



Technical Memorandum #4

Institutional Considerations

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Prepared for:



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1. Institutional Considerations: Overview

This technical memorandum discusses key institutional considerations associated with implementing a state rail plan and the Michigan Department of Transportation's (MDOT) role in managing a state rail program. An institutional understanding of the proper roles for both the public and private sectors is an important underpinning of a state rail plan which addresses freight rail development dominated by private railroad ownership and investment.

This plan also accounts for intercity passenger rail development where publicly supported passenger rail service currently operates in large part on privately owned freight railroads. Public/private partnerships are discussed as an emerging mechanism for addressing both freight and passenger rail needs in an environment of limited public resources.

There are many institutional options with regard to the organization, structure and funding level of state rail programs. This document offers a brief summary of rail programs in other states that can be used to understand program options which may be available to the state of Michigan.

2. Public/Private Partnerships

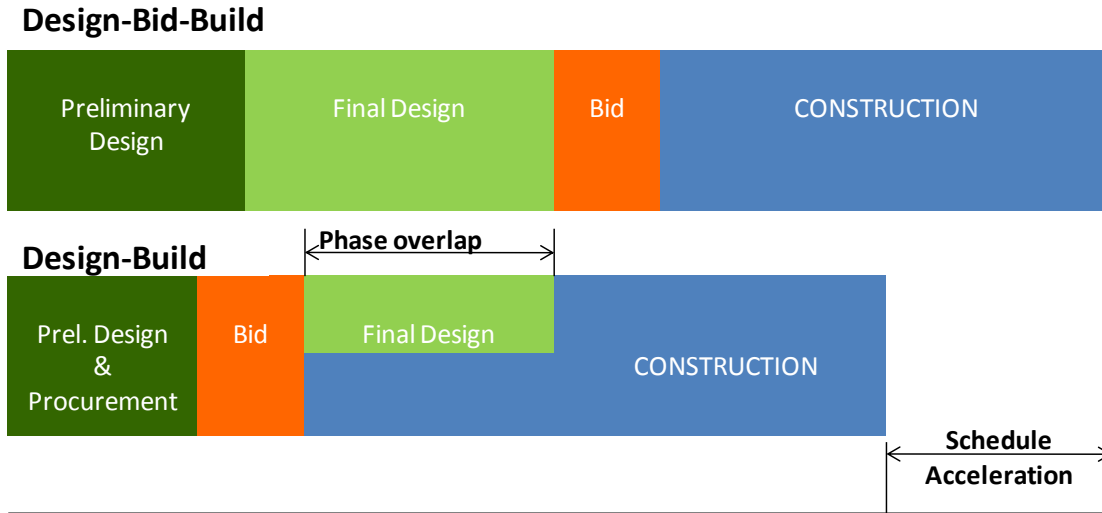
2.1. Overview

Both the public and private sector play important roles in the planning, design, construction, finance, operations, and maintenance of freight and passenger rail transportation systems. In Michigan, there are 24 freight railroads (private sector) in operation with intercity passenger rail service provided by Amtrak (public sector). As illustrated later in this Section, MDOT has many core functions in supporting the rail transportation system. Specifically, six primary goals are identified in the State Rail Plan including 1) promote the efficient movement of passengers, 2) promote the efficient movement of freight, 3) encourage intermodal connectivity, 4) enhance state and local economic development and job creation, 5) promote environmental sustainability, and 6) promote safe and secure railroad operations. These goals are not mutually exclusive to the public sector; however, to be successful, the Michigan State Rail Plan must align these goals with those of the private sector for greater market share and for business growth and investment.

All rail projects funded by MDOT require some level of partnering between the state and private companies. The vast majority of the rail lines in the state are owned by private railroads, and the lines that are owned by the state and Amtrak have operating agreements with the railroads. MDOT has been successful in negotiating private participation in publicly-funded rail projects based on the benefits that the project provides to the railroad. For example, MDOT was able to secure a railroad contribution to fund a portion of the non-federal share of improvements for passenger service in the Chicago to Detroit corridor based on benefits to freight rail operations that will result from the planned capacity improvements. The Detroit Intermodal Freight Terminal (DIFT) is a substantial public-private partnership in which the railroads have committed to paying up to 50% of the individual project costs in recognition to the benefits that will accrue to their operations.

Various levels of public/private partnerships (P3) have application in a variety of transportation projects including freight and passenger rail. One of the keys to creating viable P3 opportunities is to identify areas of mutual interest where the private sector can improve business, and the public sector can meet its goals; such public benefits from private sector involvement may include innovation, financing, and project schedule acceleration. In Michigan, MDOT has some limited experience partnering with the private sector to accelerate project delivery on several American Recovery and Reinvestment Act of 2008 (ARRA) funded design-build projects, and two design-build-finance pilot projects dating back to 2008. A design-build approach allows a private sector design and construction team to achieve project cost savings by integrating constructability into the design and also provides project cost savings through schedule acceleration. A major reason for project schedule acceleration on design-build projects versus traditional design-bid-build projects is the phase overlap where construction can be initiated in certain project areas while final design is being completed in other areas (See **Figure 1**).

