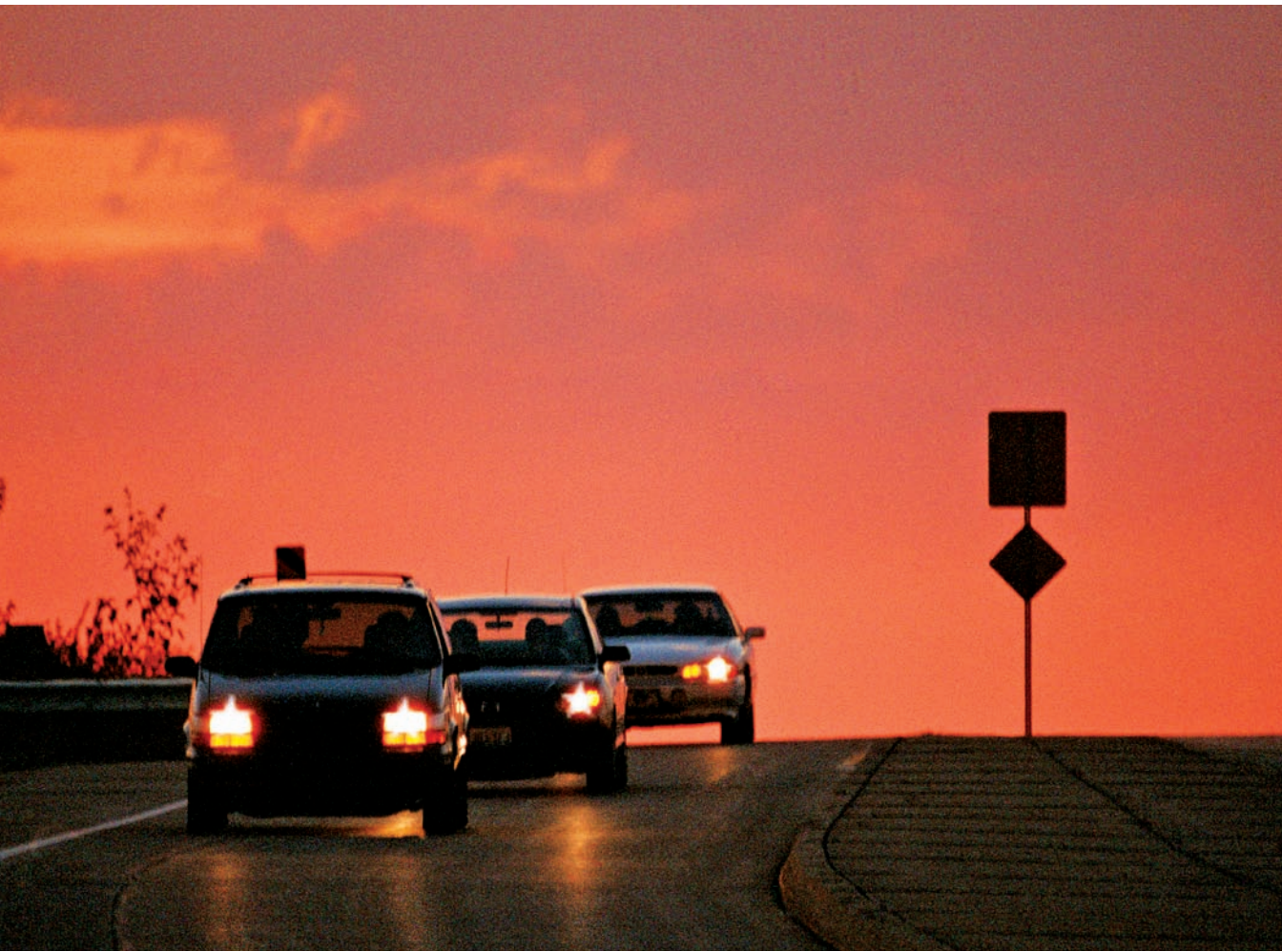


Midwestern Governors Association

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# Surface Transportation Recommendations



Midwestern Governors Association

The Midwestern Governors Association (MGA) is a nonprofit, nonpartisan organization that brings together top state leaders to work cooperatively on significant public policy issues in the Midwest. The purpose of the MGA is to foster regional development, facilitate interstate cooperation, improve intergovernmental relations, and provide a medium for the exchange of views and experiences on subjects of importance to the people of the Midwestern states.

The Midwestern Governors are:

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**M. Michael Rounds**

*South Dakota*

Vice Chair

**Jennifer Granholm**

*Michigan*

**Chet Culver**

*Iowa*

Past Chair, 2006

**Tim Pawlenty**

*Minnesota*

**Mitch Daniels**

*Indiana*

**Pat Quinn**

*Illinois*

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**Jim Doyle**

*Wisconsin*

**Kathleen Sebelius**

*Kansas*

Past Chair, 2004

**John Hoeven**

*North Dakota*

**Ted Strickland**

*Ohio*

**Jay Nixon**

*Missouri*



Secretariat services are provided to the MGA through the Midwestern office of The Council of State Governments.

# MGA

## Midwestern Governors Association

The Midwestern Governors Association is pleased to provide the following recommendations to Congress and others as the opportunity for reauthorization of surface transportation program approaches.

