



HIGH-SPEED INTERCITY PASSENGER RAIL

SPEEDLINES

OCTOBER 2014
ISSUE #13

- EIS Acceleration
- Leadership
- Funding
- ROI



COVER STORY
What tips the scale for HSR?
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Celebrating
50 Years of
HSR
...in our Anniversary Issue



A personal letter from our Chairman:

PETER GERTLER

*Chairman APTA High-Speed Intercity
Passenger Rail Committee*

ON THE FRONT COVER - DEPICTING THE
ROADBLOCKS OF

High-Speed Rail:

The SPEEDLINES publication team assembled 8 leaders from the industry, government, banking, advocacy groups and academia to explore the questions surrounding HSR. The session took place in D.C. on Thursday September 25th.

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HIGH-SPEED RAIL IS THE MISSING INGREDIENT
IN AMERICA'S RECIPE FOR A NATIONAL
TRANSPORTATION NETWORK.

“

It is with great honor and excitement that I take on the Chairmanship of APTA's High Speed and Intercity Rail Committee, and to work with my fellow Committee members, the entire APTA family, and of course ATPA staff to realize our Committee's goals and objectives. We clearly have the "A" Team in place to build on the great progress and foundation put in place by our previous Chairs, the Leadership Team and the Committee as a whole. Also, as you are reading this letter in Speedlines, I am sure you will also appreciate the great editorial work of the Speedlines Team led by Al

Engel, also the Committee's Vice Chair, who have volunteered their hard work and time to put together this great publication of the Committee, which includes such interesting and timely articles and other submissions on what's happening in the world of High Speed and Intercity Rail. In particular in this edition, I would like to call your attention to the Roundtable where thought leaders met with our editorial board to discuss the state of the industry. With that in mind, I thought I would share with you a few thoughts about where we are and where I hope to go during my term.

Where We Are

As a Committee or as individual organizations; firms, and other interests, we have either led or supported in some way the great progress of a national HS&IR programs, including:

- Supported the progress of HS&IR Programs nationally, including: California, Northeast Corridor; Maine, Michigan, Northwest; Texas and others...
- Advocated and provided expert testimony or resource on behalf of HS&IR interests to the Administration; Congress; and local, regional, and state governments
- Published important industry documents and materials in support of HS&IR interests, including: APTA's Legislative Proposal for a Federal HS&IR Program and our state-of-the-art industry newsletter Speedlines
- Established the HS&IR Committee as a key voice of influence and significance in the larger APTA family
- Developed international partnerships and programs with shared HS&IR goals in Canada, Europe and Asia
- Sponsored and supported information and education activities, including International Practicums and APTA sessions at key conferences

Where We Are Going

During my term, I look forward to working together to keep the momentum going with not only our current initiatives but to expand our role and influence, including in such areas as:

- Current initiatives underway continue to be our focus
- Return on Investment Study
- Workforce Development
- How to fill the Federal Gap in Financing
- New initiatives for future focus
- A campaign to build, strengthen, and broaden our industry leadership and relevancy
- Partnerships with other organizations and associations with shared goals and purpose
- Role as subject matter expert
- Information, research, and education activities
- Committee organizational issues to better support and resource our activities
- Opportunities to better leverage the expertise and resources in the Committee-at-Large, and seek engagement by all members
- The role of the Committee to provide mentoring for emerging projects; agency; and professionals

Cheers to all, as we embark on our next meeting and roll up our sleeves; we have a lot of work ahead of us! Looking forward to seeing you all in Houston.

PETER GERTLER



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CHAIRMAN'S THOUGHTS ON HSR:



A high-speed rail program is the lynchpin missing from our national transportation system and without it our whole system is less effective. With such a program in place, America can protect its status as a mobility super power, plus realize benefits that will help the nation in a variety of ways, including the creation of thousands of jobs, promotion of a healthier environment by reducing greenhouse gas emissions and the reduction of air pollution, saving energy and helping us achieve energy security. Other nations are enjoying the many benefits that result from moving people and products faster and more effectively on high-speed rail. It is time for America to get on board!



WHAT'S HAPPENING NOW!!

The 2014 Annual Meeting & EXPO is scheduled for October 12-15, 2014, at the Hilton Americas & George R. Brown Convention Center in Houston, Texas.

POWERING POSSIBILITIES
APTA'S ANNUAL MEETING & EXPO 2014

ANNUAL MEETING: OCTOBER 12-15
EXPO: OCTOBER 13-15
HOUSTON, TEXAS USA



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LEGISLATIVE NEWS



PRIIA 2014

Contributed by Peter Peyser



A major congressional committee recently approved on a unanimous voice vote a major piece of legislation introduced by its bipartisan leadership with no amendments and no controversy.

When was the last time you read a sentence even remotely like that? Well, that sentence reflects the reality of what occurred at the House Committee on Transportation and Infrastructure on September 16th. Chairman Bill Shuster (R-PA) presided over a committee session in which he, Railroad Subcommittee Chair Jeff Denham (R-CA), full committee Ranking Member Nick Rahall (D-WV) and subcommittee Ranking Member Corinne Brown (D-FL) congratulated one another and their colleagues for arriving at a compromise on legislation to reauthorize Amtrak and fund intercity rail projects nationwide.

The bill is called the Passenger Rail Reform and Investment Act of 2014 (H.R. 5449). The acronym – PRIIA - is pronounced “PREE-ya”, which sounds exactly the same as the pronunciation of the previous rail law PRIIA. But the two are very different.

The bill is remarkable for the important changes it makes to Amtrak’s process for planning and implementing projects and for the role it envisions for states. The growing importance of states in national intercity rail policy and funding is demonstrated by a word search of the legislation itself. The bill contains the word “Secretary” (as in the Secretary of Transportation) 60 times. It mentions “state” or “states” 66 times. (It is also interesting to note it uses the phrase “public private partnership” a grand total of one time.)