Figure 1: Design-Build Project Schedule Acceleration

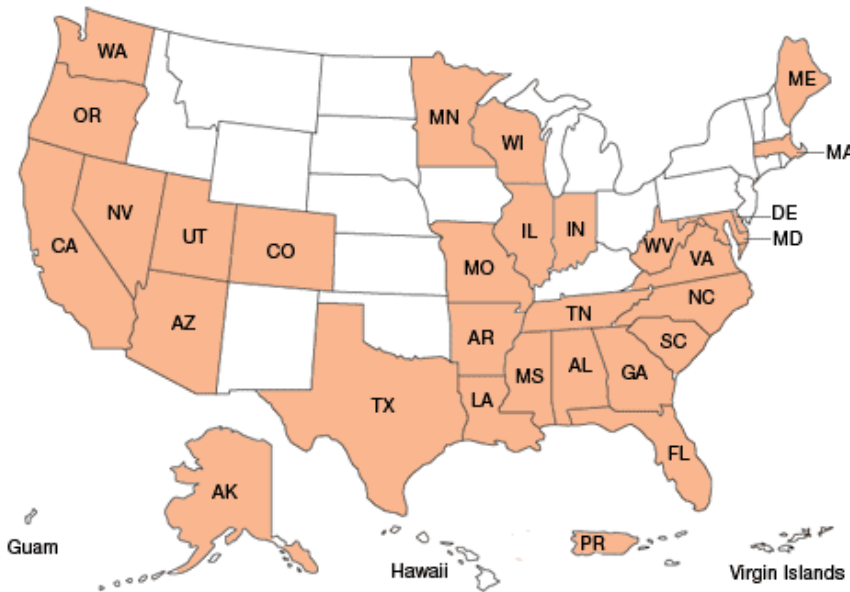


Project Timeline

Source: HNTB

Another important aspect of business collaboration is public sector readiness by making available the full range of tools and techniques allowing the public and private sectors to enter into contractual P3 contracts. In addition to providing opportunities for cost savings and schedule acceleration, public-private partnerships can allow private sector entities to encumber revenue and to take on financial and project management risks. As of April 2011, Michigan does not have enabling legislation allowing the general application of public-private partnerships whereas twenty-nine states and Puerto Rico have legislation in place (see **Figure 2**) providing them with a competitive advantage in attracting private sector investment.

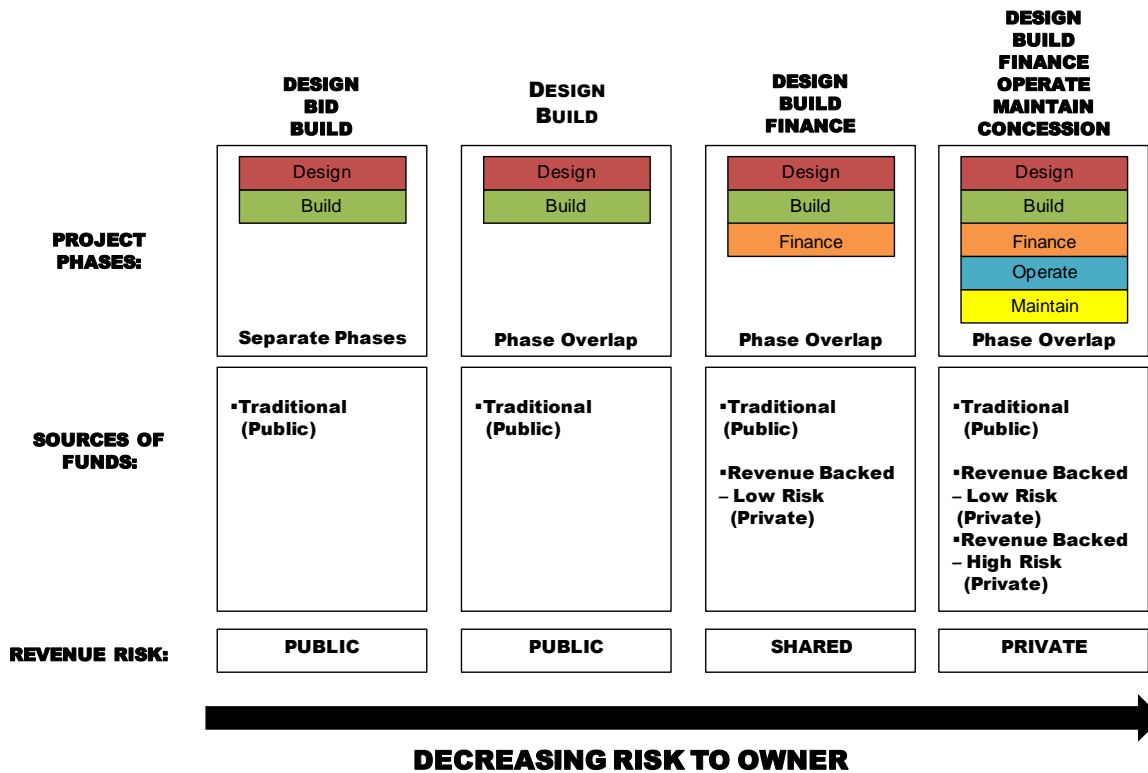
Figure 2: State P3 Legislation Overview



Source: www.fhwa.dot.gov/ipd/p3/

Should P3 enabling legislation be adopted in Michigan, the public sector will have the ability to enter into contractual agreements with private companies which allow for substantial financial, operations, and maintenance risk to be transferred to the private sector. The use of innovative project delivery methods has the potential to assist in controlling public sector costs on rail projects including station development and potentially the delivery of high-speed rail service where financial risk can be transferred to the private sector (see **Figure 3**).

Figure 3: Risk Allocation to the Private Sector



Source: HNTB

The design, build, finance, operate and maintain concession is a particularly attractive mechanism for passenger rail service and station development (particularly high-speed) because federal funding is now available under the Passenger Rail Investment and Improvement Act (PRIIA) and the ARRA legislation for infrastructure and equipment improvements. This influx of federal funding increases the competitive position of the passenger rail mode with regard to auto travel and commercial air service.

It should be recognized that there are important preconditions for a successful P3 application both with regard to the level of public sector investment and revenue available from on-going operations needed to cover the capital financing costs. For an intercity passenger rail project to be pursued as a design, build, finance, operate and maintain concession, it needs to have several attributes. In North America, these generally include:

- Enough public funds to cover all planning, environmental work, design, and most infrastructure and equipment capital costs;
- High enough speeds and competitive travel times between large ridership markets to generate a predictable operating revenue surplus documented by an investment grade revenue forecast and financial analysis. This will generally require at least 110 mph operations between major city pairs;
- Typically a concessionaire will take on the on-going revenue risk in such a project; and
- Depending on the size of the annual operating revenue surplus, a small amount of the overall all capital may also be financed by the concessionaire using the capitalized surplus revenue stream.