A sound transportation system is the foundation of our nation's economy and our nation's freedom. It is a fundamental requirement to help fulfill the potential of the Midwest's energy, people, and products. State governments play a critical role in maintaining our national and regional transportation systems, but the federal government also has a critical and traditional role—to help fund the preservation, growth, and sustainability of the systems linking the country. Facilitating the movement of people and goods must build from a "fix-it-first" foundation so our economy will be strong enough to afford other transportation improvements. As we look to reauthorize the surface transportation program, we must invest in the transportation system in both rural and urban areas to promote accessibility, connectivity, and mobility. To grow and compete in the global market place, energy, people, and products must be able to move freely in and through the Midwest to all areas of the nation and the world.

The many transportation alternatives available to our region like highways, rail, transit, water, and other modes, provide the Midwest with many opportunities and competitive advantages. These transportation opportunities allowed us to develop quickly as a region and promoted the development of export-based economies based on strong connectivity. Continuing to seize these opportunities is critically important in improving the nation's and the region's economic potential. States have long been considered "laboratories for democracy" and have been implementing innovative approaches to address the problems in individual states. As Congress looks to ways to address America's transportation challenges, our different approaches illustrate how Midwestern states have been addressing the same issues at the state level.

The governors of the Midwest and the Midwestern Governors Association look forward to working with others to create a new surface transportation bill with the necessary funding and policy provisions to fulfill the potential of our region and our nation.

Sincerely,



M. Michael Rounds  
Governor of South Dakota, and  
Chair, Midwestern Governors Association



## TABLE OF CONTENTS

<b>REGIONAL OVERVIEW</b> .....	<b>5</b>
<b>FUNDING SOURCES AND DISTRIBUTION</b> .....	<b>6</b>
CONGESTION INNOVATION: ILLINOIS’ OPEN ROAD TOLLING.....	7
FUNDING INNOVATION: INDIANA’S MAJOR MOVES.....	9
INNOVATION IN LOCAL ECONOMIC DEVELOPMENT: REVITALIZE IOWA’S SOUND ECONOMY (RISE) FUND .....	10
FUNDING AND CONGESTION INNOVATION: MINNESOTA’S HOT LANE .....	11
<b>MOVEMENT ON THE REGION’S ROADS</b> .....	<b>12</b>
FREIGHT MOVEMENT INNOVATION: I-70 TRUCK LANES.....	13
SAFETY INNOVATION: SOUTH DAKOTA’S 511 TRAVELER INFORMATION SYSTEM–WINTER SAFETY & ROADWAY CONDITIONS .....	15
<b>REGIONAL TRANSIT MOVEMENT</b> .....	<b>17</b>
<b>MOVING PASSENGERS AND FREIGHT ON THE REGION’S RAILS</b> .....	<b>19</b>
FREIGHT RAIL INNOVATION: ILLINOIS’ CREATE PROGRAM .....	21



## REGIONAL OVERVIEW

A successful, well-integrated transportation system for the Midwest is possible only if states continue to work with the federal government and other jurisdictions. Significant capital investment from all levels of government must continue and be guaranteed in the future as existing systems age. States are in the best position to analyze and rank transportation needs and manage programs that balance multimodal investments to meet state, regional, metropolitan and national purposes.

The nation's heartland has a long tradition of serving as a transportation hub for agriculture, energy, and the movement of manufactured and raw goods. The many transportation alternatives available—highways, rail, transit, water and other modes—provide the Midwest with many opportunities and competitive advantages. Seizing these opportunities is critically important in improving the nation's transportation connectivity and fulfilling the Midwest's economic potential.

Today, the Midwest is home to major sectors of the U.S. economy—manufacturing, agriculture, energy (both renewable and fossil fuels) and tourism. The success and growth of these industries and the economic vitality of the region hinge on access to safe, convenient, reliable and affordable transportation. Transportation investments here will strengthen and develop the economies of Midwestern states and improve productivity.

Sustaining and improving transportation systems and networks poses many challenges for the states. Addressing those challenges is critically important in efforts to improve the nation's transportation connectivity and fulfilling the Midwest's economic potential through the movement of energy, people and products.

As Congress begins work on the reauthorization of the surface transportation programs it is essential that Congress take a “fix-it-first” approach. Congress must also continue to invest in rural and urban connectivity; interregional, interstate and intercity freight movement; improvements to safety and the existing infrastructure; and needed expansion. Attention must also be paid to congestion, efficiency, and ways to address new transportation routes and patterns connecting our nation's domestic energy sources.

## FUNDING SOURCES AND DISTRIBUTION

The federal government must continue to provide long-term, stable and sustainable funding streams, allowing states and local governments to plan transportation investments reliably and predictably. In particular, solvency and sustainability of the Highway Trust Fund (HTF) must be addressed.

Despite the efficiency of the motor fuel tax, the ability of this revenue source to finance the nation's surface transportation projects may not be as dependable as it was in the past due to volatile fuel prices and the projected reduction in fuel consumption resulting from the use of energy-efficient cars, flex-fuel vehicles, and hybrid and electric cars. Insufficient revenues coming to the HTF makes it necessary for the states and federal government to identify potential funding sources, such as taxing vehicle miles traveled, to supplement the state and federal motor fuel tax.

Other innovative funding mechanisms such as public-private partnerships, tolling, congestion pricing, Build America Bonds and other bonding mechanisms should also be fully available to fund existing and future transportation needs. These options must be part of the long-term funding solutions used to address our nation's transportation infrastructure. New programs being considered should have broad eligibility so that all areas of the country can participate. Congress should not put any unnecessary restrictions or conditions on these solutions.

