

U.S. House of Representatives
Appropriations Committee
Subcommittee on Transportation and Housing and Urban Development and Related Agencies
“The Future of High Speed Rail, Intercity Passenger Rail, and Amtrak”

Testimony of Jolene M. Molitoris
Director, Ohio Department of Transportation
April 1, 2009

High Speed Passenger Rail’s time has come to the United States. Ohio is embracing President Obama’s commitment to invest in a national passenger rail network that serves more Americans than ever before. The hunger for true transportation choice grows in Ohio each day. Just last night, Ohio Governor Ted Strickland signed the state’s Transportation Budget Bill which specifically supports Ohio’s intention to compete for a portion of the \$8 billion in high speed rail funds made available through the American Recovery and Reinvestment Act of 2009. Over the past two months while the budget was discussed and debated, the issue of passenger rail service created a groundswell of support that was remarkable - from every region of Ohio, from citizens, city leaders, sports teams, students, contractors, labor, developers, chambers of commerce, and businesses - literally a phalanx of Ohioans who passionately support passenger rail. Because of the leadership of President Obama and the Congress, Ohioans know that at last they have a federal partner who will be a true partner in creating a national high speed passenger rail network for the 21st Century.

Like no other time in recent history, our country has the opportunity to promote a new passenger rail culture because we believe the investment decisions being made in Washington and among the states will be bold enough to truly transform our country. We believe that Ohio’s central position in the nation makes us an ideal partner in this transformational initiative.

The American Recovery and Reinvestment Act of 2009 and the Passenger Rail Investment Act of 2008 represent groundbreaking federal investments in passenger rail service across the nation. Together, these acts are revolutionary steps to help expand and improve existing service, which is clearly needed in Ohio. Our state is fortunate to have some connectivity to the existing passenger rail network, but the service is limited, at best. Trains depart Cincinnati for the East Coast only at 1:10am; in Toledo, you have a few more choices to go east - leave at 3:50am or 6:15; and Cleveland may have the best option - at least if you don’t mind rising before the rooster - with three trains giving riders the option of departing at 2:25am, 3:45am, or 6:20am. More daylight service is needed, without a doubt.

Beyond the passenger lines that already exist, federal funds dedicated to high-speed rail are an excellent opportunity to bring service to one of the most densely populated corridors in the country with no passenger rail at all. We have the chance to introduce a new form of transportation to hundreds of thousands of Ohioans who have been denied choice for so long. Today I want to share with you the story of Ohio’s 3-C Corridor.

OHIO’S 3-C CORRIDOR

Passenger rail is an essential component of a balanced and integrated multi-modal transportation system. Bringing back service to Ohio’s 3-C Corridor, a designated High Speed Corridor connecting Cleveland, Columbus, Dayton and Cincinnati is a first step toward implementing Ohio’s high-speed rail plan. Reintroducing service along the 3-C Corridor will use 260 miles of existing track and touch 5.9 million Ohioans, almost 60% of the population.

Ohio has been studying how to restore passenger rail between its three largest cities since 1974, just three years after service in the 3-C Corridor ceased. Study after study has confirmed the strong potential and viability of the corridor. It has one of the densest populations of any un-served corridor in the country and connects to Columbus, one of the largest un-served cities in the nation. It would connect the state capitol and Central Ohio to two existing East-West Amtrak routes that run through Cincinnati and Cleveland, which are already seeing increased ridership demands despite their exceedingly inconvenient service times. The 3-C Corridor fills a crucial void in the current passenger rail network and connects Ohio to the nation.

The State's most recent plan - the Ohio Hub High Speed Rail Passenger Plan - highlights the potential for passenger rail service in the 3-C Corridor:

“The 3-C Corridor is an attractive travel market because it has large end-point populations and many intermediate cities along the route. The population density along the line provides a balanced directional passenger flow and creates the potential to keep the seats filled for the entire trip. The average trip length of 130 miles is much shorter than the length of the corridor, implying high passenger turnover in Columbus, with the ability to fill the seats twice between the corridor's end-point cities. These factors, along with a high percentage of business travel, a lack of competitive air service and the potential to serve multiple commuter markets boosts the projected ridership as well as the corridor's revenue yields. In all network options, the 3-C corridor has the highest projected load factors with the greatest revenue potential.”