At the local level, station development also may be attractive from a P3 design, build, finance, operate and maintain concession perspective. For example, available federal, state and local capital funds can be leveraged with the addition of a private sector developer capital contribution. Here the developer could be given the rent proceeds from Amtrak, intercity bus operators, food service, car rental, retail and parking in return for taking on the design, construction management, leasing, and on-going maintenance requirements of a rail station. The developer or leasee would also be responsible for interior build out costs associated with these rentals.

2.2. Recent Institutional Changes Supporting Michigan Passenger Rail Development

This section provides a highlight of recent state legislation which potentially impacts the planning, delivery, maintenance and operations of passenger rail service within Michigan. As previously discussed, Michigan does not have broad P3 enabling legislation, however a bill has been introduced into the 2011-12 Michigan Legislature, but has not been taken up as of April, 2011.

In 2010, however, several bills were enacted that provided increased opportunities to leverage both existing passenger rail programs and future passenger rail investments. Public Act 250 of 2010 created a new "private infrastructure investment financing" (PIIF) program. PIIF permits private investment in infrastructure to be repaid from value captured within the boundaries of a benefitted area.

Several of the bills enacted in December, 2010, expanded existing Michigan economic development programs and made them explicitly usable for rail and transit-oriented developments. No substantial new funding sources were created, but redevelopment tax incentives, tax-increment finance authorities, and the Transportation Economic Development Fund became usable for infrastructure or private development within half-a-mile of a rail station. Other bills required closer coordination of land-use plans with transit service. The following list provides an overview of these economic development related bills that became law and expanded the passenger rail delivery tool-box for Michigan communities and developers:

- **Brownfield Transit Oriented Development (TOD):** P.A. 241 of 2010 makes TOD (infrastructure with half-a-mile of a transit station, or any public or private project housing a transit station) eligible for brownfield redevelopment tax incentives.
- **Corridor TOD:** P.A. 242 of 2010 makes TOD and infrastructure eligible for corridor-improvement authority tax incentives.
- **Building Authorities and TOD:** P.A. 243 of 2010 makes building authorities eligible to construct transit-oriented infrastructure.

- **Commercial Redevelopment Districts:** P.A. 244 of 2010 included transit-oriented infrastructure in Commercial Redevelopment Act tax abatements.
- **Tax Increment Financing Authorities (TIFA) for TOD:** P.A. 245 of 2010 makes TIFA's usable for TOD and infrastructure.
- **Transit and Site Plans:** P.A. 305 of 2010 requires zoning ordinances to include the provision that site-plan reviews be required to consider proximity of transit service.
- **Transit Coordination:** P.A. 306 of 2010 requires municipal planning agencies to coordinate with transit and commuter-train operators.
- **Private Infrastructure Investment Enable PIIF:** P.A. 236 of 2010 allows private contributions to infrastructure projects by investors repaid from flexible, optional, TIFA-style capture of tax increments on the benefited property. This law also requires that a public hearing be required.
- **Transit Planning:** P.A. 236 of 2010 allows inter-municipal committees to study TOD's.
- **TIFIA's for TOD:** P.A. 237 of 2010 allows historic-district tax-increment finance authorities for TOD and stations.
- **TEDF and TOD:** P.A. 238 of 2010 allows TEDF to fund transit-oriented projects, from any category.
- **TIFA's for TOD:** P.A. 239 of 2010 amended the Local Development Financing Act to allow TIFAs for transit-oriented development.
- **TOD Incentives:** P.A. 240 of 2010 allows economic development corporations to build transit-oriented development and transit stations.

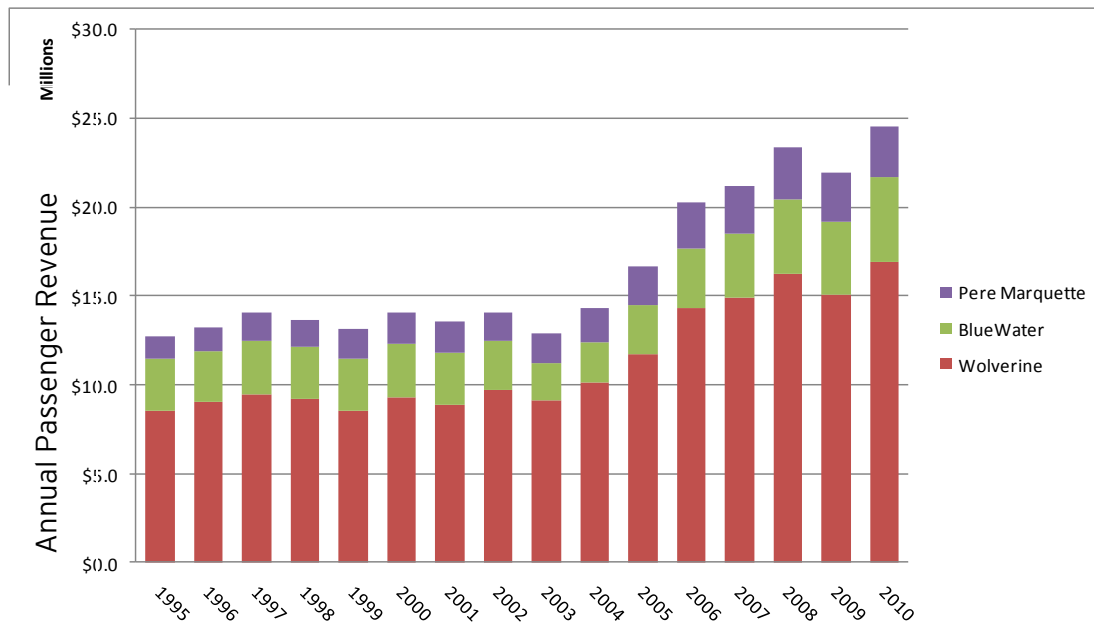
3. Funding and Financing

To establish the business case for the public and private sector to work together, a financial plan must be in place to identify funding sources, revenue streams, and anticipated cost sharing between participants. Additionally, to attract private sector investment for public infrastructure projects, due diligence must be completed and in place to enable private sector interests to assess risk and make informed business decisions. Once the private sector has submitted its proposal, the public sector can then determine where additional funding or incentives might be necessary to supplement gaps in private sector support. Public sector funding available to support rail infrastructure projects in Michigan at this time is focused on the Pontiac – Detroit – Chicago High-Speed Rail Corridor. Since 2009, over \$200 million in public sector Federal Railroad Administration (FRA) grants have been allocated to Michigan. The following list provides a more detailed funding breakdown:

- \$40 million (100% Federal funding) grant FY 2009 for the Troy (renovation), Battle Creek (renovation), and Dearborn (new) rail stations awarded to MDOT with no Michigan matching funds required.
- \$150 million grant for MDOT to purchase and restore 135 miles of rail line between Kalamazoo and Dearborn from Norfolk Southern. 20% required match (\$37.5 million) to be shared by Michigan and Norfolk Southern.
- \$7.9 million grant (50% Federal, 50% State) for new connecting track and crossovers, new bridge, and new rail traffic control system in western Detroit.
- \$3.2 million (80% Federal, 20 % State/Local) grant for completion of planning and environmental studies for high-speed rail operations on the Chicago – Detroit – Pontiac corridor with Michigan, Indiana, Illinois and Norfolk Southern contributing \$200,000 each.

For a P3 service development strategy to be successful, operating revenues must be available to support the service and maintain and improve the infrastructure over time. Revenues generated by passenger fares have increased steadily since 2002 with the exception of a 6% decrease in 2009. Revenues, however, rebounded in 2010 and Amtrak set a record for the most revenue collected on its three Michigan routes (See **Figure 4**).

Figure 4: Amtrak Michigan Passenger Revenue Data



Operating revenues will further increase as passenger rail travel times become more competitive with other modes of transportation in 100 to 500 mile corridors connecting major urban areas. As shown in **Table 1** conventional Amtrak Wolverine Line service between Detroit and Chicago currently has longer travel times than other modes of transportation. However, with the implementation of rail infrastructure improvements further facilitating high-speed rail service, as proposed in the Midwest Regional Rail Initiative Plan, travel times will outpace automobile travel times and be more competitive with the approximately ninety-nine commercial airline flights made daily between Detroit and Chicago. Rail provides downtown to downtown connectivity to both Detroit and Chicago. Not accounted for in travel times listed in **Table 1**, however, is for the air travel mode, an additional 30 to 40 minutes of travel time is required from Detroit Metropolitan Wayne County Airport to downtown Detroit and an additional 40 to 60 minutes in travel time is required from Chicago’s O’Hare Airport to the Loop which makes passenger rail even more competitive.

The 2004 Midwest Regional Rail Initiative System Plan for the Chicago-Detroit Corridor forecasts that 5 years after the initiation of 110 mph service, operating revenues will exceed operating costs. This operating revenue surplus may provide an opportunity for the establishment of a public private sector partnership where a private operator may be willing to step in and assume the revenue, operating, and maintenance cost risks for corridor operations.

Table 1: Passenger Rail Travel Times vs. Other Transportation Modes

Detroit to Chicago Travel Speed	Passenger Travel Times	Time Saving Over Auto	Source
Commercial Plane (450 mph)	2 hr. 41 min*	2 hr 11 min	Delta Airlines
High Speed Rail Service (110 mph)	3 hr 46 min**	1 hr 6 min	MWRRI
Passenger Vehicle/Auto (70 mph)	4 hr 42 min**	0 hr 0 min	Google Maps
Conventional Rail Service (79 mph)	5 hr 38 min	-0 hr 46 min	Amtrak

* Includes recommended 75 minutes early arrival time and does not account for weather delays

** Does not account for construction, traffic or weather related delays

Rail stations and the economic development surrounding the stations are likely to be an even more immediate source of potential private sector revenues given the recent legislative changes discussed in Section 2.2. With this legislation in place, the next step is to complete the diligence process required to prepare for private sector investment in rail stations. This means that local, regional and state agencies must take action on these legislative authorizations. Key institutional roles for these activities might include the following:

State of Michigan

- Develop a decision framework for how Transportation Economic Development fund resources could be allocated to rail projects. In other words, how will projects get selected?
- Develop a database of passenger rail projects in varying stages of development and provide technical assistance to regional and local agencies. Offer training, best practices and other resource information.
- Facilitate successful partnerships between regional, county and local governments and rail service providers.

Regional Planning Agencies and MPO's

- Prepare multimodal corridor plans coordinating with local agencies for service needs, technology, and funding, community support and preliminary implementation programs.
- Assist local communities with the development of transit supportive land use plans, model zoning regulations and funding and finance strategies corridor infrastructure

County and Local Governments

- Prepare transit supportive land use plans and adopt appropriate zoning and development regulations to express community support for TOD and other development investment interests.
- Establish appropriate redevelopment finance authority, and establish local economic development and finance support mechanism.

Major intermediate rail stations located on the Pontiac – Detroit – Chicago-High Speed Rail Corridor that can benefit from this approach include the Kalamazoo, Ann Arbor, and Detroit rail stations. According to the MWRRI Economic Impact Analysis, increased property values associated with development at the Kalamazoo (\$53-80 million), Ann Arbor (\$48-72 million) and the Detroit (\$76-114 million) rail stations alone are estimated in the range of \$177 to \$266 million, with increased joint potential economic development benefits estimated at \$680 million statewide. These forecast property value increases provide an opportunity for local communities to use value capture strategies like the formation of Tax Incremental Finance (TIF) Districts which can use the increased property tax revenues from this increase in value to finance local TIF bonds for station development.

4. Case Studies: Public Private Partnerships for Rail Station Development

As indicated in Section 3, while there may be opportunities to develop public private partnerships to implement corridor service improvements in Michigan, P3's for joint use station facility are more likely in the near term. Provided below are several examples that utilized a P3 approach to implement infrastructure improvements for stations throughout the country. The Milwaukee Intermodal Terminal is an example of a fully developed Design, Build, Finance, Operate and Maintain Concession. The Denver Union Station uses a quasi-public authority to develop station facilities supplemented by revenues from land sale and land development activities. The California High Speed Rail authority envisions P3 mixed use station development strategies for all of its major stations.