States need to retain their role as the primary owners and managers of the highway system. As such, they should be allowed to use flexible, state-performance-based and needs-based approaches that allow for strong asset management and help guide funding distribution. The percentage of federal program dollars directed to "off-the-top" programs, set-asides, earmarks and allocations should be reduced so funding can be directed to appropriate investments. Flexibility for funding transfers among modes should be allowed. Inflexible mandates will only stifle the management innovations and investments needed to get the most from every valuable transportation dollar.



## CONGESTION INNOVATION: ILLINOIS' OPEN ROAD TOLLING

In September 2004, the governor's office launched a \$6.3 billion congestion-relief program for the Illinois Tollway—Open Roads for a Faster Future. This first-in-the-nation move to open-road tolling (ORT) centered on converting traditional barrier-style toll plazas to high-speed, open-road electronic toll collection. This program also includes modernization and rebuilding of the majority of the Illinois Tollway system, 65 percent of which had not been reconstructed since the late 1950s.

Open Roads for a Faster Future now provides commuters, vacationers and commercial trucks moving into and out of Illinois with faster travel times, improved safety, congestion relief and nonstop traffic flow. The Illinois Tollway features 116 ORT lanes systemwide, with traditional cash lanes alongside. ORT lanes are able to collect tolls electronically from a prepaid electronic transponder (known as I-PASS) located in the vehicles.

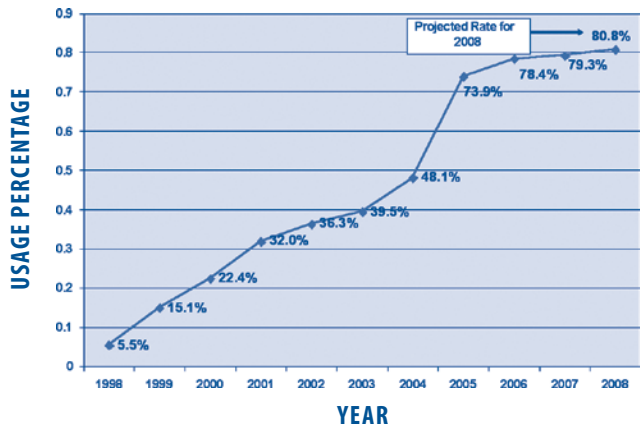
Each day, more than 1 million drivers on the Illinois Tollway system use I-PASS to reduce travel time up to 30 minutes (an average of 10 to 15 minutes each way). In addition, ORT has saved time and cut costs for commercial vehicles. It is estimated that truck drivers save \$25 for every 15-minute reduction in trip time. This translates to roughly \$12,000 a year for each truck.

As part of the program, ORT congestion pricing was implemented to reduce toll rates for trucks during off-peak periods, the first value-pricing effort in the Midwest,

with the trucking industry acting as partner in the open-road plan. The program includes rebuilding, widening and extending miles of the tollway system, as well as implementing noise walls, bicycle paths, landscaping and intermodal planning to further help communities served by the tollway.

In 2008, Illinois launched phase two of the Tollway Congestion-Relief Program. "Green lanes" will be used by buses and ride-sharing commuters at I-PASS rates, with single-occupant vehicles given access at premium prices. To encourage environmentally responsible vehicles and congestion reduction, drivers of hybrid, electric or fuel-cell vehicles, as well as those with high miles-per-gallon ratings, will have access to the green lanes at a variable fee.

**YEARLY I-PASS USAGE RATE**



**The Midwestern Governors support:**

- Retaining a strong federal funding role in surface-transportation programs by ensuring that federal investment does not fall below historic levels.
- Using a wide range of federal funding options, including taking steps to implement a future vehicle miles-based approach to supplement the motor fuel tax, to achieve long-term, stable and sustainable funding.
- Ensuring that federal funding is focused on preservation, rural and urban access, and connectivity, as well as congestion and other national needs.
- Allowing the use of the complete spectrum of innovative financing and public-private partnerships to supplement public dollars for infrastructure and ensuring that all areas of the country can participate.
- Retaining the primary role of states in managing federal transportation investments through the use of state and metropolitan performance-based accountability processes that will focus transportation investments on systems and projects that provide significant benefits.
- Simplifying the program structure, increasing the percentage of the core federal program apportioned to the states and reducing “off-the-top” set-asides, allocations and earmarks.
- Increasing flexibility for program funds including the ability for states to transfer funds among modes to meet changing needs and demands on the system.
- Streamlining federal requirements and regulations so projects can be more cost-effective, reach completion more quickly and avoid duplication of effort.



Photo courtesy of the South Dakota Department of Tourism.



## FUNDING INNOVATION: INDIANA'S MAJOR MOVES

In September 2005, Indiana Gov. Mitch Daniels introduced his Major Moves highway plan. The plan included more than 200 new construction and 200 major highway-preservation projects. In addition, funds would be made available to counties for local transportation projects. The funding would come from a combination of federal and state fuel-tax money and a most revolutionary source—revenues from leasing the Indiana Toll Road to a private interest.

The Indiana Toll Road was an underperforming, undermaintained state asset. A lease was anticipated to bring in the \$1.8 billion necessary to fill the construction funding gap. Instead, the leading offer was \$3.85 billion to maintain and operate the road for 75 years from Cintra-Macquarie, an Australian-Spanish consortium that operates more than 40 toll facilities worldwide. In addition to the up-front payment, the concessionaire is also contractually obligated to complete at least \$4 billion in improvements to the highway during the term of the lease agreement.