Of the seven corridors studied, the Ohio Hub Plan concluded that the 3-C should be the first corridor implemented in Ohio.

In his 2009 State of the State address, Ohio Governor Ted Strickland announced his commitment to restoring passenger rail service to the 3-C Corridor. In support of the Governor's efforts, Ohio's General Assembly approved the 2010-2011 State Transportation Budget encouraging the state to seek stimulus funds for passenger rail. This is just the latest step in a long standing commitment by the Ohio General Assembly to promote rail development. With the creation of the Ohio Rail Development Commission in 1994, the General Assembly codified that the Ohio Rail Development Commission plan, promote, and implement a rail transportation network connecting Ohio to the nation and the world. Additionally, the code instructs that the Commission's initial passenger rail development efforts should connect Cleveland, Columbus, and Cincinnati.

Studies indicate that expanding passenger rail in Ohio into a fully built out system connecting the regions metropolitan areas could ultimately create 16,700 permanent jobs - in addition to thousands of construction jobs - and generate more than \$3 billion in development near stations. Expansion of rail service to the interior of Ohio will bring new travel opportunities, promote economic development in cities along the rail line, create jobs, and reduce strain on existing infrastructure. In addition, it will promote regional connectivity with our neighboring states and create an infrastructure to help spur light rail growth and other connectors, such as green buses and street cars. Other benefits are found in cleaner air due to reduced automobile air emissions, decreased wear and tear on roads, and improved rail lines for freight rail.

Several states have realized the economic development potential associated with initiating passenger rail service:

- Maine's "Downeaster" Corridor of passenger rail has led to a \$100 million investment into retail and office space in an abandoned mill site along the line. The state's recently published economic forecast estimated \$3.3 billion in investments and 8,000 new jobs.

- The expansion of passenger rail in North Carolina has created jobs, facilitated economic development and helped attract young professionals to the area. If North Carolina's train services disappeared for a year, its residents, businesses and visitors would have to fork over nearly \$30 million dollars more to drive, take the bus or fly.
- The Wisconsin Department of Transportation invested \$20 million to give Milwaukee's 40-year-old railroad station a facelift; now complete, the station features restaurants, shops and services and is drawing new businesses and residents to the station's downtown neighborhood.
- The private sector has already taken note of Michigan's effort to increase train speeds in the western part of their state; a real estate developer spent \$1.5 million of his own money to build a train station in New Buffalo, next to condominiums and townhouses.

Given the extensive history of study and the proof of potential found in other states, Ohio has long wanted to reintroduce service and develop the 3-C Corridor, but could never do it alone. For the first time, however, Ohio has a federal partner that could turn this vision into a reality.

A BUSINESS INVESTMENT WITH GROWING SUPPORT

The outcry from Ohioans demanding passenger rail grows each day. A March 2009 statewide Quinnipiac University Poll showed 64 percent of those Ohioans polled favored re-establishing passenger rail in the 3-C Corridor. Further, a combined 46 percent stated they would be either "very likely" or "somewhat likely" to ride passenger trains in the 3-C Corridor. Even more significant is that people polled in areas outside of the 3-C Corridor showed strong support for the service and that support was particularly strong among men and women under the age of 25.

Over the past several weeks, Ohio's mayors and local officials announced their support for restoring passenger rail service in Ohio:

- Cincinnati Mayor Mark Mallory
- Cleveland Mayor Frank Jackson
- Columbus Mayor Mike Coleman
- Dayton Mayor Rhine McLin
- Lima Mayor David Berger
- Springfield Mayor Warren Copeland
- Cincinnati City Council
- Cleveland City Council
- Columbus City Council President Michael Mentel
- Delaware City Council
- Delaware Mayor Windell Wheeler
- and the commissioners of Cuyahoga, Franklin, Hamilton and Montgomery counties

Governor Strickland's efforts also have strong support in the business community, with endorsements from business organizations and chambers of commerce:

- Columbus Chamber of Commerce
- Cincinnati USA Regional Chamber
- Cleveland Partnership
- Toledo Metropolitan Area Council of Governments
- and organizations in Ohio's smaller cities, including Mansfield and Galion

“The Cincinnati USA Regional Chamber supports the Governor's efforts to secure federal funds that would assist in the development of passenger rail service in the 3C,” wrote Ellen G. van der Horst, President and CEO of the Cincinnati chamber. “This new direction can promise Ohio an expanding mix of transportation infrastructure, service, related economic development, environmental and energy benefits and systemic payoff in which a system of roads, rail, transit and air service are complementary, efficient and competitive.”