4.1. Milwaukee Intermodal Terminal Project – Wisconsin Department of Transportation

The Milwaukee Intermodal Terminal Project is a \$19 million public-private partnership to redevelop the Milwaukee Amtrak Station into a mixed-use intermodal terminal for passenger rail and intercity bus operations. In 2001, the Wisconsin Department of Transportation (WisDOT) issued a request for qualifications for a developer to design, build, finance, lease, and manage a new intermodal terminal to replace the existing downtown Milwaukee Amtrak Station.

The existing station served the highly successful, state-supported *Hiawatha Service* with seven round trips between Milwaukee and Chicago as well as Amtrak's *Empire Builder* long distance train between Chicago and Seattle. However, the 1960's-era structure had fallen into disrepair and had deteriorated both functionally and aesthetically.

The Department's goal was to redevelop the building into an intermodal transportation hub for Amtrak, local transit, and intercity bus operators serving the greater Milwaukee area. Another goal of the project was to provide opportunities for mixed-use development on the site, which would stimulate nearby redevelopment activities.

Milwaukee Intermodal Partners (MIP) responded with an investment proposal which resulted in a private sector equity contribution of \$2.9 million. This private investment leveraged \$7.4 million in Federal Transit Administration Bus Capital and Congestion Mitigation and Air Quality Improvement funds, a \$6.0 million contribution of tax incremental finance (TIF) district funds from the City of Milwaukee, and \$2.7 million in appropriations and bond funds from the State of Wisconsin. MIP received a 20-year lease on the property with two options for renewal. MIP was also responsible for designing the new terminal, supervising rehabilitation and construction work, negotiating leases with Amtrak, intercity bus operators and other tenants, and overseeing the day-to-day operations of the facility.

The new Milwaukee Intermodal Terminal (**Figure 5**), which opened in November 2007, features a 7,000 square foot three-story glass "Galleria" addition to the front of the building. In addition to serving Amtrak, this facility supports Milwaukee's Greyhound operations and three other intercity bus operators. Improvements consist of new Amtrak and intercity bus ticketing, baggage handling and back office space, heating, venting and air condition upgrades, fire suppression upgrades, canopies and parking for bus operations, and 270 dedicated public parking spaces. A first floor restaurant has opened and WisDOT has leased the third floor of the building for their state-of-the-art "freeway operations center" overseeing the Milwaukee County freeway system, as well as other interstate highways throughout Wisconsin.

Figure 5: Milwaukee Intermodal Terminal



Source: Wisconsin Department of Transportation

4.2. Denver Union Station Project – Denver Regional Transportation District

The Denver Union Station Project represents one of the most creative and complex uses of federal financing for transit purposes to date. This project involves a unique financing structure and represents the first time the United States Department of Transportation (USDOT) has combined federal credit assistance from the Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation and Improvement Financing (RRIF) programs.

The \$518.6 million Denver Union Station Project, shown in **Figure 6**, is located on approximately 50 acres in lower downtown Denver and includes:

- Construction of light rail and commuter rail stations;
- A regional bus facility;
- Extension of the 16th Street Mall and the Shuttle service;
- Accommodation of the Downtown Circulator service; and,
- Pedestrian improvements, as well as improved street, replacement parking and utility infrastructure.

The project site includes, rail lines, vacant parcels, street rights-of-way and the historic Denver Union Station building (renovation of the Union Station building is not included in the project). The design build project includes the redevelopment of the site as an intermodal transit district surrounded by transit-oriented development, including a mix of residential, retail, and office space. The transit

district will serve as a regional multimodal hub connecting commuter rail, light rail and bus rapid transit, regularly scheduled bus service, and other related transportation services.

The Denver Union Station Project Authority (DUSPA) is a nonprofit, public benefit corporation formed by the City of Denver in July 2008 to finance and implement the Project. As project elements are completed, they will be transferred to the Denver Regional Transportation District (RTD), the regional transit operator. RTD will provide for the operation and maintenance of the project as a complete transportation district.

A variety of funding sources were assembled for the \$516 million Denver Union Station Project, but the principle sources were a TIFIA direct loan of \$145.6 million combined with a RRIF loan of \$155.0 million.

The TIFIA and RRIF loans are secured by liens on pledged revenues, which consist of an annual payment of \$12 million from RTD to DUSPA and real estate development-related income generated by the DUSPA project area, including tax increment revenues, a levy on property tax revenues, and lodger's tax revenue. The RTD payment is funded from the 0.4 percent FasTracks (regional transit) sales and use tax approved by voters in 2004.

The TIFIA loan has a senior lien on pledged revenues, while the RRIF loan has a subordinate lien. TIFIA debt service repayment has been structured so not to exceed RTD's annual payment to the Borrower. The TIFIA loan has been rated "A" by Fitch Ratings. Other funding sources included:

- Federal Highway Administration Grant - \$45.3 million
- Federal Transit Administration Grant- \$9.5 million
- ARRA Stimulus Grant - \$28.4 million
- RTD Contribution - \$40.0 million
- Other state and local funds - \$19.9 million
- Land Sales - \$17.4 million
- Revenues during construction - \$57.5 million