Under Major Moves, Indiana is investing nearly \$12 billion in more than 400 new road construction, preservation, resurfacing and other projects throughout the state, accelerating projects forward by as long as 70 years. New construction spending will quadruple from \$213 million in fiscal year 2006 to \$874 million in 2015.

In addition to state highway projects, the counties where the Indiana Toll Road is located received one-time payments of between \$40 million and \$120 million for local transportation projects. And for the first two years, all 92 Indiana counties received additional funds for their local transportation projects. Five hundred million dollars from the lease proceeds was dedicated to a Next Generation Fund to be used later for transportation projects.

Thus far, the private entity has converted the road to electronic toll collection, made mandatory improvements to the road itself, increased state police presence and invested heavily in the local economy. The road is more modern, efficient and safe.

Major Moves enabled vital projects across Indiana that previously were delayed, or had little hope of ever being built, to be funded and moved forward quickly. Major Moves is the largest roads and jobs plan in Indiana's history, and it is being accomplished without an increase of the fuel tax. To achieve the same level of revenue through increased fuel taxes, Indiana would have had to double its existing fuel tax. Increased bonding would have resulted in covering only one-third of the total figure.



Photo courtesy of the Iowa Department of Transportation.

## INNOVATION IN LOCAL ECONOMIC DEVELOPMENT: REVITALIZE IOWA'S SOUND ECONOMY (RISE) FUND

The RISE Fund was created to promote economic development in Iowa through construction or improvement of roads and streets. The RISE Fund currently receives approximately \$36 million annually. The fund is designed to target value-adding activities, provide maximum economic benefits, emphasize local involvement and initiative, and address situations requiring an immediate response and commitment of funds.

The Code of Iowa provides that 28.6 percent of the funding be spent on city streets, 14.3 percent on secondary roads and 57.1 percent on primary roads. All funds are administered by the Iowa Department of Transportation and awarded by the Iowa Transportation Commission. Since its beginning, RISE has assisted in creating or retaining more than 42,926 jobs. In addition, many other jobs may be created as new and

expanding industries take advantage of land that is opened up for development with the help of RISE funding.

Funds are provided to a large number of local communities to enhance their opportunities for economic development. While the funding provided might not seem significant, it provides leverage for additional capital investments. For example, in fiscal year 2007, 25 projects were awarded a total of \$8.7 million in RISE funding. The average funding for the 13 Local Development projects was nearly \$400,000 toward a total capital investment of over \$43 million. The average funding for the 12 Immediate Opportunity projects was nearly \$300,000 toward a total capital investment of over \$56 million.



Photo courtesy of the Minnesota Department of Transportation.

## FUNDING AND CONGESTION INNOVATION: MINNESOTA'S HOT LANE

Addressing the need to more effectively use its transportation network, Minnesota successfully converted a High Occupancy Vehicle (HOV) lane to a High Occupancy Toll (HOT) lane in 2005. The main goal of the 11-mile MnPASS Interstate 394 corridor is to increase use of an existing HOV lane—without affecting travel speeds for transit and carpoolers. The HOT lane approach permits single-occupant drivers to pay a user fee to access the HOV lane. Speeds are then maintained by controlling congestion through dynamic changes to the toll according to the demand and use of the lane. Currently, the toll ranges from 25 cents up to \$8.00, averaging \$1.55 per trip. In-vehicle transponders, roadside scanners, loop detectors and dynamic signing are the technologies used to automate the toll collection and pricing processes without stopping or slowing drivers.

Surveys show that 95 percent of MnPASS I-394 customers are happy with the service. More important, the project achieved its primary goals. Use of the lane increased from 16 to 31 percent,

and speeds are maintained at 55 miles per hour 95 percent of the time. Transit and carpool service has been maintained at a speed of 55 mph more than 99 percent of the time. More than 12,000 transponders have been leased, and on any given day, about one in four transponder owners uses the lane. There are approximately 20,000 tolled trips per week, resulting in \$24,000 in revenue. Public transit and carpools are still allowed to use the lane for free. The cost of operating the HOT lane is approximately \$1 million per year, and revenues have exceeded operational costs for the last two years.

Building on experience, Minnesota will implement its next HOT lane on Interstate 35 West as part of the Urban Partnership Agreement Program sponsored by the U.S. Department of Transportation. The MnPASS I-35W project will add priced dynamic shoulder lanes, add a HOT lane and convert an existing HOV lane to a HOT lane on various sections of the Interstate. The full conversion will be complete by fall 2010.

## MOVEMENT ON THE REGION’S ROADS

America continues to be the largest manufacturer in the world, with the Midwest contributing significantly toward our country’s output. As manufacturing output levels remain high, so too will be the demand for ways to transport those goods. According to the National Association of Manufacturers, 31.7 percent of all manufacturing jobs are located in the Midwest. The following chart shows the importance of manufacturing not only to individual Midwestern states, but to the entire region.

MANUFACTURING SHARE OF STATE GDP			
States with Largest Manufacturing Percentage of GDP	Manufacturing Portion of State GDP (in billions of dollars)	Total State GDP (in billions of dollars)	Manufacturing Share of State GDP (in percent)
Indiana*	62.7	246.4	25.4
Louisiana	49.7	216.1	23.0
Wisconsin*	49.7	232.3	20.6
Iowa*	26.1	129.0	20.2
Oregon	30.2	158.2	19.1
<i>United States Total</i>	<i>1,615.8</i>	<i>13,743.0</i>	<i>11.8</i>
<i>MGA States Total</i>	<i>459.8</i>	<i>2,809.1</i>	<i>16.4</i>
<i>United States Average</i>	<i>31.7</i>	<i>269.5</i>	<i>11.8</i>
<i>MGA States Average</i>	<i>38.3</i>	<i>234.1</i>	<i>16.4</i>

\*MGA State Source: Bureau of Economic Analysis, U.S. Department of Commerce; 2007 numbers

To maintain high-quality products and reasonably priced goods, transportation must be speedy and reliable, offer many options and keep costs to a minimum. Many crops and natural resources travel from points of production to their destination on federal-aid roads that are not part of the National Highway System (NHS).

