



# FEDERAL FUNDING FOR RAIL PASSENGER SERVICE

*A white paper from the  
Transportation for Illinois Coalition*

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# FEDERAL FUNDING FOR RAIL PASSENGER SERVICE:

## Transportation for Illinois Coalition White Paper

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The **Transportation for Illinois Coalition** is a diverse group of statewide and regional business, organized labor, industry and governmental organizations that has joined together in a united and focused effort to support a strong transportation alliance for Illinois. The coalition takes a comprehensive approach and seeks to speak with one voice for all of Illinois regarding transportation funding needs at both the state and federal levels. The coalition believes that transportation is critical to the economy of Illinois. This comprehensive approach involves all modes of transportation, including rail, air, water, highways and mass transit.

# TFIC White Paper: Federal Funding for Rail Passenger Service

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## Executive Summary

**R**ail passenger service plays an important role in a balanced transportation network for Illinois, with Amtrak serving 2.3 million passengers a year at Chicago's Union Station. For several downstate communities, with few or no other public transportation options, Amtrak is critical in linking their universities, businesses and citizens with the Chicago metro area.

Funding for Amtrak is provided through passenger fares and federal subsidies, which amount to \$1.2 billion in capital and operating funding in federal FY2005. To supplement the basic national rail system, the state of Illinois is paying \$12.1 million to Amtrak to subsidize the operation of additional trains on four routes out of Chicago. On one of these routes, Chicago to St. Louis, the state has been working to develop high speed passenger rail service for more than a decade. As part of that effort, the state has invested \$83 million in planning and capital improvements to support high speed rail.

The President's budget request for federal FY2006 would jeopardize that investment as well as all rail passenger service in Illinois by ending the federal subsidy for Amtrak operations. Rail operations are

generally not sustainable from the farebox alone, neither in the United States nor in the rest of the world.

The nation's rail passenger service needs to be more cost-efficient; the current route structure needs to be carefully scrutinized. However, eliminating all operating assistance would not accomplish these goals. It would likely mean the end of passenger rail service in Illinois.

## Recommendations

### TFIC urges that Congress:

- ◆ **Continue Amtrak operating funding for federal FY2006; and**
- ◆ **Begin work on a realistic and comprehensive plan for the future of passenger rail service, including a plan for addressing capital and operating needs and for developing high speed rail in select corridors such as Chicago-St. Louis.**

Following is a more detailed discussion of the rail passenger funding issues.

## **Federal Funding for Rail Passenger Service**

Chicago is the hub for Midwest intercity rail service, with 50 Amtrak trains arriving or departing daily from Union Station (CUS).<sup>1</sup> In federal FY2004, Amtrak served 2.3 million passengers at CUS, up slightly from the preceding year.<sup>2</sup> Amtrak serves 29 additional stations within Illinois, plus it provides Connecting Thruway Bus Services to 5 stations. In federal FY2004, ridership at these 29 stations totaled just over 700,000. Figure 1 shows the Illinois Amtrak routes and stations.

Most of the Amtrak trains are part of the federally-funded national system. To supplement that system, Illinois contracts with Amtrak for additional service between Chicago and Quincy, Chicago and St. Louis and Chicago and Carbondale. Also, Illinois has joined with Wisconsin for subsidizing train service between Chicago and Milwaukee. These supplemental trains are funded in partnership with Amtrak; Illinois' annual share of the costs for this service is currently \$12.1 million.

The intercity rail passenger service is an important part of a balanced transportation network in the Midwest. It serves government, businesses and tourism, providing a direct link to downtown Chicago. It is especially important for students, connecting the Chicago area with more than 15 colleges and universities, including the University

of Illinois (Champaign/Urbana), Southern Illinois University (Carbondale), Illinois State University (Bloomington/Normal), the University of Illinois at Springfield, and Western Illinois University (Macomb).

Amtrak is also an important economic asset for many rural and small communities throughout the Midwest. For some downstate communities, which are not served by airlines or intercity bus, Amtrak is the only public transportation connection to Chicago.