Ohio's environmental community is also strongly supportive. The Ohio Environmental Council testified to what it called, “a bold but thoughtful move toward a network of fast, frequent and reliable passenger train and increased capacity for moving more freight by rail.”

Even Ohio's professional sports teams have announced that they are on board with the plan for start-up rail service in the 3-C Corridor:

- Cleveland Cavaliers
- Columbus Crew
- Cincinnati Bengals
- Columbus Blue Jackets
- Columbus Clippers

“Our sports teams bring tremendous energy to our cities and attract people from across Ohio and outside the state for games and other activities that contribute to our economic vitality,” wrote Governor Strickland in announcing the endorsement. “In addition to important job-creating benefits, passenger rail will also provide more Ohioans with a practical and safe transportation alternative to enjoy Ohio's world-class professional athletics.”

A PARTNERSHIP WITH OHIO'S FREIGHT RAILROAD

Freight - no matter which mode is used to move it - is the backbone of our economy and an indispensable part of our recovery. For our railroads, Ohio is committed to making the 3-C initiative a win-win for passenger and freight so that it advances Ohio as a logistics and distribution leader.

Supporting this commitment, the State of Ohio has had positive discussions with our Class I freight railroads, including them in our modeling study discussions. Our governor has spoken with the CEOs about our passenger rail plans and indicated the State's commitment to addressing their safety, capacity and liability issues.

This commitment to freight can also be seen in Ohio's federal stimulus investment plans. As part of the state's \$774 million transportation stimulus investment, \$68.9 million is being directed to 22 separate railroad projects, targeting the state's busy freight rail system. The state will invest an additional \$50.9 million in federal transportation stimulus funds to support improved intermodal connections, including \$14 million at Franklin County's Rickenbacker Intermodal Terminal and Global Logistics Park, and \$6.5 million at Toledo's Airline Junction Intermodal Terminal to connect freight shipments by air, rail, and truck.

I know these partnerships can be successful. While I was Administrator of the Federal Railroad Administration under President Clinton, our team created new protocols with a focus on customer service, safety partnerships with labor and management, and efficiency and effectiveness for all. Customers and employees were informed and empowered, with open dialogue and relationships based on trust. Working together with all stakeholders helped us develop a historic feasibility study to examine the economics of bringing high-speed ground transportation to well-populated groups of cities throughout the United

States. We learned that successful public/private partnerships were essential to the construction and implementation of any successful system.

A wonderful example of partnership lies in the newly formed "OneRail Coalition" - comprised of groups including the Association of American Railroads (AAR), the American Short Line & Regional Rail Association (ASLRA), Amtrak, APTA, the National Association of Railroad Passengers, the States for Passenger Rail, the National Resources Defense Council, and other groups. The basis of OneRail is that passenger and freight interests need not conflict because effective rail passenger projects will enhance host freight railroad operations.

On March 24, 2009, Ed Hamberger, the President and CEO of the AAR stated: "America has the best freight railroad system in the world; there is no reason why we can't have the best passenger rail system as well."

SECURING FEDERAL SUPPORT FOR OHIO

Ohio is building its own version of the OneRail Coalition, with Governor Strickland, Ohio's legislature, freight railroads, businesses, Ohio cities and a majority of Ohioans. This commitment to true transportation choice has generated great excitement at every level of both the public and private sectors. The time for action is now. The time for a passenger rail partnership is long overdue.