This state focus is reflected in the numerous planning processes the bill would put in place. Whether it’s for the Northeast Corridor, the National Network, or the Gulf Coast, the bill would require Amtrak to develop five-year operating and/or capital plans that reflect input and, in some cases, funding from the states. With regard to the multiple plans called for in the bill, one GOP staffer was heard to say, “We could get thrown out of the Republican party for drafting a bill with so much planning in it.” Somewhere, the old Soviet Politburo is smiling.



PRIIA 2014, like any well-crafted compromise, gives both Republicans and Democrats some good talking points. Here are some of the key points one might hear from both sides about the same provisions in the bill.

	Republican Talking Point	Democratic Talking Point
Amtrak Funding	Cuts Amtrak’s authorization by 40% to about \$1.3 billion in FY 2015.	Keeps Amtrak at currently appropriated levels and allows for small increases.
Intercity Passenger Rail Grants	A modest program \$ 300 million with a strong focus on the Northeast Corridor, the place where investment makes the most sense.	While modest, the program allows for progress to be made in every region of the country.
Amtrak Bookkeeping	Requires Amtrak to keep all Northeast Corridor revenues in a separate account.	Allows Amtrak to transfer Northeast Corridor revenues to preserve the national network upon notification to Congress.
Northeast Corridor Planning	Requires Amtrak to bring the perspectives of states and the NEC commission into its process.	Preserves Amtrak’s central role in funding and managing the corridor.
P3	Requires Amtrak to explore P3’s to leverage station-area development and to maximize ancillary revenue on rights-of-way.	Keeps private operators off the Amtrak system.
California High-Speed Rail	Includes new standards for major projects (>\$1 billion in federal grants) to prevent projects from being started that can’t be finished with the service standards promised.	Contains no provision limiting federal participation in the California High-Speed Rail program.

So now what? Most observers see it as highly unlikely this bill will go further before the end of the 113th Congress this December. Congress will return for its post-election session in November and will be occupied with approving spending bills, perhaps the extension of some tax breaks and little else. That means this bill will need to be re-introduced in the new Congress and approved again by the Transportation and Infrastructure Committee. At that point, attention will shift to the Senate side and to the broader transportation agenda, which includes the need to find revenues for highway and transit programs by the end of May next year.

The unlikelihood of quick action on the PRIIA legislation should not obscure its significance. It is a bipartisan bill that seeks to continue the federal commitment to Amtrak and to bring more focus to the role of the states in developing new high speed rail service. Intercity passenger rail advocates should take heart in that. It is as good a product as one could hope for in today’s House of Representatives. Access to dedicated funding and more robust funding amounts will need to be tackled later and by others.

SPEEDLINES

Roundtable

WILL THERE BE A TIPPING POINT FOR HIGH-SPEED RAIL IN THE U.S.?



It was a soggy and gray Thursday morning in Washington, D.C. when a platoon of transportation professionals and thought leaders were slog-ging their way through commuter traffic to get to a K street address to engage in a thought experiment. The highways were sluggish and public transportation was definitely the preferred mode. Somehow everyone on the panel and most of the invited audience made it before the appointed hour to begin the debate. A carefully selected diverse panel of industry leaders in transportation operations and policy development gathered to address the question of what would tip the scales toward a more balanced national transportation policy where all technologies are employed to perform the role for which they are best suited.

In the U.S. the overlooked and under utilized mode is obviously the inter-city passenger rail mode including high-speed rail which is well developed in most other industrialized economies. Fifty years ago Japan inaugurated the Shinkansen bullet train service between Tokyo and Osaka ushering in the high-speed rail era of passenger railroading. Shortly after the inaugural run on October 1, 1964, President Lyndon B. Johnson in his January 1965 State of the Union address called for a national high-speed rail program beginning with the Northeast Corridor. Who would have imagined that 50 years later we would see high-speed rail embraced by most of the industrialized world with over 14,000 miles in service globally. France launched its national program in 1981 with the

Paris -Lyon route. Germany opened its first line in June 1991 with Spain following close behind in April 1992. Other European and Asian countries followed. Mainland China opened its first line in 2003 and now has as many route miles in operation as the rest of the world combined. But the United States has not embraced high-speed rail as a national priority in the same way these other nations have.

In this 50th Anniversary year of the Shinkansen, APTA hosted the first SPEEDLINES Editorial Board Roundtable discussion in its Washington, D.C. offices to discuss why the United States is lagging behind in the high-speed train race. The question was posed to a panel of distinguished transportation experts

by Al Engel, Vice Chair, High-Speed and Intercity Passenger Rail Committee, "WHAT WILL BE THE TIPPING POINT FOR A HIGH PERFORMANCE INTERCITY PASSENGER RAIL POLICY AND PROGRAM IN THE UNITED STATES?"

The Roundtable Panel comprised:

- Robert Vanderclute, Senior Vice President – Association of American Railroads;
- Ken Orski, Transport Policy Consultant
- Jim Mathews, President & CEO – National Association of Railroad Passengers
- Martin Pietrucha, Director, Larson Transportation Institute - Penn State University
- Anthony Perl, Ph.D.; Professor - Simon Fraser University
- Roy Kienitz, Infrastructure Policy and Financing Consultant
- Katherine Kortum, Ph.D; Program Officer -Transportation Research Board

In Malcolm Gladwell's book, *The Tipping Point: How Little Things Can Make a Big Difference*, a tipping point is that magic moment when an idea, trend, or social behavior crosses a threshold, tips, and spreads like wildfire. The book seeks to explain and describe the mysterious ways sociological changes mark everyday life and how messages and behaviors spread. So the question asked really has to do with when high performance intercity passenger rail will become firmly entrenched in transportation policy and implemented in the United States. The responses from the panelists ranged from skepticism to guarded optimism about the future

of high-speed and intercity passenger rail.