Amtrak also makes a significant direct contribution to the Illinois economy. In federal FY2004, Amtrak employed more than 2,000 Illinois residents. During that year, total wages of Amtrak employees living in Illinois exceeded \$83 million. Additionally, in federal FY2004 Amtrak purchased nearly \$60 million in goods and services from Illinois companies.

## High Speed Rail

On the Chicago to St. Louis corridor, Illinois has been working to develop high speed rail. The state's initial goal is to reach train speeds of 110 miles per hour, thereby cutting travel times between Chicago and St. Louis by 90 minutes, from about 5 1/2 hours to under 4 hours.<sup>3</sup> This corridor, designated as a federal high speed rail corridor more than a decade ago, is also included in the first phase of development for a proposed Midwest high-speed rail network. That network has been proposed by the Midwest Regional Rail Initiative (MRRI), a partnership of Illinois and eight other states. MRRI's network covers more than 3,000 miles, with the first and most extensive improvements proposed for the Chicago-St. Louis corridor and a few similar corridors.

So far, the state has invested \$83 million in engineering and improvements to track, grade crossings and other infrastructure needed to prepare for high speed rail in the Chicago-St. Louis corridor.<sup>4</sup> Work remaining to be accomplished before any high-speed rail service can be provided includes acquisition of rail cars and final development and implementation of the positive train control (PTC) system. The PTC project is a joint demonstration project by the Federal Railroad Administration, the Association of American Railroads and the Illinois Department of Transportation (IDOT). It will essentially provide a layer of computer supervision of the train operator, with real-time train location information being continuously forwarded to the railroad's control center. This project will enhance

safety and increase capacity on the rail line, which is essential in order for the line to serve both slower moving freight traffic and high-speed passenger trains.

MRRI estimates that completing high speed rail on the Chicago-St. Louis corridor would require an additional \$445 million in capital funding.<sup>5</sup> In the past, billions of federal dollars were spent to upgrade the Northeast Corridor for high speed rail. However, there is no comprehensive federal program to fund the construction of high speed rail outside the Northeast Corridor. In fact, federal funding for any capital improvements outside the Northeast Corridor has been very limited.



## **Proposed Federal Budget**

For federal FY2005, \$1.2 billion was appropriated for Amtrak, with more than \$500 million of that amount for operating. To fund the current system in FY2006, Amtrak has requested \$1.8 billion. The amount requested to support train operations - \$560 million - is virtually unchanged from FY2005, but Amtrak has requested increased funding for capital projects.

For federal FY2006, the President is proposing \$360 million to maintain commuter rail service for the Northeast Corridor and other areas. The proposed budget does not include any federal funding for Amtrak services in Illinois. According to U.S. DOT Secretary Norman Mineta, the administration's approach for revamping Amtrak, which is not reflected in the proposed FY2006 budget, would have the federal government invest about \$1.2 billion each year as its 50 percent share to help the states in capital improvements. However, all operating subsidies would have to come from states and/or local governments. This approach to Amtrak funding would shift considerable costs to the states; it would also require the establishment of new multi-state arrangements for subsidizing trains which pass through more than one state.

Amtrak, like most transportation operations worldwide, requires public subsidies. Without operating subsidies, Amtrak's Midwest service could not continue.

The supplemental service to Quincy, Carbondale, St. Louis and Milwaukee would also be jeopardized.

The state service already experienced substantial cost increases in 1996 when the state subsidy was more than doubled while fares were raised and service was cut. Since that time, the state subsidy has increased modestly each year and now totals \$12.1 million for FY2005. The state would be hard pressed to absorb another major cost increase for passenger rail. Any loss of service on the Chicago-St. Louis corridor would be particularly troubling, given the \$83 million that the state has already invested for high speed rail in that corridor.

Finally, Chicago Union Station, the hub of the Midwest rail service, is owned by Amtrak, but heavily utilized by Metra. Thus, the loss of Amtrak service would also impact Metra.