The State of Ohio plans to seek ARRA funding for start-up service in the 3-C Corridor. Like the President, our goal is high speed; we must, however, start first with conventional service. We will ask the U.S. Department of Transportation as it develops the High Speed Strategic Plan - to be presented to Congress in April - that allocation of ARRA funds should set aside at least \$1 billion for the incremental development of designated high-speed rail corridors that do not currently have passenger service. We believe attention must be given to these corridors to lay the groundwork for the eventual enhancement to high-speed rail.

Ohio's 3-C Corridor passenger rail service can be in operation quickly on existing infrastructure at conventional speeds. Recent history demonstrates that successful high-speed passenger rail projects have their foundation in a robust, incremental development of rail infrastructure and improvements starting from conventional speed service. The much publicized passage of California's high-speed rail funding plan in a statewide ballot issue last November has its basis in decades of development of one of the nation's most sophisticated and well-run conventional speed systems.

We need federal leadership and partnership. Only the federal government can take State innovations and get them built as part of a national multi-modal transportation system. The time is right for the development of a national transportation plan, policy, and framework. The National Surface Transportation Policy and Revenue Study Commission - the group at the cutting edge in transportation infrastructure - stated in its Final Report that, "surface transportation programs cannot fully contribute to economic growth, international competitiveness, or other national goals without a national investment strategy."

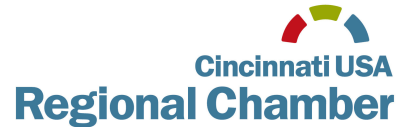
The States have called for a national plan through the American Association of State Highway and Transportation Officials (AASHTO). In the Passenger Rail Investment Act of 2008, Congress called upon the States to produce State Rail Plans as a prerequisite for funding passenger rail projects. It is time for the Congress to call for the US Department of Transportation to develop a truly nationwide passenger rail investment plan - the likes of which we haven't seen since the National Interstate Act of 1956 when President Eisenhower pushed to develop a truly modern interstate highway system.

A GREATER VISION FOR THE FUTURE

I have been honored to serve many roles in championing the importance of rail, both at the state and federal levels and in the private sector. My passion for rail is well known and my commitment to its continued support is unwavering. In my role as Director of the Ohio Department of Transportation, however, it is my responsibility on behalf of the people of Ohio to recommend and pursue transportation investments - all types of transportation investments, no matter the mode - that best respond to Ohio's needs and set us on a path to move Ohio into a prosperous new world.

In closing, I would ask that we not be constrained to the transportation thinking of the past: highways working toward one goal, rail, maritime, aviation and transit aimed at many other separate goals. Our country deserves a national multi-modal transportation futures plan - a strategy to create a truly integrated transportation system that gives all Americans safe and reliable choices for travel, gives all businesses efficient options for shipping, and gives the country a foundation for new growth and prosperity. I believe we have a President and a Transportation Secretary who understand how our strategic investments in transportation can have a transformational impact. Ohio is ready to be a partner in that transformation. Thank you.

ATTACHMENTS



March 27, 2009

The Honorable Ted Strickland, Governor
State of Ohio
77 S. High Street, 30th Floor
Columbus, OH 43215-6117

Cincinnati USA Regional Chamber

**Position Statement: HB 2, Ohio's FY 2010-2011 Transportation Budget
New investments in passenger rail**

In the Ohio Department of Transportation (ODOT) operating budget for FYs 2010 and 2011, Governor Strickland proposes significant investments to underwrite the resumption of passenger rail in Ohio, a transportation service that has not existed since 1971.

The Cincinnati USA Regional Chamber supports the Governor's efforts to secure federal funds that would assist in the development of passenger rail service in the 3C (Cincinnati-Columbus-Cleveland) corridor. The expansion of mass transportation is consistent with the priorities identified in Agenda 360, the regional growth plan for southwestern Ohio. However, the Chamber believes it is essential that the Administration's passenger rail efforts meaningfully advance the development of **high speed** service and improve the efficiency of freight service. Any investment *must* serve as a foundation for next-generation, high-speed service (110 mph).

High speed rail is particularly important because it is a faster service which will secure public commitment and riders, foster economic development, and position Ohio for a continuum of rail benefits, including interstate connections, far into the future – a basic policy goal for any major transportation investment.