Additionally, with the Midwest’s expanding bioenergy industry, roads play an increasingly important role in moving products and raw materials needed for energy production. Many of the roads and transportation systems servicing this industry were not designed to withstand this more frequent use, often times by larger, heavier vehicles, especially in the rural areas where many of these industries are located. These roads need to be reconstructed to higher load-bearing standards to carry the weights of bioproducts moving on them.

The National Surface Transportation Policy and Revenue Study Commission found that the number of freight trucks on U.S. roads increased 36 percent between 1980 and 2002. During the same time frame, the average distance traveled per truck increased 42 percent. Federal Highway Administration data on truck origins and destinations confirm that a great deal of traffic is passing through rural states. According to the American Association of State Highway Transportation Officials (AASHTO), the volume of long-haul trucking moving trade to and from the coasts across rural America is expected to double by 2035.

## FREIGHT MOVEMENT INNOVATION: I-70 TRUCK LANES

The Illinois, Indiana, Missouri and Ohio departments of transportation are working with the U.S. Department of Transportation (USDOT) to establish dedicated truck lanes along the 800-mile corridor of Interstate 70 from Kansas City, Mo., to the Ohio/West Virginia border. The proposed addition of four lanes to the current infrastructure would be dedicated solely for truck use.

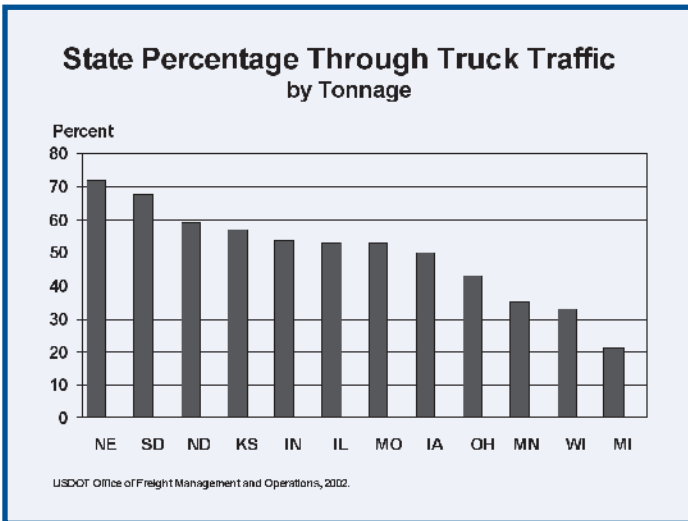
Moving these trucks off the general purpose lanes would reduce congestion, enhance mobility, improve reliability, improve safety, facilitate multimodal integration, enhance economic development, and minimize impacts upon the environment, local communities and public health.

The corridor will be part of a next-generation transportation system that will support regional, national and global supply chains. Innovative solutions, which incorporate state-of-the-art infrastructure design, leading-edge technologies and optimal financing solutions for users and taxpayers, will be the hallmark of this corridor.

Freight movement on the I-70 corridor is growing. The USDOT estimates that current truck traffic is 21.5 percent in urban areas and 28 percent in rural areas of the 800-mile corridor. Among the 240 miles in urban areas, 53 percent are considered heavily congested. By 2035, if further improvements are not made, it is estimated that 97 percent of urban segments of the highway will be heavily congested—with the level for non-urban areas increasing to more than 87 percent from its current 16 percent.

In addition to reducing congestion, safety is another reason for providing designated truck lanes. The USDOT reports that 12 percent of all traffic fatalities involved large trucks, with 75 percent of those fatalities involving occupants of another vehicle. Large trucks were also found to be involved in fatal multiple-vehicle crashes 82 percent of the time, compared with 59 percent of all passenger vehicles. By separating large trucks from the general lanes, it is expected that many of these collisions can be avoided.

The importance of maintaining rural highways will continue to grow as truck traffic, especially with heavier loads, increases. The chart below illustrates that states in the Midwest have a much larger percentage of these through trucks than the national median of about 45 percent of total traffic. States with a smaller percentage of through trucks generally have trips with more internal origins and destinations because of a more concentrated manufacturing based economy.



As use of the roadways increases, it is important to keep both rural and urban transportation systems safe. Almost 60 percent of all crashes and 70 percent of all highway deaths occur on rural roads, and most of the rural mileage is not part of the NHS. On non-arterial rural highways across the nation, the fatality rate per 100 million vehicle miles of travel was more than three times the rate on urban freeways.

In addition to addressing the needs surrounding traffic crossing the region to the coasts, it is also necessary to examine transportation challenges at the borders. The Midwest, with 29 land-border points of entry, is one of the leading manufacturing and exporting regions in the nation. It is home to some of the busiest U.S. border crossings, thanks to the movement of goods and people between the Midwest and Canada, the United States' largest trading partner. Providing roadway access to rail lines and to ports on the Great Lakes and inland waterways, such as the Mississippi and Ohio rivers, is also vital to serving the nation. Our international crossing systems must be constructed to meet the expanding needs of the freight system.