Bob Vanderclute, who first got into railroads at the New York Central Railroad after graduating with a degree in transportation from the University of Tennessee, later became Vice President of Operations and Chief Operating Officer of Amtrak, where he oversaw day-to-day operations of the national passenger rail network. He repeated the refrain often heard about high-speed rail that it will never recover its cost from the farebox and we cannot afford it. He argued that we need to consider the wider economic benefits of investing in high-speed rail in our calculus of whether or not we build it. His second point related to the need for a demonstration project and the need for us all to rally around an emerging project such as California and being a part of making it happen. He exclaimed "until people see it, feel it and ride it, nothing will happen."

Ken Orski, who served as Associate Administrator of the Urban Mass Transportation Administration under Presidents Nixon and Ford, believes that a national program of high-speed trains is folly. President Obama's vision was to give "80 percent of Americans access to high-speed rail" within 25 years. Orski believes his vision lacked realism and its implementation left much to be desired. The plan failed to convince Congress or to inspire the public, and the goal remains as distant today as it was when first announced five years ago. As the *New York Times* succinctly observed, the high-speed rail projects "have gone mostly nowhere." You can count him among the legion of skeptics.

Orski pointed out that Congress has steadfastly refused to fund high-speed rail since the appropriation of

\$10 billion in the American Recovery and Reinvestment Act of 2009 (Stimulus) and that Congressional attitudes are not likely to change over the next two years. He believes the Obama Administration has lost credibility with the lawmakers of both parties concerning the high-speed rail program and is unlikely to regain it in view of its unfulfilled promises and wasteful handling of the \$10 billion program.

Aside from the political obstacles, Orski said the United States lacks the geography, demographics and cultural tradition that would justify a nationwide system of high-speed rail. He asserts that the US does not have the population densities, the closely-spaced cities, the exorbitant gasoline prices and a public accustomed to traveling by train ---all of which have made high-speed trains popular, economically viable and perhaps even essential in France, Germany, Spain and Japan. He suggested only the Northeast Corridor in the United States is viable for high-speed rail. Orski believes that only "time will tell" if the high-speed rail projects being independently developed in California, Florida and Texas will be successful.

Jim Mathews is the President and CEO of the National Association of Railroad Passengers (NARP), an advocacy group promoting passenger rail travel. Before joining NARP, Mathews was Executive Editor of the Aviation Week Intelligence Network. Mathews is not a skeptic and believes high-speed and intercity passenger rail can be an economic engine in the communities it serves, a potentially transformative mode in an ever-changing transportation landscape and the most environmentally responsible way to meet the transportation challenges of the 21st century. Mathews

stressed that development of high-speed rail in the United States will be a long process but eventually economics and demographic trends will be the tipping point. He believes that high-speed rail is a tantalizing prospect when considering young people, who are tomorrow's consumers and leaders, are traveling less by car and are demanding faster, more efficient and greener travel options. He sees three overarching trends which will push us toward a national intercity passenger rail program: "1. Congestion, 2. Demographics and 3. The economic unsustainability of our society's addiction to extractive energy."

Dr. Martin Pietrucha serves as the director of the Thomas D. Larson Pennsylvania Transportation Institute. The Larson Institute is an interdisciplinary research unit in Pennsylvania State University's College of Engineering. Dr. Pietrucha reminded the group of the central thesis of Gladwell's book and discussed the roles of mavens, connectors and salesmen in reaching the tipping point when more people want high-speed rail than are opposed to it. He believes there is a lot of confusion because the experts and thought leaders (mavens) have not reached consensus on the benefits of high-speed rail creating an inconsistent message among the

connectors, which is the media. Hence we get opposing arguments leaving the salesmen with either not believing in the benefits of high-speed rail or not knowing what to sell and why. He believes that one good project needs to be built to convince a skeptical public to make the leap of faith to adopt this mode of travel. He suggested the Texas Central Project connecting Dallas-Fort Worth to Houston with high-speed trains might be the best example.

Dr. Anthony Perl is Professor of Urban Studies and Political Science at Simon Fraser University in Vancouver, British Columbia. He wrote, *New Departures: Rethinking Rail Passenger Policy in the Twenty-First Century*, which was published in 2001. Dr. Perl declared that eventually the US will adopt high-speed rail after all other competing alternatives have been thoroughly studied and set aside. He reiterated that high-speed rail is very adaptive and can be customized to serve regional needs and geographies, such as what is being developed in the Midwest with Chicago as a hub for blended services. The Northeast Corridor is the best example of a Shinkansen type of high-speed rail corridor but other hybrid alternatives can be more fully developed. He also believes that a demonstration project is needed to show the public how high-speed rail



can adapt to its market and geography and generate benefits exceeding the cost of construction.

Mr. Roy Kienitz recently served as Under Secretary for Policy at the U.S. Department of Transportation. While at DOT he created and oversaw the TIGER discretionary grant program, and was deeply involved in high-speed rail, the TIFIA loan program, and other major investment and regulatory efforts. He reminded the Roundtable that the interstate highway program launched by President Eisenhower in the 1950's took decades of planning and consensus building. He told how the national highway system was first conceived in the 1920's and asserted this is where the national high-speed rail program is today. Massachusetts, New York, Pennsylvania, Ohio and Indiana all built toll roads prior to the national interstate highway system being funded through gasoline taxes, so-called user fees. The user fees were essentially transfer payments from high population states to states that could not afford to build their segments of the interstate highway system.

Today, the high-speed rail program is beginning to be planned and built in a similar fashion. There are no grand visionary thinkers planning or doing



TO VIEW THE VIDEO of the entire session - click below.