Figure 6: Denver Union Station Project Rendering

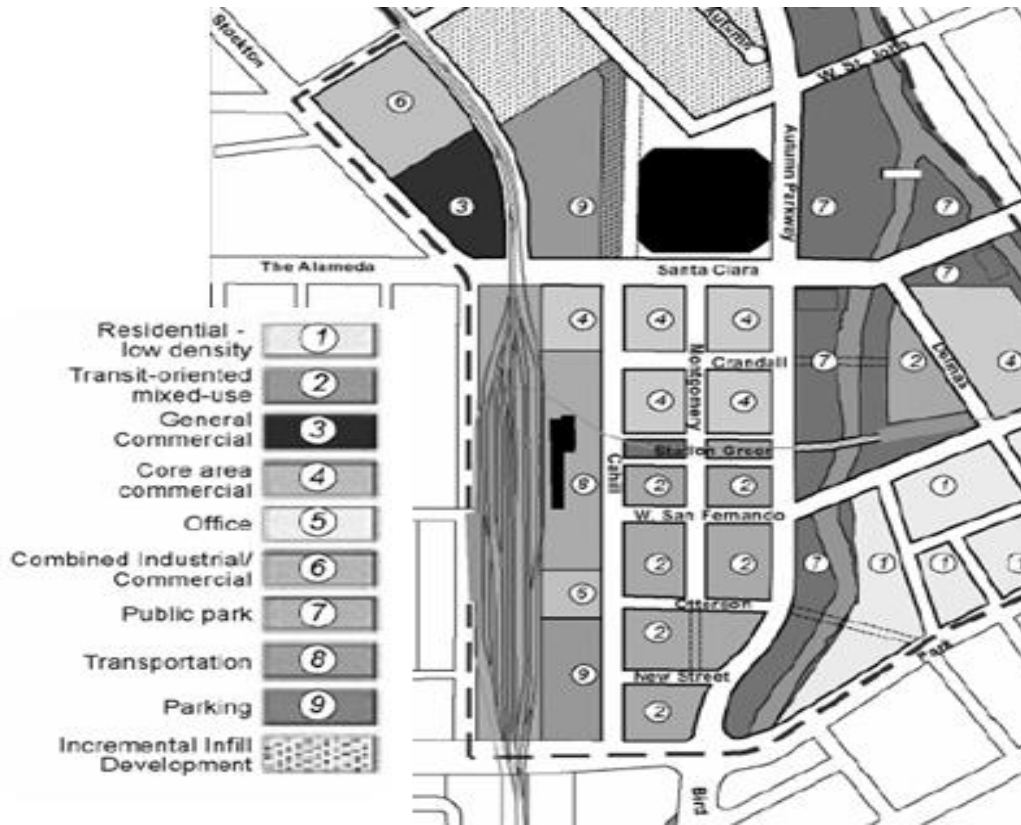


Source: Denver Union Station Public Authority, 2010

4.3. California High Speed Rail Authority Station Development Approach

The California High Speed Rail Authority envisions that developer investment in addition to federal, state and local funds will be used to construct and maintain multimodal and multi-use facilities at larger station sites. High speed rail stations will include multimodal bus and transit facilities in addition to a mix of retail, commercial, office and residential space. California high speed rail enabling legislation encourages private sector development near these rail and transit oriented facilities and surrounding economic development zones. **Figure 7** illustrates the types of development being encouraged around the San Jose Station and **Figure 8** is a rendering of the San Jose Diridon Station and expected transit oriented development nearby.

Figure 7: Rail Station Economic Development, Downtown San Jose, CA



Source: California High Speed Rail Authority

Figure 8: California Diridon Rail Station Concept



Source: California High Speed Rail Authority

5. Jobs Creation and Quality of Life Benefits of Rail Investments

Investment in rail infrastructure clearly supports MDOT's mission of providing the highest quality of integrated transportation services for economic benefit and improved quality of life. According to a community benefits study prepared for MWRRI¹, Michigan can anticipate 6,970 new permanent jobs and an additional \$138 million in extra household income once the high-speed rail network is built out and in full service. Based on the average Michigan taxpayer paying \$3,694 per capita in state and local taxes (source: taxfoundation.org) it can be estimated that the new permanent jobs will generate additional tax revenue of approximately \$25.7 million annually. These additional tax revenues could be used as a basis for capitalizing a variety of state programs to support passenger rail development.

Investing in Michigan's rail infrastructure also improves the state's quality of life by increasing local, regional and statewide mobility and providing transportation choices for Michigan's residents, businesses, and visitors to the state. Having an interconnected rail system also supports many of the state's key economic sectors including manufacturing, agriculture, and tourism.

¹ Midwest Regional Rail Initiative. Economic Impacts of the Midwest Regional Rail System. 2004

6. Organization of Rail Programs in the Michigan Department of Transportation

The Michigan Department of Transportation’s mission statement is “Providing the highest quality integrated transportation services for economic benefit and improved quality of life”. Assuring the state has an efficient and robust rail system supports both the economic and quality life elements of this mission statement. The responsibility for implementing Michigan’s rail programs is currently spread across several different divisions of the department. MDOT is generally organized by function rather than mode, and rail projects are delivered in much the same manner in which a highway project is implemented.

As illustrated in **Figure 9** the responsibilities for implementing Michigan’s rail programs are spread across several different divisions of MDOT. Numerous offices throughout MDOT have some role in planning, programming, designing and construction of rail projects.

6.1. Intermodal Policy Division

The Intermodal Policy Division is part of the Bureau of Transportation Planning in MDOT’s central office. The division provides general freight and passenger rail planning needs. Division staff works with the Class 1 and shortline railroad companies to preserve and improve the railroad network in Michigan.

The Intermodal Policy Division also monitors ridership and revenue, along with on-time performance and other performance measures for Passenger Rail and Thruway Bus services in Michigan. Operational duties regarding Amtrak are the responsibility of the Office of the High Speed Innovative Project Advancement (see Section 6.4).

6.2. Statewide Transportation Planning Division

The Statewide Transportation Planning Division is part of the Bureau of Transportation Planning in MDOT’s central office. This division is responsible for programming functions associated with adding rail projects to MDOT’s Five-Year Transportation Program. The division also completes all necessary Metropolitan Planning Organization coordination and tracks and analyzes freight commodity flow data.

6.3. Freight Services and Safety Division

The planning and programming of freight rail projects is directed by the Freight Services and Safety Division (FSSD) of the Bureau of Aeronautics and Freight Services. The FSSD has five regulatory and program functions:

1. The **Capital Development Program** manages the 530 miles of rail lines that are owned by the state of Michigan. The Division manages contracts with four short line railroads to operate service on these lines and performs property management services including track improvement projects. The Program's goal is to maintain service to shippers. The Program works to maintain the commercial viability of the lines so that they ultimately can be returned to the private sector. The **Freight Economic Development Program (FEDP)** supports rail infrastructure improvements that facilitate economic development. The FEDP provides a low-interest loan that can be converted to assist new or expanding companies with access to the rail system
2. The **Michigan Rail Loan Assistance Program (MiRLAP)** is a revolving non-interest loan fund designed to contribute to the stability and growth of the state’s business and industry by helping to preserve and improve Michigan’s rail freight infrastructure. Due to State budgetary constraints, the MiRLAP fund’s balance was diverted to the general fund in 2010. The MiRLAP program is not currently accepting applications.