Photo courtesy of the South Dakota Department of Transportation.

## **SAFETY INNOVATION:**

# **SOUTH DAKOTA'S 511 TRAVELER INFORMATION SYSTEM— WINTER SAFETY & ROADWAY CONDITIONS**

Anyone who has lived in the Midwest and attempted to travel through a “major winter event” knows how important weather information is to enhancing safety, improving system reliability, and saving time and money. Since it was introduced in November 2002, the South Dakota 511 Traveler Information System has addressed more than 2.5 million information inquiries. In 2007, the system logged more than 1 million requests in a state with fewer than 800,000 residents. About 60 percent of the requests came from [www.SafeTravelUSA.com](http://www.SafeTravelUSA.com).

For the winter of 2007-08, cameras provided snapshots taken at 10-minute intervals of the roadway at 19 locations along Interstate 29 and

Interstate 90. By taking advantage of the electric power and communications already available at dynamic message signs, South Dakota was able to keep installation and operation costs low.

John Culberson, Custer County Highway Superintendent, sums up the value of the 511 traveler information system by saying, “You can tell folks until you are blue in the face that no travel is advised, but when they pull up those cameras, they know better than to head out. Those cameras are a wonder to behold.” The state plans to add between 20 and 30 more cameras, including many on non-Interstate highways.

**NUMBER OF U.S. BORDER CROSSINGS BY TRUCK AND RAIL INTO MIDWESTERN BORDER STATES FROM CANADA (2007)**

State	Truck Crossings	Train Crossings
Michigan	2,599,605	8,353
Minnesota	74,636	8,169
North Dakota	383,223	3,887

Source: U.S. Department of Transportation—Bureau of Transportation Statistics

**The Midwestern Governors support:**

- Providing a strong investment in the federal-aid system focused on the Interstate and National Highway System, as well as continued support for the existing federal-aid system.
- Continuing federal funding for other federal-aid system routes to improve safety, access and connectivity for both urban and rural areas.
- Providing federal funding support for interregional, interstate and intercity freight and for fixing bottlenecks and improving access to ports and international gateways, especially with our largest trading partner, Canada.
- Meeting the changing needs of the road system to address the transportation demands of agribusiness, which is a major industry in rural and urban areas of the Midwest.
- Improving routes and access to major tourism destinations not directly linked by Interstate highways.



Photo courtesy of the Illinois Department of Transportation.

## REGIONAL TRANSIT MOVEMENT

Residents in the Midwest joined the record numbers of Americans who left their cars at home in 2007 and took the bus or train. This is in addition to the existing transit riders for which transit is their only option due to age, health or income. This makes proper maintenance and growth of transit systems in urban and rural areas essential.

Over the long term, public transit helps address many other national and global problems. Most importantly, public transit helps low-income Americans get to work, students to get to school, the disabled to live independently and the elderly to see their doctors. Additionally, public transit is beneficial in reducing energy use, congestion and improving the environment. By one estimate, public transit saved 340 million gallons of fuel and 541 million hours in travel time in 2005. That translates to less dependence on fuel imports, less pollution, greater national productivity and a higher quality of life.

Based on the 2000 census, the number of people 65 and over in the Midwest is projected to grow 7 percent by 2010 and 37 percent by 2020. Rural public transit, though it serves a smaller population, is fundamental. Demand-Response transit in rural areas provides the important function of transporting individuals from smaller towns to larger cities/towns for services. Often these trips are for non-emergency medical care. Public transit will likely play a greater role in keeping these elderly Americans in their homes and out of nursing homes, and lowering public and private expenditures on more-expensive care options.

AASHTO estimates that in 2007 there was \$31.4 billion in public transit capital needs. If this spending had taken place, it would have produced positive net benefits in condition and performance. This amount of need is in contrast with actual 2004 transit capital spending of \$13.2 billion nationwide.

Public transit is vitally important in both densely and sparsely populated areas. The Chicago Transit Authority, the nation's second-largest public transportation system, serves Chicago and 40 surrounding suburbs, providing 1.5 million rides each day and more than 650 million a year, with additional growth predicted. When combined with the suburban bus and commuter rail network in the larger northeastern Illinois region of 8 million people, the system provides 2 million rides each day.

Members of the Oglala Sioux Tribe on the Pine Ridge Indian Reservation in southwestern South Dakota are expected to be able to take a new public transit service to classes or medical appointments or for shopping sometime this year. Local business people are hoping improved mobility will spur economic development in a region that has long been one of the country's poorest.

**The Midwestern Governors support:**

- Continuing a strong federal commitment to public transit in both urban and rural areas and providing funding for needed programs that make essential transportation services available to urban and rural residents.
- Providing additional regulatory flexibility so transit agencies can provide enhanced public transportation services that allows more individuals to enjoy services.
- Providing more federal transit options for residents in rural areas.
- Encouraging and supporting the expansion of intercity and intracity public transportation services provided by commuter, intracity, and intercity vans and buses.
- Encouraging, promoting and investing in energy-efficient mobility options, including providing maximum flexibility to integrate the needs of pedestrians and cyclists into transportation alternatives.



Photo courtesy of the Kansas Department of Transportation.

## MOVING PASSENGERS AND FREIGHT ON THE REGION'S RAILS

Midwestern cities, like many in the nation, have been experiencing fewer airline flights (especially direct) and higher airfares. The region, however, benefits from having many medium-sized cities located within reasonable train-transport distances from one another. Passenger rail ridership in the region increased dramatically between 2004 and 2007, as the chart below indicates.