[HTTP://WWW.APTA.COM/RESOURCES/HOTTOPICS/HIGH-SPEEDRAIL/PAGES/DEFAULT.ASPX](http://www.apta.com/resources/hottopics/high-speedrail/pages/default.aspx)

anything in Congress these days. But there are small beginnings that when aggregated can become a national program. The Northeast Corridor is a special program because it spans eight states and the District of Columbia with multiple owners and users. That program will move at its own pace owing to the politics of the region and the need for improvements. California is another special case in which the state and federal government are partnering to build the first operating segment of the eventual 800-mile system. With Texas, Florida, the Pacific Northwest and Midwest states all developing other passenger rail systems in uniquely different ways, the skeleton of a national program will be created and a national policy implemented years from now. Will it be a national high-speed rail network? Probably not. Will it be a network of regional high-speed rail lines that are connected to a national system of passenger trains? Yes, most probably. The national policy that supports this development will be grafted onto the regional programs that being planned and built today, thanks in large measure to the \$10 billion in Stimulus funds. We need to continue planning and be ready for the next big investment in high-speed rail because it is no longer a question of IF, but WHEN.

Dr. Katherine Kortum is Program Officer at the Transportation Research Board where her duties include analyzing transportation policy topics, including transit asset management, development of federal research plans, and intercity passenger travel. She was elected chair twice of Young Professionals in Transportation. As the lone millennial on the panel, her perspectives were decidedly different. She remarked that she doesn't know what the tipping point might be or when it will occur, but she is hopeful it will be found and soon. She joked that she might be the first person in the room

to actually ride on a high-speed train owing to the length of time it will take to reach consensus and actually build a line. The room was heavily populated with boomers and Generation Xers.

At every turn in our nation's history, there have been skeptics arguing in favor of doing nothing. Al Engel pointed out there were critics opposed to the building of Metro Rail in Washington, D.C. during the 1960's and early 1970's. Today, Washington, D.C. could not function without it. Many of the Roundtable participants suggested that the high-speed rail program is developing along the same path as the interstate highway system. But even the interstate highway system had early critics.

President Franklin D. Roosevelt, seeking to pull the nation out of the Great Depression, saw a network of toll superhighways as a way to provide new jobs for the unemployed. The Federal Highway Act of 1938 directed the Bureau of Public Roads to study the feasibility of a six-route toll highway network. In its 1939 report, "Toll Roads and Free Roads," the bureau concluded that with some exceptions, the "amount of transcontinental traffic was insufficient to support a network of toll superhighways." The report recommended a 43,000-mile non-toll highway network in its "Master Plan for Free Highway Development."

President Roosevelt enthusiastically approved the report and sent it to Congress on April 27, 1939, saying that instead of imposing user tolls, the cost of highways could be recovered by selling off federal land along the right-of-way to homebuilders and others. However, critics in and out of Congress condemned this suggestion as a "socialistic scheme to transfer the cost of providing deluxe highways from those most benefited to the already heavily burdened landowner." It took 17 more years to find a suitable funding mechanism

that financed the interstate highway system without incurring national debt. The funding mechanism was tax on gasoline consumption that went into a Highway Trust Fund.

It seems the high-speed rail program is generating the same level of critique, which mostly examines how and who should pay for it. The issue of whether a national high-speed rail network of 200 mph trains connecting every major city has largely been answered. Such a network, as Ken Orski suggested, is imprudent. However, defining the proper level of investment and technology options for a variety of interconnected corridors seems to make more sense. As Roy Kienitz said, such an inclusive system would build the political network needed to support an emergent national high-speed and intercity passenger rail program.

Funding should consider the wider economic benefits of the passenger rail program. All transportation modes are subsidized in one form or another. High-speed rail actually generates surplus revenue that helps cross subsidize regional and long-distance services much like toll roads reduce the level of federal support for the interstate highway system.

Although the participants voiced a level of frustration that the high-speed rail vision articulated by President Johnson and renewed by President Obama has been unrealized, there remains a great deal of desire to see something constructed in the remaining life times of many of those who gathered for the First SPEEDLINES Roundtable Discussion. Even the skeptics hoped the Vision Plan for the Northeast Corridor articulated by Amtrak would be realized.



WHAT'S HAPPENING DOWN UNDER

■ A LOOK AT AUSTRALIA & HSR

Contributed by Wendy Wenner



Every continent except Antarctica and Australia is operating or developing a High-Speed Rail network. It is a standard mode of travel for those living in Europe, Japan and China. With such strong supporters there is current lobbying for a high-speed service on Australia's eastern seaboard; even though it is thought to appear that plans are off the political radar.

The Canberra Airport's Planning Director, Noel McCann, said that during Japan's trade delegation to Australia earlier this year a third of the passengers aboard a chartered plane were visiting in relation to the prospective HSR project. The proposed dedicated route would reach from Sydney to Melbourne (2 hours 44 minutes), Canberra to Sydney (1 hour) and Melbourne to Canberra (2 1/2 hours). Mr. McCann also explained that Chinese business interests were also continuing and Transport NSW is now looking at the prospects of a Sydney-Canberra Corridor.

Alstom, which is a world leader in high-speed rail, strongly supports the introduction of the high-speed east coast railway line saying that Australia will see considerable economic and social benefits. Despite this diverse range of advocates from Australian interest groups and industry leaders, high-speed rail still has a long way to go. The principal reason in the past has been cost. Successive governments or private consortia have done the math and got cold feet.

Recently though, the Australasian Railway Association (ARA) welcomed a new appointment of Anthony Albanese as Shadow Minister for Cities to enhance urban efficiency and deliver policies aimed at improving sustainability and livability in Australia's metropolitan cities. A spokeswoman stated that the "forum would keep the project on the political agenda". The ARA favors an airport station, saying "overseas experience highlights the importance of station location and integration with existing transport modes". The airport station concept removes the need for the Mount Ainslie Tunnel, thus saving \$700 million in tunneling and station costs, because "the airport had offered to build it", the Association said.

Meanwhile, the ARA has convened an international panel of speakers from Japan, France, Spain and China to speak on October 27 at Parliament House, on the economic, social and environmental benefits of high-speed rail. Mr. Albanese will be presenting and is set to encourage both discussion and debate as it relates to what the national building project could do for regional Australia while also looking at new investment options.