The investments made to prepare for passenger rail service will also benefit Ohio's freight railroads, which, after all, own the rail stock on which passenger trains must operate. Ohio has the fourth largest freight rail network in the country. These investments will help retain that advantage and keep our state, and its economy, ready to handle significant increases in freight transport, an increase with significant ramifications for Ohio's highways *and* rail system.

Decisions about transportation investments are at a crossroads in Ohio. We can continue to commit all of our resources to a road and highway network, a statewide system that proudly can be claimed to be one of the best in the nation. Or, we can take advantage of alternate, but nevertheless significant, transportation opportunities. This new direction can promise Ohio an expanding mix of transportation infrastructure, service, related economic development, environmental and energy benefits and *systemic* payoff in which a *system* of roads, rail, transit and air service are complementary, efficient and competitive.

Sincerely,

A handwritten signature in black ink, appearing to read "Ellen G. van der Horst".

Ellen G. van der Horst
President and CEO

A handwritten signature in black ink, appearing to read "J. Rita McNeil".

J. Rita McNeil
Vice President, Government Affairs



March 23, 2009

The Honorable Ted Strickland
Governor, State of Ohio
Statehouse
Columbus, Ohio 43216

Re: Passenger Rail

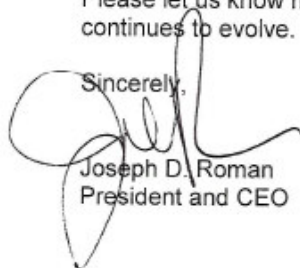
Dear Governor Strickland:

We are grateful to you for reaching out to us on the important issue of passenger rail service in Ohio. As is evidenced by the discussions that have taken place, this is an important issue and touches many segments of our citizenry.

We have reviewed this issue with your staff and our members and wish to convey that we support your efforts to bring federal dollars to Ohio for the purpose of creating a high speed rail system in our state. As pointed out in the attached statement of principles that was submitted to your office by the Columbus Chamber, Cincinnati USA Regional Chamber and the Greater Cleveland Partnership, a high speed system that connects our cities is cited as a project worthy of priority consideration.

Please let us know how we can work with you and your staff as this issue continues to evolve.

Sincerely,



Joseph D. Roman
President and CEO



TOLEDO REGIONAL
Chamber of Commerce

300 Madison Ave., Ste. 200 Toledo, Ohio 43604-1575 419-243-8191 phone 419.241.8302 fax www.toledochamber.com

March 25, 2009

Dear Ohio State Legislators:

The Honorable Ted Strickland - Governor
The Honorable Steve Buehrer – Senator Ohio 1st District
The Honorable Mark Wagoner – Senator Ohio 2nd District
The Honorable Teresa Fedor – Senator Ohio 11th District
The Honorable Randy Gardner - State Representative 6th District
The Honorable Barbara Sears – State Representative 46th District
The Honorable Peter Ujvagi - State Representative 47th District
The Honorable Edna Brown - State Representative 48th District
The Honorable Matt Szollosi - State Representative 49th District
The Honorable Bruce Goodwin - State Representative 74th District
The Honorable Lynn Wachtmann - State Representative 75th District
The Honorable Cliff Hite - State Representative 76th District
The Honorable Dennis Murray – State Representative 80th District

Please support Ohio's effort to initiate passenger rail service in the 3-C Corridor (Cleveland, Columbus, Dayton and Cincinnati) for the first time since 1971, as a first step in creating a statewide high-speed rail system. The Strickland administration is asking for the General Assembly's support as it seeks to compete for more than \$9 billion in federal stimulus funds for intercity passenger rail. We strongly agree with this request.

We, The Toledo Regional Chamber of Commerce, send this letter with the additional expectation that work on the Cleveland-Toledo and Columbus-Toledo Corridors would be started by 2012. Note that the Toledo additions would encourage new investment in Toledo estimated at between \$75 and \$105 million. We might also mention that Toledo already operates a train station very close to downtown Toledo, so we are in a prime position to maximize further investment in rail.