<b>AMTRAK RIDERSHIP ON CORRIDOR SERVICES IN THE MIDWEST*</b>			
<b>Route</b>	<b>Riders in 2008</b>	<b>Percent Increase from 2007</b>	<b>Percent Increase from 2004</b>
Chicago-St. Louis	476,427	16.5	123.7
Kansas City-St. Louis	151,690	30.2	18.4
Chicago-Milwaukee	749,659	25.9	62.8
Chicago-Pontiac, Mich.	472,393	5.2	29.0
Chicago-Grand Rapids, Mich.	111,716	6.6	27.3
Chicago-Port Huron, Mich.	136,538	7.0	44.6
Chicago-Carbondale, Ill.	271,082	18.5	139.3
Chicago-Quincy, Ill.	202,814	19.8	86.3
Chicago-Indianapolis	31,774	20.6	77.2
<b>Totals</b>	<b>2,604,093</b>	<b>17.0</b>	<b>63.8</b>

\*Figures are based on ridership during fiscal year

Source: Amtrak data; analysis by the Midwest Interstate Passenger Rail Commission

Congress must improve the process for negotiating passenger and commuter rail access on private railroads. Increased freight, commuter and passenger rail traffic is continuing to strain the capacity of shared-use corridors. In the future, railroad negotiations for service expansion, high-speed operations and capital planning should focus increasingly on operating reliability and capacity expansion.

The Midwest Regional Rail Initiative (MWRRI), combined with the Ohio Hub, is a joint effort among Amtrak, the Federal Railroad Administration and nine Midwestern states—Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin—to develop an improved and expanded passenger-rail system in the Midwest. At a top speed of 110 mph, train travel times between the major city pairs will be competitive with those

of the automobile. The MWRRI network would serve nearly 60 million people, reduce travel times dramatically and yield a projected growth in annual ridership from the current 2.6 million passengers to 13.6 million.

The goal of the MWRRI is to greatly enhance passenger rail service throughout the region. Specifically, the initiative strives to reduce travel time, increase train frequency and improve reliability to current rail passengers. The initiative's goals also include introducing rail service to areas not currently served, support economic development near stations, generate revenues to cover operating costs and provide capital investments in rail infrastructure on the shared rights of way.

Rail continues to be a growing component of the freight transportation system in the Midwest. The region's rail system, however, faces many challenges in meeting rising demands. The industry estimates that by 2035, the tonnage of goods shipped over rail will increase 60 percent from 2005 levels.

As the Current Corridor Volume map (at right) indicates, rail movement is concentrated in the Midwest. Chicago and Kansas City are the busiest and second-busiest rail hubs in the country, respectively, with heavy concentration also in northern Indiana and Ohio. An inability to address this increasing congestion will slow freight movement through the Midwest, impacting the entire country.

Rail maximizes energy and economic efficiency and minimizes the environmental impact of the transportation sector by reducing greenhouse gas emissions. Moving freight by rail is three times more fuel-efficient than doing so on the highway, and the freight railroad industry emphasizes that one gallon of fuel moved one ton of freight more than 435 miles in 2006—an increase from 332 miles in 1990. According to the Federal Railroad Administration, this 31 percent increase in efficiency is the result of railroads moving longer distances between interchanges, as well as innovative equipment and more-fuel-efficient locomotives.

In addition to major rail lines, short line (Class III) railroads are also a critical component of an effective multimodal freight transportation network. These short line railroads keep many shippers connected to the national rail system for the delivery of products. It is important that critical infrastructure needs of these short line railroads are addressed so that many shippers continue to be provided the option of rail freight service.