The case for rail grows stronger when you consider that the Australian Bureau of Statistics predicts that Melbourne and Sydney will grow to a population of 8 million by about 2050. Conditions have never been so favorable for high-speed rail to gather the support it needs to start rolling out some tracks. Along with the Prime Minister declaring himself to be the "infrastructure prime minister", it looks like this time high-speed rail could generate enough hopeful momentum to put Australia on the map.

SPOTLIGHT

YOU SHOULD GET TO KNOW US



DAVID CAMERON

Opponents against high-speed rail are a curious bunch but facts are stubborn things: California’s population continues to grow; our freeways and airports are at capacity, the Central Valley has long been isolated from the economic engines in San Francisco Bay area and Los Angeles basin, it has the worst air quality in the nation as well as some of the highest unemployment in the state.

Assistant Director
Rail Conference
International
Brotherhood
of Teamsters



JENNIFER MITCHELL

Virginia has seen a shift in its citizens’ approach to transportation. Not only are people opting to leave their cars at home and use public transportation. DRPT is building upon the successes of the Commonwealth’s passenger rail network by expanding current services and working with our partners to advance high-speed rail in Virginia. High-speed rail is a key part of promoting Virginia as an economically competitive state, and we will continue our efforts to bring it to the Commonwealth.

Director
Virginia
Department
of Rail and Public
Transportation



PETRA TODOROVICH MESSICK

Northeast Corridor rail infrastructure is not top of mind for most people but it underpins the robust economy that we rely on, particularly in the New York-New Jersey region. This is a critical decade in which we can step up to the task of equipping the region with the infrastructure that will support economic growth, or let it fall into disrepair, permanently crippling our economy.

Principal Officer
NY/NJ Development
Amtrak
NEC Infrastructure
and Investment
Development

NEC FUTURE ALTERNATIVES

FRA HOLDS PUBLIC MEETINGS IN NOVEMBER

The NEC, the rail transportation spine of the Northeast region, is a key component of the region's transportation system and vital to its sustained economic growth.



In November 2014, the FRA will hold a series of public open house meetings throughout the corridor to present the Tier 1 EIS Alternatives and describe the process that will be used to evaluate them in the Tier 1 Draft Environmental Impact Statement (DEIS). Open houses will be held in each NEC state and the District of Columbia. FRA expects to publish the Tier 1 DEIS for public comment in late 2015. At that time, formal public hearings will be held in each of the NEC states and the District of Columbia. Updated information on the November 2014 public meetings and the 2015 public hearings will

be posted on the project website at www.necfuture.com.

The Federal Railroad Administration (FRA) continues to advance the planning and environmental review process for NEC FUTURE, a comprehensive program to develop a long-term vision and phased improvements for the Northeast Corridor (NEC). The purpose of the NEC FUTURE program is to upgrade aging infrastructure and to improve the reliability, capacity, connectivity, performance, and resiliency of passenger rail service on the NEC for both intercity and regional trips, while promoting environmental sustainability and economic growth.

A central task for NEC FUTURE is to determine the role of passenger rail service in the overall transportation system of the Northeast region. By 2040 (the planning horizon for NEC FUTURE), will the same percentage of travel occur on the rail system as it does today, or will an increasing proportion of travelers choose rail for their travel? What share of total travel should the rail system be designed to attract and serve? These questions are critical in determining the level of investment and types

Contributed by Ruby Seigel

of improvements to the NEC to be made in the coming decades.

The NEC FUTURE team is currently developing alternatives for detailed study in the Tier 1 (DEIS). The Tier 1 EIS Alternatives will provide distinct choices for the NEC, reflecting what the FRA has learned from initial analysis, public input, and more than 100 meetings with stakeholders since the **Preliminary Alternatives** were developed in 2013. Each Tier 1 EIS Alternative will depict a different vision for passenger rail on the Northeast Corridor, with a defined set of geographic markets, a "representative route", assumptions about the level of passenger rail service to be provided in 2040, and infrastructure improvements (defined at a conceptual level) that would support the level of service identified. A set of initial projects, applicable to all of the Tier 1 EIS Alternatives, will focus on the NEC's immediate needs. These common projects are expected to include modernization of infrastructure, replacement or rehabilitation of major tunnels and bridges, track improvements, and station improvements.

CALIFORNIA

OVERCOMING OBSTACLES, SECURING HSR FUNDING

Contributed by Dave Cameron

Since the last issue of *SPEEDLINES*, there have been several positive developments in California's quest to construct the country's first high-speed rail system. Such developments do not happen in a vacuum; they happen because of concerted effort and leadership of the parties who have fought long and hard to get this project to the point of buying the land, clearing the right-of-way, and doing the preliminary engineering work which will lead to full-fledged construction.

In California's case, kudos go to Governor Jerry Brown, who, ignoring all his political advisors, put his considerable political will, skill and capitol behind the project, Dan Richard and Jeff Morales, Chairman and CEO at the California HSR Authority, who, through incredible political skill and intelligent implementation, righted a faltering plan and got the Authority back on track, and statewide leaders like Senate President Pro Tem Darrell Steinberg and Building Trades President Robbie Hunter, whose skill, leadership and indefatigable support have propelled the project forward during the most challenging times.

Here's a roundup of the latest regarding the Surface Transportation Board :

In September 2013, California's High Speed Rail Authority requested an exemption from the Surface Transportation Board's (STB) laborious and time consuming prior approval process for the Fresno to Bakersfield HSR segment (Construction Package (CP) - 2, 3 & 4). The STB had previously granted an exemption on just 25 of the 29 miles in the CP-1 segment. A denial of this exemption would result in a time-consuming, costly delay because it would trigger a renegotiate of the Authority's contract with Tutor Perini/Zachry/Parsons, winner of the bid for CP-1.