3. The **Local Grade Crossing Program (LGCP)** provides funding to assist local road authorities and railroad companies with the development and implementation of projects that improve motorist safety at public highway-railroad crossings.
4. The FSSD's regulatory responsibilities include to:
 - a. Assess the physical condition and safety needs of public at-grade crossings.
 - b. Oversee proper clearances in the vicinity of railroad tracks and rights-of-way. Close Clearance Inspections are held to ensure proper clearance requirements are being adhered to and/or to grant any variances as appropriate.
 - c. Ensure adequate sanitation and shelter facilities for railroad employees. FSSD will perform inspections as requested regarding unsafe working conditions.

To administer its programs and provide regulatory oversight, the division works directly with railroad companies, loan applicants and local road authorities. In addition, the division works with various other areas within MDOT. For example, assistance with property issues involving state-owned lines is provided by the Real Estate Division. Limited assistance with the management of bid projects on the state-owned rail lines is provided by Transportation Service Center staff within the Bureau of Highway Delivery. The division provides assistance to Bureau of Highway Design on railroad work related to local road projects let by MDOT. The division also works closely with the Trunkline Railroad Coordination Unit on issues related to railroad crossings. The two areas share some support functions, and the division is responsible for some trunkline project identification and regulatory oversight.

6.4. Office of High Speed Rail and Innovative Project Advancement

In 2010 a significant reorganization of the Department was completed, and a new Office of High Speed Rail and Innovative Project Advancement (HSR/IPA) was created with reporting responsibility directly to the State Transportation Director. This office combined staff from several divisions into one location that has responsibility for planning new passenger rail services, obtaining funding, supporting existing state-supported Amtrak service, and implementing new projects and programs. The HSR/IPA Office has been successful in obtaining over \$200 Million in Federal ARRA and HSIPR funds over the past two years, and they are currently working to finalize all of the required agreements in order to move these projects forward.

The HSR/IPA is also responsible for submitting necessary applications in response to the Notice of Funding Availability issued for the High-Speed Intercity Passenger Rail Program by USDOT on March 11, 2011. Federal funding obtained by this office for passenger rail programs are shown in **Table 2** below.