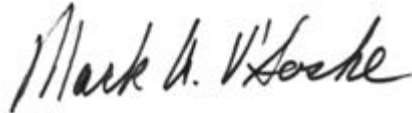
Today, we are confronted with difficult economic circumstances in Ohio that have left no family, community and business untouched. At the same time, we face incredible opportunities for growth and advancement as we work to position ourselves for a prosperous future. Now, more than ever, it is important for all of us to come together to make the thoughtful, targeted investments in infrastructure and industries that will once again build Ohio.

We urge you to work closely with your fellow members of the General Assembly and Governor Strickland to pass a transportation bill that supports using federal recovery act resources for the initiation of passenger rail service. As other states have experienced, projects like the 3-C Corridor are the first step in establishing a high-speed rail system throughout the state. The federal government has made unprecedented funds available for rail investment, and Ohio will lose ground to other states if we do not take immediate advantage of this opportunity.

By investing in rail now, we will create Ohio jobs, boost economic growth, provide Ohioans with more transportation options and improve the overall quality of life for citizens in all regions of the state. Not only is passenger rail efficient, safe and environmentally friendly, it is also cost-effective. When implemented or completed, it is estimated that the future annual operating cost for passenger rail in Ohio would be \$10 million a year – only a fraction (0.13 percent) of the state's \$7.6 billion biennial transportation budget.

Passenger rail will spark new development around the train stations and in the cities and towns along the 3-C Corridor. However, if we fail to act now, passenger rail will continue to be built in states around Ohio, and our communities and all they have to offer will be left behind. We urge you to support the biennial transportation budget as passed by the Ohio House and restore passenger rail service in Ohio.

Sincerely,

A handwritten signature in black ink that reads "Mark A. V'Soske". The signature is written in a cursive, flowing style.

Mark A. V'Soske, CAE
President
Toledo Regional Chamber of Commerce

MVS/



Dear Senator Harris,

On behalf of the Cleveland Cavaliers Organization, I would like to express our great excitement and anticipation of Governor Ted Strickland's vision of passenger rail service between Cleveland, Columbus and Cincinnati. Such a service would, in our opinion, generate a much-needed alternative to highway travel and would provide vast economic benefits that communities in other states currently experience.

Passenger rail is a convenient and efficient transportation amenity that enhances quality of life and thereby creates economic growth and opportunity. Specific to our business as the only professional basketball operation in Ohio, the Cleveland Cavaliers would enjoy the opportunity to significantly expand its marketing efforts in other Ohio cities. A passenger rail system would allow more Ohioans outside of Cleveland to attend Cavaliers and Lake Erie Monsters hockey games, as well as the variety of exciting concerts and events we host at The Quicken Loans Arena. This will create enthusiasm and economic opportunity for the Cavaliers organization, the City of Cleveland, and more broadly, the entire State of Ohio.

We believe rail transit enhances business opportunities and as such, we have tended to promote its use wherever our various business ventures operate. So great is our belief in transit that we are currently developing a light rail system in partnership with the City of Detroit - the home base of the Cavaliers sister company, Quicken Loans. We believe a startup passenger service between Ohio's three largest cities could create a favorable situation for the development of intra-city rail systems, similar to our project in Detroit. A core goal of our project in Detroit is to connect suburban communities to their core city and thereby further increase commercial activity within the region.

The 3-C Passenger Rail Plan, promoted by Governor Strickland, is in our opinion, a great first step - and an absolutely necessary one to provide proof of the benefits of a multi-modal transportation system for the State of Ohio. As owner of the Cleveland Cavaliers and employer of more than 2,000 people throughout the State of Ohio, we and our employees have a vested interest in Ohio's economy and believe a new rail system will increase economic activity. However, as an owner of several business concerns operating in many states, I am also very aware of the competitive environment for economic development. The 3-C plan is a good first step, but it must happen as quickly as possible if Ohio is going to realize the benefit of future economic growth.

With the federal government making an unprecedented \$9.5 billion in resources available for intercity and regional passenger rail and the competition that exists in our neighboring states, 14 of which already use rail service and twice that vying for new federal dollars, the time to act is now.