On August 12, 2014, after months of reviewing the proposed route and related environmental studies, the STB conditionally approved the 114 miles of track from Fresno to Bakersfield, the longest section of the Central Valley HSR alignment, exempting it from further board oversight and clearing the way for construction. This was a huge victory and the largest impediment facing the project.

Among the conditions of the approval are mitigating impacts on freight rail operations in the Central Valley, complying with the National Historic Preservation Act and prohibiting pile driving within 300 feet of Mercy Hospital in Bakersfield.

Lawsuits

The Authority is contending with several lawsuits. One resulted in a decision by Sacramento Judge Michael Kenny, who refused to validate the sale of Prop. 1A bonds needed to pay for the first phases of construction. Prop 1A, a state initiative passed by California voters in 2008, allocated \$9.9 billion in bonds to construct the HSR system. It contained language allowing the sale of the bonds only if the State had identified a source for all the funds needed to construct a "usable" segment before construction began. Judge Kenny ruled that the state had not identified the full source of funding for the first usable segment.

The state petitioned the California Supreme Court, requesting an expedited ruling



to overturn Judge Kenny's decision on the grounds that the Judge exceeded his authority. The Supreme Court handed the case to the 3rd District Court of Appeal, which granted the review.

On July 31, 2014, the California 3rd District Court of Appeal overturned Judge Kenny's decisions, freeing the state to move forward with the sale of \$8.4 billion in bonds, which will be coupled with \$3.4 billion in Federal funds. The opponents have appealed to the State Supreme Court.

In July 24, 2014, the Authority won another victory against a lawsuit filed by the town of Atherton in the San Francisco Peninsula. This lawsuit contested the Authority's EIR over the Bay Area alignment, claiming it was inadequate on a multitude of levels. An appellate court upheld the California High-Speed Rail Authority's Program EIR for the Central Valley to Bay Area portion of the route, concluding that 1) the Authority properly limited its environmental analysis to a

program level when it deferred site-specific analysis of the vertical profile options for alignment, 2) the Town's experts could not show the Authority's revenue and ridership model was inadequate or unsupported, and 3) the Authority's Program Environmental Impact Report (EIR) considered an adequate range of alternatives despite rejecting an alternative proposed by one expert consulting company.

Funding

The Obama Administration sent the GROW AMERICA Act to Congress, a comprehensive surface transportation package that includes \$19 billion for rail development over the next four years, presumably some of it going to HSR. There is no chance the House Republicans will pass it.

However, where our dysfunctional Congress isn't capable of acting, the state of California is. The California Legislature approved the 2015 state budget which allocates \$250 million for the HSR project in the coming year, and allocates 25

percent of cap-and-trade revenue on an automatic basis over the following years. It is estimated the cap-and-trade program will generate revenue of up to \$8 billion a year once it is fully implemented. This will provide up to \$2 billion a year for the HSR program. That will be nearly \$30 billion over the 15 years of construction of Phase 1 of the project – Los Angeles to San Francisco. This steady stream of funding is critical. California can leverage those funds to seek RRIF (Railroad Rehabilitation & Improvement Financing) loans, and it entices potential private investors because it demonstrates that California has the political will and a steady funding stream to complete the project.

Advocacy Campaign

As a state agency, the California HSR Authority is not able to promote its own project with the public. An advocacy campaign, initiated by the Teamsters Rail Conference, was created to promote the project's job creation, environmental and transportation



benefits in an effort to solidify public support.

Polling indicated the project, which passed with 53 percent, had now slipped below the 50 percent threshold. Some polls showed a majority of voters now opposed it. However, a deeper look into the crosstabs of the polling demonstrated that 10.9 percent of opposing voters could be persuaded if they understood the positive aspects of the project. The polling shows “Jobs and the Economy” as the voters’ primary concern.

HSR addresses this concern because the project will create 20,000 jobs a year for each year it’s being built and 450,000 permanent jobs once it’s finished and it will be an economic engine for local economies along the route. This is particularly important for the Central Valley, which has the highest unemployment rate in the state.

Thanks to the leadership of Robbie Hunter, head of California’s Building Trades, more than \$500,000 has been raised and the first billboards have gone up in Central Valley.

Future Construction

While initial construction is continuing in the Central Valley, plans are being readied for the

electrification of Caltrains on the San Francisco Peninsula. And, in a strategic shift to secure new funding, state officials intend to accelerate their plans to build a Los Angeles County section of the \$68-billion system. High-speed rail officials said they want to start a segment between Burbank and Palmdale in the next several years as they continue working on a 130-mile stretch in the Central Valley. The move addresses a central political challenge faced by the project: criticism over starting construction in the rural Central Valley and delaying benefits for Southern California and Bay Area urban areas for more than a decade.

In April 2014, the Authority issued a Request for Proposal (RFP) to five world-class teams, inviting them to bid on the Construction Package 2-3 (CP 2-3) design-build contract. CP 2-3 extends in excess of 60 miles from Fresno south through the Central Valley and is estimated to bid between \$1.5 billion to \$2 billion.

Three consortiums are in competition for the package:

- Tutor Perini/Zachry/Parsons, which submitted the winning bid for the \$1 billion for the Madera-Fresno contract (CP-1).
- Dragados/Flatiron/Shimmick, a consortium that

includes Dragados USA Inc., a subsidiary of Grupo ACS and Dragados S.A. of Spain; Flatiron West Inc. of San Marcos; and Shimmick Construction Co. of Oakland.

- Golden State Rail Partnership, composed of OHL USA Inc., a subsidiary of Spain’s Obrascón Huarte Lain S.A., and Samsung E&C America Inc., a U.S. subsidiary of South Korea’s Samsung Group.

Bids are due on Oct. 3 and the Authority hopes to award the contract in Dec. 2014.

Enormous challenges lie ahead but that is to be expected with any project of this size. The system will be built and the benefits will be realized. The Golden Gate Bridge had over 2,000 lawsuits against it but has anyone driven over that engineering marvel and wished it were not there?