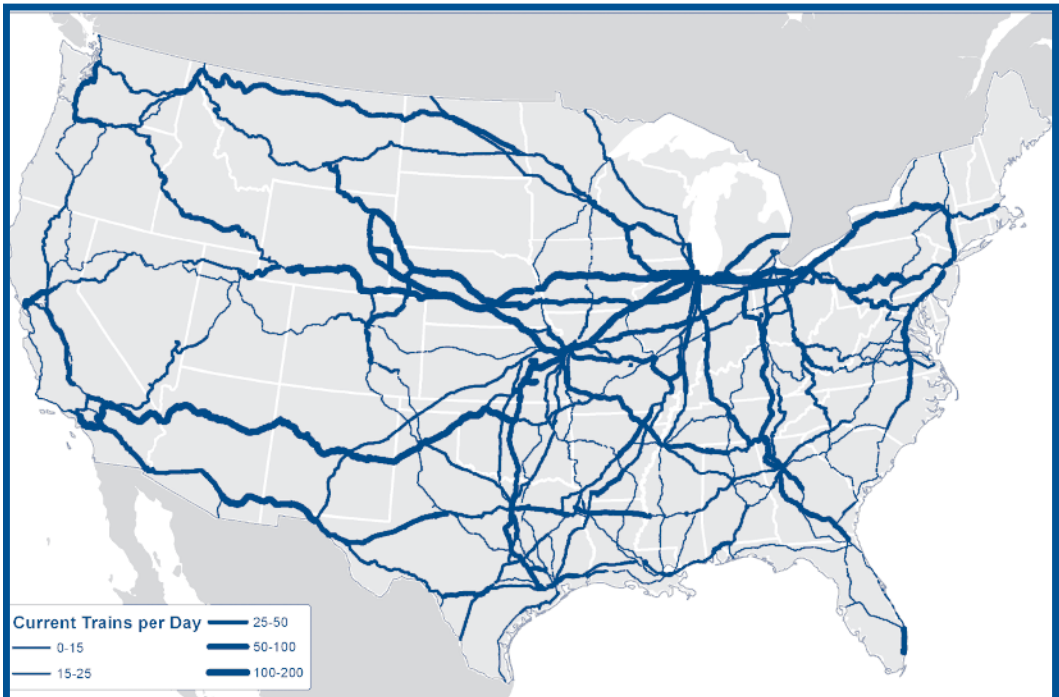
## FREIGHT RAIL INNOVATION: ILLINOIS' CREATE PROGRAM

An innovative program to make regional freight movement more efficient is already under way. The CREATE (Chicago Region Environmental and Transportation Efficiency) program comprises 78 rail and highway construction projects throughout northeastern Illinois. Because of the way train tracks currently intersect with each other and with roads, and because regional freight railroads sometimes defer to Amtrak and local commuter rail lines in track utilization, it can now take up to 48 hours for freight trains to pass through the Chicago region.

With funding from the U.S. Department of Transportation, the state of Illinois, the city

of Chicago, Amtrak, the local commuter rail agency Metra and the Association of American Railroads, CREATE is designed to eliminate delays in rail-based freight movement, reduce traffic congestion on roads and highways, reduce air pollution and enhance speeds of passenger rail service. Projects include 25 new roadway overpasses or underpasses at locations where auto and pedestrian traffic currently cross railroad tracks at grade level; six new rail overpasses or underpasses to separate passenger and freight train tracks; viaduct improvements; grade crossing safety enhancements; and upgrades of tracks, switches and signal systems.

### CURRENT CORRIDOR VOLUMES BY PRIMARY RAIL FREIGHT CORRIDOR



Source: Association of American Railroads

As use of the rails by both passenger and freight trains expands, safety must also remain a priority. Devices such as barrier gates, horns, fencing, and crossing and warning signals continue to play a significant role in making rail systems safer for users and non-users alike.

**The Midwestern Governors support:**

- Encouraging Congress to support the goals of the Midwest Regional Rail Initiative and Ohio Hub, continue its support of Amtrak’s Empire Builder route, and support ways to increase accessibility in states where passenger rail service is lacking.
- Having an interconnected national passenger rail network that is integrated into the nation’s air, highway and local transit network.
- Continuing a national passenger rail program with its own source of funding.
- Improving the process for reserving and establishing passenger and commuter rail access on private railroads.
- Improving cross-modal connectivity to provide greater efficiency of goods movement from one mode to another—such as barge to truck or truck to rail.
- Encouraging the federal government to be partially responsible for promoting the continuity of the rail network between states and regions, and to provide a framework for preserving, maintaining, improving and expanding the nation’s passenger and freight rail system.
- Developing technology through the efforts of the Federal Railroad Administration and the railroad industry to provide safe, cost-effective, higher-speed passenger and freight train operations on shared-use rail corridors.
- Continuing funding for a variety of advanced safety devices to improve safety at highway-rail crossings.









Midwestern Governors Association

**TRANSPORTATION FOR ENERGY, PEOPLE AND PRODUCTS STEERING COMMITTEE**

The Midwestern governors gratefully acknowledge the efforts of those individuals who contributed to the preparation of this document. We especially thank the members of the MGA Transportation Steering Committee for the time and expertise they devoted to this project. South Dakota Special Projects Coordinator Ben Orsbon served as the chair for this group.

**ILLINOIS**

Eileen Hattan Lynch  
Senior Policy Advisor  
Office of the Governor

Anne Kierig  
Deputy Director, DC Office  
Office of the Governor

**INDIANA**

Deborah Hohlt  
Federal Representative

Chris Kiefer  
Legislative Liaison  
Indiana Department of Transportation

Christina Lucas  
Deputy Federal Representative

**IOWA**

Dan Franklin  
Director, Office of Policy  
Iowa Department of Transportation

**MICHIGAN**

Karen Kavanaugh  
Federal Policy Advisory  
Governor Granholm's Office

**NORTH DAKOTA**

Lance Gaebe  
Deputy Chief of Staff  
Governor Hoeven's Office

Bob Fode  
Planning and Programming Division  
North Dakota Department of Transportation

Norlyn Schmidt  
Planner, Planning and Programming Division  
North Dakota Department of Transportation

**MINNESOTA**

Carolyn Jones  
Senior Policy Advisor  
Governor Pawlenty's Office

**KANSAS**

Dennis Slimmer  
Bureau Chief of Transportation Planning  
Kansas Department of Transportation

**OHIO**

Jolene Molitoris  
Director  
Ohio Department of Transportation

Suzette Myser  
Federal Policy Assistant  
Governor Strickland's Office

Paul Staley  
Policy Coordinator  
Ohio Department of Transportation

**SOUTH DAKOTA**

Ben Orsbon  
Special Projects Coordinator  
South Dakota Department of Transportation

Julie Bolding  
Management Analyst  
South Dakota Department of Transportation

**WISCONSIN**

Brian Vigue  
Transportation, Revenue, Criminal Justice and Local  
Government Advisor  
Governor Doyle's Office



Midwestern Governors Association

444 North Capitol Street, NW  
Suite 401  
Washington, DC 20001  
Phone: 202-624-5460  
Fax: 202-624-5452  
[www.midwesterngovernors.org](http://www.midwesterngovernors.org)

*Regional Office*  
701 East 22nd Street  
Suite 110  
Lombard, IL 60148  
Phone: 630-925-1922  
Fax: 630-925-1930