## **Recommendations**

**While it is important to maintain the Midwest intercity rail passenger network, it is equally important that such a system be as cost-effective and efficient as possible. An immediate end to Amtrak operating subsidies will not serve these goals. TFIC urges that Congress:**

- ◆ **Continue to fund Amtrak operations for federal FY2006.**
- ◆ **Begin working on a realistic and comprehensive plan for the future of passenger rail service, including a plan for addressing capital as well as operating needs and for funding high speed rail in select corridors such as Chicago-St. Louis.**

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### **(Endnotes)**

<sup>1</sup> Amtrak website.

<sup>2</sup> Ibid.

<sup>3</sup> Springfield State Journal-Register, January 27, 2005. Consultant says high-speed rail would turn a profit.

<sup>4</sup> IDOT.

# TRANSPORTATION FOR ILLINOIS COALITION

## **STEERING COMMITTEE**

### **Statewide Organizations**

**AGC of Illinois**  
**American Concrete Pavement Association**  
**American Council of Engineering Companies of Illinois**  
**Egyptian Contractors Assoc.**  
**Illinois AFL-CIO**  
**Illinois Asphalt Pavement Association**  
**Illinois Association of Aggregate Producers**  
**IL-LECET**  
**Illinois Municipal League**  
**Illinois Road & Transportation Builders Assn.**  
**Illinois State Chamber of Commerce**  
**Illinois State Council of Carpenters (MCIRCC)**  
**Illinois State Council of Operating Engineers**  
**Precast/Prestressed Producers of IL & WI**  
**Southern Illinois Construction Advancement Program**  
**Underground Contractors Association**

## **PARTICIPATING MEMBERS**

**American Civil Engineers - IL Section**  
**Chicago Motor Club - AAA**  
**Greater Peoria Contractors & Suppliers Assn**  
**Growth Association of Southwestern IL**  
**Illinois Concrete Pipe Association**  
**Illinois Construction Industry Committee**  
**Illinois Highway Users Assn**  
**Illinois Professional Land Surveyors**  
**Illinois Society of Professional Engineers**  
**Illinois Public Airports Association**  
**Illinois Valley Contractors Assn.**  
**Structural Engineers Association of Illinois**

## **STEERING COMMITTEE**

### **Local/Regional Organizations**

**Naperville Area Chamber of Commerce**  
**Route 51 Coalition**  
**Champaign County Chamber of Commerce/Champaign Alliance**  
**Champaign-Urbana Mass Transit**  
**Chicago Metropolis 2020**  
**Chicago Southland Economic Development Corporation**  
**Corridor 67, Inc.**  
**Elgin Area Chamber of Commerce**  
**Greater Aurora Chamber of Commerce**  
**Greater Springfield Chamber of Commerce**  
**Quincy Area Chamber of Commerce**  
**Macomb Chamber of Commerce (MACCDDC)**  
**Rockford Winnebago County Better Roads Assn**  
**RTA**

## **SUPPORTING MEMBERS**

**Associated Equipment Distributors**  
**Associated General Contractors of Quad Cities**  
**Builders Assn. of Greater Chicago**  
**Chamber of Commerce for Decatur & Macon Co.**  
**Chicago Southland Chamber of Commerce**  
**Chicago Federation of Labor (AFL-CIO)**  
**Chicagoland Chamber of Commerce**  
**Illinois Association of County Engineers**  
**Illinois Association of County Officials**  
**Illinois Automobile Dealers Association**  
**Illinois Equipment Distributors Assn.**  
**Illinois Land Improvement Contractors Assn.**  
**Illinois Landscape Contractors Assn.**  
**Illinois Petroleum Council**  
**Illinois Quad City Chamber of Commerce**  
**Illinois Ready-Mix Concrete Association**  
**Leadership Council of SW Illinois**  
**McLean County Chamber**  
**METRA**  
**Metropolitan Planning Council**  
**Midwest Truckers Assn**  
**Northern Illinois Ready Mix & Materials Assn.**  
**Northwestern Illinois Contractors Association**  
**Rockford Area Chamber of Commerce**  
**Southwestern IL Bldg. & Constr. Trades Council**