“This is a big moment for our program,” explained Jeff Morales, CEO of the rail authority. “The manufacturing of trainsets and the establishing of maintenance facilities will mean more jobs, increased economic benefits, and allow for the possible development of a whole new high-speed rail industry here in California.”

APTA IN SPAIN

DISCUSSING HIGH-SPEED RAIL DEVELOPMENT IN THE USA

THOUGHT LEADERSHIP

APTA High-Speed & Intercity Passenger Rail Committee members spoke at the VIII International Conference on High Speed Railways held in Córdoba, Spain this past June. The members invited to speak on the development of high-speed rail in the United States were APTA Assistant Vice President and committee staff adviser KellyAnne Gallagher and AECOM's Ken Sislak, associate vice president and senior project manager.

Gallagher spoke on the current status of high-speed rail project development in the United States, including the level of investments made in infrastructure improvements and planning work in each region. Gallagher highlighted the work of the APTA High-Speed & Intercity Passenger Rail Committee in preparing the principles for a federal high-speed and intercity passenger rail policy, which was adopted by APTA. These principles call for new dedicated revenue sources other than those currently supporting the Highway Trust Fund and a streamlined National Environmental Policy Act (NEPA) review process among others.

Sislak spoke on why the United States has embarked on

an incremental approach to high-speed rail development instead of the "Big Bang" approach favored by Spain, China and other countries. He identified the economic and geographic factors highlighted in the congressionally mandated High-Speed Ground Transportation Study that form the basis of current federal investment policy in high-speed rail. Sislak was one of many contributing authors to the study.

"The United States is a vast country encompassing almost an entire continent. But there are many mega regions within the country that can support the development of high-speed rail, especially as we witness increased urbanization and the decline in air service among smaller cities," Sislak said. "We just need to have the political will to accomplish this."

The conference was organized by the Fundación Caminos de Hierro, a Spanish non-profit research center on railway technologies. The conference gathers senior leaders to drive a critical discussion about the future of high-speed rail throughout the world. This year's conference celebrated the 50th anniversary of the

Shinkansen "Bullet Train". The conference also included panel discussions on interoperability and network integration to foster economic growth and support more stable, healthy and sustainable communities. Additional speakers at the conference included Yutaka Sato, Ph.D, general manager of the International Affairs Division of the Railway Technical Research Institute in Tokyo; Christophe Keseljevic, Senior Advisor at Réseau Ferré de France and Ignacio Barrón de Angoiti, Director of Passenger and High Speed Rail Development at UIC.



LONE STAR STATE

HSR GAINING HEADWAY

Contributed by Robert Eckels, President, Texas Central HSR

The past is prologue to the future of transportation in Texas. High-speed bullet trains, after 50 years of success and technology advancement in Japan, are now hurtling toward a bright future in the Lone Star State.

It's worth celebrating these milestones, both the 50th anniversary of the Tokaido Shinkansen bullet train's first run on the first day of October in 1964 as well as the work underway to bring this proven service to Texas. The Dallas-Houston high-speed rail line would provide a backbone through the state; a big dream worthy of its destination cities.

The Opportunity

Texas Central Railway (TCR) is a private company working to bring high-speed rail service to Texas. After studying 97 possible city pairs across the nation, we found the Dallas-Houston route to be an ideal corridor for America's first true high-speed rail.

Between the two cities, 240 miles of relatively flat and rural terrain offers a straight shot between

destinations. Dallas and Houston are among the largest U.S. cities today and are among America's fastest growing cities. With each city having a population approaching 7 million people, the Texas' state demographer expects Dallas/Fort Worth and Houston to see their populations double by 2035.

With robust economies and rapid growth, it's little wonder that U.S. Interstate 45— the only major highway connection between the cities — is increasingly snarled by thick traffic, and the road congestion will only grow worse. According to the Texas Department of Transportation (TxDOT), drive time between the two cities can exceed four hours without traffic delays or highway construction. By 2035, without some dramatic change, I-45 traffic is expected to increase significantly, dropping average speeds by up to one-third and increasing drive time to more than 6 hours.

Air travel is an alternative, but Texas deserves more choices. High-speed rail avoids both traffic jams

and airport delays. It's a chance for Texans and visitors to travel in comfort and style between two dynamic cities.

High-Speed Technology

Central Japan Railway (JRC) now operates its fifth generation of high-speed rail technology. In five decades, JRC has delivered highly reliable service with an extraordinary safety record: not a single accident-related fatality or injury throughout the system's long history. TCR is working to bring a version of the latest bullet train designed with Texas in mind, offering all of the latest amenities and comforts made possible by modern train travel and capable of cruising at more than 200 mph. To ensure comfort and maximize productivity, trains will offer food and beverage service, wireless Internet with much more leg room than a typical commercial airplane— and no middle seats.

Topping it all, this project will be privately funded as it seeks to transform not just the way we travel in Texas, but also the way we make big projects a reality.

The Funding

Instead of seeking government grants for planning and construction with subsidies for ongoing operations, TCR is relying on a market-led approach to funding. The entire plan is built around private investment. We understand, of course, that this model may not work everywhere. We do believe, however, that we have identified a corridor that is perfectly – and perhaps uniquely – suited for this approach.

The Regulatory Process

The Federal Railroad Administration (FRA) is working with the TxDOT to review the entire project and the impact it will have on the communities within the corridor; their study, an Environmental Impact Statement (EIS), will also examine possible routes and station locations.

While TCR's plan is focused solely on the Dallas-Houston route, the FRA and TxDOT are together exploring an additional route that would provide rail service to the Fort Worth-Arlington-Dallas corridor, potentially connecting with the system in Dallas.

While this important effort is separate from TCR's plans, they are being closely coordinated as connectivity among these three cities would extend to and greatly enhance the positive impact of high-speed rail on all of North Texas.