Please join me in supporting Governor Strickland's efforts on passenger rail and pass a transportation bill that will allow the Ohio Rail Development Commission and the Director of Transportation to compete for federal funding to support the passenger rail service initiative. Your support will benefit the entire State of Ohio through new travel opportunities, greater economic development and job creation.

Very Truly Yours,

Dan Gilbert
Chairman
Ownership Group
Cleveland Cavaliers
Quicken Loans Arena
Rock Ventures



TED STRICKLAND
GOVERNOR
STATE OF OHIO

February 26, 2008

Mr. Alexander Kummant
President and Chief Executive Officer
National Railroad Passenger Corporation
60 Massachusetts Avenue NE
Washington, DC 20002

Dear Mr. Kummant,

My administration is committed to providing Ohio's urban areas with the tools they need to create jobs and attract investments to make their communities vibrant centers of commerce. Investment in a rail transportation system that links metropolitan areas with passenger rail service, while improving freight commerce, would represent one such tool.

As you may be aware, the Cleveland – Columbus – Cincinnati corridor has been studied extensively and serves as the backbone of the Ohio Hub, the state's long term vision for passenger rail in Ohio. It is my understanding that the National Railroad Passenger Corporation (Amtrak) has been able to develop successful partnerships with fourteen states to date. I would appreciate Amtrak's assistance in evaluating available options to implement reliable intercity passenger rail services in this corridor so that we can add Ohio to that ever growing list.

The State of Ohio requests that Amtrak study the potential implementation of new intercity service in the 138 mile Cleveland – Columbus Corridor. Ohio additionally requests that Amtrak provide a separate estimate to extend the Cleveland – Columbus Corridor to Dayton and Cincinnati. It is my hope that Amtrak can use the existing analysis to embark on the first step of an incremental approach that puts Ohio on a path to realizing the enormous economic benefits of a vibrant intercity passenger rail system.

The staff of the Ohio Rail Development Commission has already been working with Michael Franke and Ray Lang in Amtrak's Chicago Office. We hope you will continue to work with Matt Dietrich at the Ohio Rail Development Commission to further coordinate this study. He can be reached at 614-644-0295. Thank you for your assistance as we work toward making passenger rail a reality in Ohio.

Sincerely,

A handwritten signature in black ink that reads "Ted Strickland". The signature is written in a cursive, flowing style.

Ted Strickland



Passenger Rail in Ohio

An Extensive History of Study

The mission of the Ohio Rail Development Commission, created in 1994 under Ohio Revised Code, is to “plan, promote, and implement the improved movement of goods and people faster and safer on a rail transportation network connecting Ohio to the nation and the world.” The ORDC is the latest state body to study how best to restore passenger rail between Ohio’s three largest cities. Since 1974, just three years after service in the 3-C Corridor ceased, repeated study has confirmed the strong potential and viability of the corridor. Below are some of the highlights:

- 1974 The Ohio General Assembly appoints a committee to study rapid rail transit in the 3-C Corridor. The 3-C Corridor is selected because “it contains the greatest concentration of Ohio’s population.”
- 1975 Ohio H.B. 64 passes with bipartisan support, creating the Ohio Rail Transportation Authority. Approved with this legislation is \$250,000 appropriated for Phase I Study
- 1977 **“Ohio High Speed Intercity Rail Passenger Plan - Phase I” (First Study)**
“One route runs from Cleveland via Akron to Mansfield, Columbus, Springfield, Dayton, Middletown and Cincinnati. This would be the most heavily traveled route...”
- 1979 **“Regional Rail Passenger Development Program” (Second Study)**
Ohio Governor James Rhodes signs legislation making Ohio the first member of the Midwest Interstate High Speed Intercity Rail Passenger Network Compact, along with Illinois, Indiana, Michigan, Missouri, New York, and Pennsylvania.
- 1980 **“Ohio High Speed Intercity Rail Passenger Program - Phase II” (Third Study)**
“Within Ohio, the suggested priority for service is Cleveland-Columbus-Cincinnati, Toledo-Cleveland-Akron-Youngstown, and Toledo-Columbus.”
- 1985 **Ohio High Speed Rail Task Force - Final Report (Fourth Study)**
“State should initiate high speed rail transportation in the 3-C corridor. Akron should be included in the 3-C route if it is economically justifiable. While there are many corridors in Ohio that are suitable for high speed rail, the 3-C Corridor has the greatest ridership potential.”
- 1992 **Ohio Railway Organization “Implementation Plan for High Speed Rail in Ohio” (Fifth Study)**
“Ohio High Speed Rail authority issued competitive request for proposals to the private sector to develop a plan for construction and operating the 3-C Corridor.”
- 1995 **Access Ohio: State Rail Transportation Plan (Sixth Study)**
Sections of this statewide surface transportation report by the Ohio Department of Transportation provides a plan for initiating passenger service on the corridor connecting Cleveland - Columbus - Cincinnati.
- 1998 **Cleveland-Columbus Passenger Rail Initiative (Seventh Study)**
The Ohio Department of Transportation evaluated passenger rail service as part of a project to construct a third traffic lane on Interstate 71 between Columbus and Cleveland. While the project did not move forward - due to timing, rail network congestion, lack of broader strategy - the study did provide baseline budgetary numbers for a 2-C route.



