary to resolve these issues quickly. We also recommend that the following short-term actions be included in his proposal:

- Stabilize existing routes and services.
- Provide essential funding to put Amtrak's physical plant and rolling stock in a state of good repair.

- Adopt new performance measures – similar to those now used for commuter rail – that stress growth in passenger miles and set realistic farebox recovery goals.
- Replace annual lump sum grants to Amtrak with funding based on multi-year plans and budgets. Fund capital, maintenance and operating support separately.
- Authorize new funding sources to supplement annual appropriations.
- Remove NEC infrastructure costs from Amtrak’s budget and fund them outside of annual appropriations process.

Also, the US Department of Transportation should create a vision for an intercity rail network that connects all regions and metropolitan areas and serves all important transportation routes. It should be similar to the vision adopted for the Eisenhower Interstate and Defense Highway system in 1956.

The design would:

- Combine fast and frequent service in high-density short haul markets with lower frequency long haul service to unite all routes into a single integrated system.
- Set policies for allocating public funds to regions and services.
- Establish guidelines for balancing volume growth with farebox recovery.
- Provide criteria for developing public-private partnerships with the freight railroads to ensure shared goals for *improving both passenger and freight services*,
- Authorize the creation of new, publicly owned high-speed rail segments in those routes where frequency and speed make joint use with freight operations impractical.

The DOT should then create an agency to perform the same core functions for rail that the Federal aviation and highway administrations do for their respective modes – promotion, planning, funding and oversight. This agency would translate the general vision into specific actions.

The country is facing many transportation challenges. With the proper federal policies, fast, frequent and dependable passenger trains can play a major role. We hope that Secretary Mineta will set those policies in motion.

The Midwest High Speed Rail Association is a member-supported non-profit educational organization promoting the development of fast, frequent and dependable train service connecting the entire Midwest. Our members include business leaders, mayors and individuals that want the option of traveling by train.

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