Moving Down the Tracks

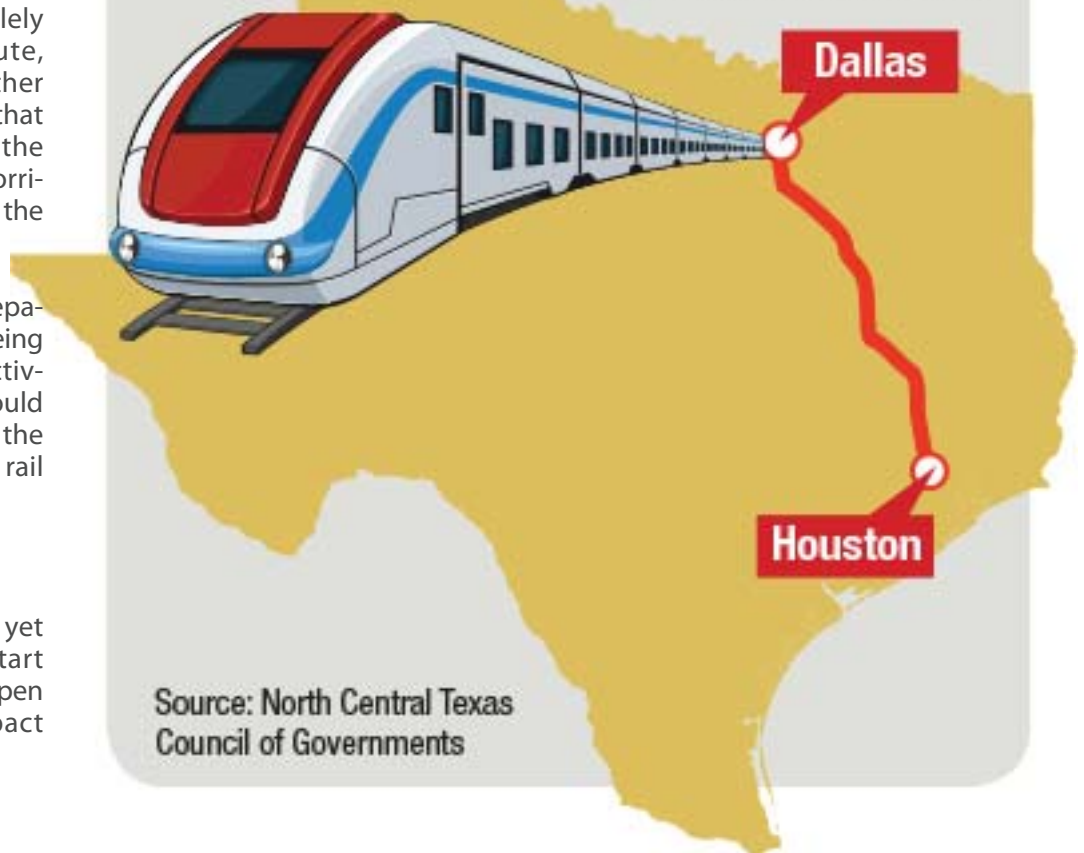
There has been no ceremony yet where metal meets dirt to start construction, and that can't happen until the Environmental Impact

Statement with extensive public participation and additional design work is completed. Even so, TCR is actively spreading the word about this project and soliciting feedback from all stakeholders. We are confident that, through this public process, our project will become even better, and in the end, will become a model for the nation - the type of project of in which all Texans can be proud.

Fifty years ago, Japan made the wise decision to introduce high-speed rail to the world. As they celebrate a half-century of success, Texas Central High-Speed Railway is gaining real traction towards making that same milestone a reality for Texans.

High-Speed Rail

Backers want to see the train – which travels at about 200 mph – running between the Dallas area and Houston by 2020.



PASSENGER & FREIGHT OPS

ONE HOUSE OR TWO?



Contributed by David Simpson

Is “shared use” always the best option for development and operation of passenger rail services? How can public agencies and rail service sponsors ensure the highest-quality and sustainable approach to building market-competitive passenger rail operations, given the dominant use of the rail network by rail freight operators? What does the rebirth of the nation’s urban centers as preferred residential areas imply for passenger and freight rail operations? These issues will be explored during a half-day workshop to take place in Washington, D.C., Sunday, January 11th in conjunction with the 2015 annual meeting of the Transportation Research Board.

The Transportation Research Board is a division of the National Research Council, which serves as an independent adviser to the President, the Congress and federal agencies

on scientific and technical questions of national importance. TRB is organized around the various transportation modes as well as cross-cutting issues such as finance, environmental concerns and planning processes. The January 11th workshop, entitled “Passenger and Freight Corridor Segregation within Urbanized Regions” is cosponsored by TRB’s Intercity Passenger Rail and Commuter Rail Committees.

Rail congestion is increasing in America’s urban regions, a product of growing demand for both passenger and freight service as well as new safety protocols attached to the movement of hazardous freight. Development of cost-effective solutions to address such congestion will require higher levels of planning commitment and collaboration between public and private sector players than ever before.

Traditional U.S. practice for implementation of new passenger services has included negotiation of access rights with “host” freight carriers which then permit a specifically-defined operation upon payment of fees and, most often, specific capacity investments to mitigate the freight operations impact of the new passenger operation. Demands for additional trains usually trigger a new round of negotiations. The workshop will consider alternatives to this approach, including up-front development of detailed, long-term service phasing scenarios that may include consideration of new, segregated trackage dedicated to higher-speed passenger operations.

The January workshop will feature speakers from state DOT’s, freight carriers, transit operators and passenger rail sponsors as well as Federal Transit Administration and Federal Railroad Administration officials. They will explore the logistical, safety, financial, policy and practical aspects of segregating freight rail service from passenger rail service through and around urbanized regions. For those with an interest in developing world-class passenger service, this is a subject whose time has come. For more information go to www.trb.org or the Intercity Passenger Rail Committee website: <http://ar010.york.cuny.edu/>.