Authorization Policy # V.5

Topic V: Intercity Passenger Rail

Issue Area 5: Public/Private - Freight Railroad Partnerships

Legislative Recommendations Summary: The federal government should improve the business model for negotiating passenger rail access on a private railroad; help state DOTs determine the appropriate level of publicly funded capacity improvements needed for freight and passenger rail operations on shared-use corridors; and define a negotiating framework needed to reach agreements required during the initial phases of corridor development and in the build-out needed for high-performance passenger rail operations.

Policy Issue Discussion/Background

The infrastructure needs for both freight and passenger rail – especially for increased capacity – are tremendous, and the cost of capital for such investment by the private sector is often prohibitive. The involvement of the government (both federal and state) in providing funding for capital investment is desirable, but private railroads are wary of the “strings” that accompany such funding, and public agencies are often reluctant to fund capital improvements on privately owned property.

As the U.S. railroad industry sees strong growth in the demand for both freight and passenger rail service it is increasingly clear that public funding for railroad capacity must be part of the access agreements that State DOTs negotiate with the freight railroads. The inability of rail infrastructure construction to keep up with capacity needs has heightened the importance of negotiations over access rights in shared use corridors.

Except for Amtrak, there is no defined “business model” or formula for developing freight railroad access agreements between passenger rail agencies and freight railroads. Amtrak has the “*right-of-access*,” but the business model is only required to compensate the owning freight railroads for the “*incremental costs*” associated with accommodating intercity passenger rail service over their lines. The Amtrak model does not reimburse the railroads for the lost profit potential of the freight train slots occupied by Amtrak passenger trains.

When Amtrak was created in 1971, there was excess rail capacity and the market-based price for access would have been much less than the price for access today. Under heavy traffic

conditions, and without a steady stream of capital for investment, it is difficult for Amtrak to negotiate with the railroads to ensure that the passenger trains run on-time.

Railroad owners and states not only must agree on operational control and a basic charge for access and maintenance, but they must also create a framework which controls current and future capital investments and the possibility of service expansion. The capital plan for the build-out of rail corridor infrastructure should result from a successful public/private partnership (PPP) between the private freight railroads and the public sector transportation providers.

Legislative Recommendations

The federal government should provide guidelines for identifying and negotiating a balance between public investments and the potential to leverage private funds to maximize public benefits from constructing and operating shared use rail corridors.

One of the goals of the access agreements between the state DOTs and the owners of the freight railroad should be to remove impediments and bottlenecks to efficient freight and passenger rail operations, separate freight and passenger trains where appropriate, increase operating speeds, improve fluidity, and leverage public-private financing to expand corridor capacity sufficient to accommodate both freight and high-performance passenger train operations.

As freight and passenger rail traffic continue to strain the capacity of shared-use corridors, there will come a point when the cost of passenger access becomes too high for state DOTs to justify. At this point, service expansion and capital planning should focus increasingly on separating freight and passenger trains while increasing the public ownership of passenger rail assets.