Figure 9: Michigan Department of Transportation Organizational Chart

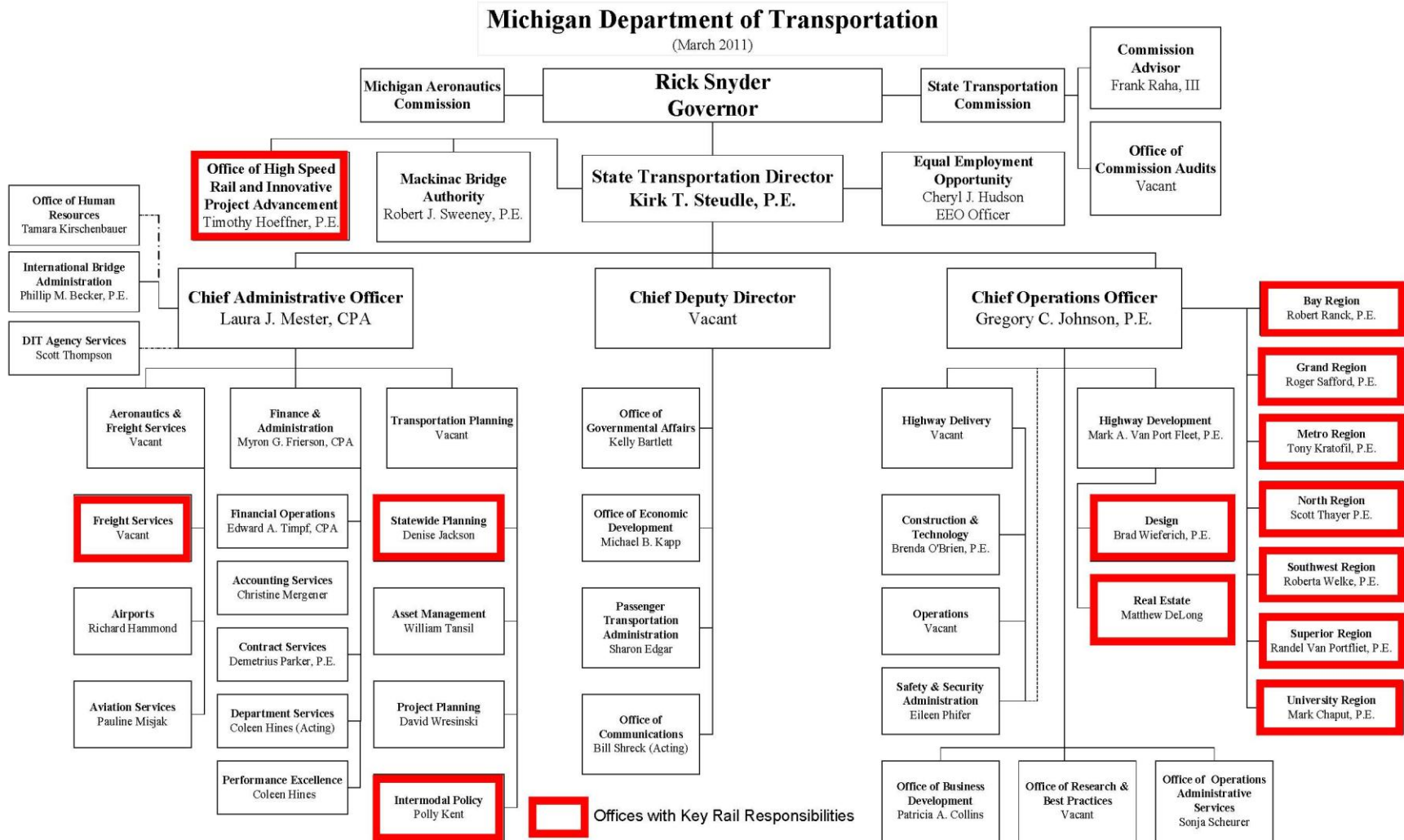


Table 2: Michigan Federal High Speed Rail Funding

Project Name	Funding Source	Federal Amount	Match		Total
			Michigan	Others	
Stations – Troy, Battle Creek and Dearborn	ARRA	\$40.00	\$0.00	\$0.00	\$40.00
Kalamazoo – Dearborn Corridor Development*	PRIIA – 2010 HSIPR Corridor	\$150.00	\$18.75	\$18.75	\$187.50
Kalamazoo – Dearborn Corridor Development**	PRIIA – 2011 HSIPR Corridor	\$170.00	\$0.00	\$0.00	\$170.00
West Detroit Rail Improvements	PRIIA – 2009 HSIPR	\$7.91	\$7.91	\$0.00	\$15.82
Chicago – Detroit HSR Investment Plan***	PRIIA – 2010 Planning	\$3.20	\$0.20	\$0.60	\$4.00
TOTAL		\$201.11	\$16.86	\$19.35	\$247.32

All Amounts in \$Millions

* Source of Other Match: Norfolk Southern (\$18.75M)

** Application submitted to FRA on April 4, 2011. Projects must be able to be obligated by September 30, 2012 and work completed by September 30, 2017

*** 20% match split between Michigan (\$200K), Indiana (\$200K), Illinois (\$200K) and Norfolk Southern (\$200K)

6.5. Governmental and Trunkline Railroad Coordination Unit

The Governmental and Trunkline Railroad Coordination unit is located within the Real Estate Division of the Bureau of Highway Development. The unit currently functions as the interface between the railroads and the department for highway construction projects. The Governmental and Trunkline Railroad Coordination unit also provides all applicable construction documents (i.e. coordination clauses, special provisions, agreements, etc) that are necessary for local road projects let by MDOT. In addition, the Trunkline Railroad and Coordination unit obtains approvals from the railroads for highway design plans, reviews estimates for force account work and authorizes the railroads to perform engineering and construction work as needed for highway projects.

6.6. Other MDOT Areas

Other areas of MDOT play intermittent, yet vital, roles relative to passenger and freight rail. The Real Estate Division, within the Bureau of Highway Development, assists the Freight Services & Safety Division (FSSD) with the management of the state-owned rail lines. Region and Transportation Service Center (TSC) staff, in the Bureau of Highway Delivery, assists FSSD with managing bid projects on those lines. Other Region and TSC staff work directly with freight railroads and rail users and coordinate with FSSD to develop projects as appropriate. Additional support functions, housed in both the Bureau of Passenger Transportation, Bureau of Transportation Planning and the Bureau of Finance and Administration, include financial, bid-letting and contract services.

While the responsibilities for rail projects are spread out among several different divisions, MDOT has been able to effectively implement its railroad programs and to coordinate these improvements with highways and other modes of transportation. The various sections of the department that have rail responsibilities work closely with each other to ensure that all of the state's responsibilities are met and that there are no conflicts or duplication of efforts.

7. Rail Program Organization in Other States

Research was conducted to review how various states around the country govern and fund their passenger and freight rail programs. A brief description of each state that was reviewed is provided in the following sections. **Table 3** provides a summary of how the states organize their rail programs, and **Table 4** summarizes the sources of funding for each state.

7.1. Virginia

In Virginia, the Department of Rail and Public Transportation (DRPT) is the state agency responsible for rail, public transportation and commuter services.² The agency reports to the Secretary of Transportation, but is separate from the Virginia Department of Transportation (VDOT). The Commonwealth Transportation Board (CTB) provides direction for DRPT and is responsible for its policies, programs and funding allocations. The Rail Division of DRPT has five main areas of activity including:

- Passenger rail (coordinating with Amtrak, Virginia Railway Express (VRE), other states, local Metropolitan Planning Organizations, and agencies on passenger rail operations, planning and development)
- Freight rail (coordinating with CSX, Norfolk Southern and other freight rail operators on freight rail operations, planning and development)
- Rail planning (providing input on state and federal rail policy and regulations, track abandonment, freight and passenger rail feasibility analysis, identification of freight rail needs and updates to state rail studies, maps and plans)
- Special projects (responsible for demand analysis for passenger rail studies, rail capacity analysis and coordinating with local and regional transportation authorities on rail modeling issues and intermodal studies)
- State rail safety oversight (overseeing safety and security programs for rail fixed guideway transit systems operating as the designated State Safety Oversight agency for Virginia)

Under the Virginia State Corporation Commission, the Division of Utility and Railroad Safety helps to administer railroad safety programs. The Division inspects railroad facilities, including track and equipment, to ensure safe railroad operations.³

The DRPT total budget for fiscal year 2011 is \$465.4 million.⁴ Funds for DRPT come from the Transportation Capital Bond Proceeds, Transportation Trust Fund, Federal funds, Rail Enhancement Funds and other smaller sources of funds. Additionally, Virginia supports state Amtrak services by providing funds towards the Extended Northeast Regional service to Lynchburg and additional Northeast Regional services to Richmond.⁵

According to the Annual Budget Report, \$98.4 million was dedicated to passenger and freight rail improvements for fiscal year 2011. The budget report states that the distribution of anticipated expenditures falls into six categories: the I-95 Corridor with \$1.4 million, the I-81 Corridor with \$38.2 million, Port related projects of \$0.4 million, Passenger Service with \$51.0 million, Shortline Program with \$5.6 million, and the Rail Industrial Access Program with \$1.8 million of expenditures.

The following outlines the six sources of funding for DRPT's rail programs as outlined in the Annual Budget Report for Fiscal Year 2011:

² Virginia Department of Rail and Public Transportation - <http://www.drpt.virginia.gov/default.aspx>

³ Virginia State Corporation Commission, Division of Utility and Railroad Safety - <http://www.scc.virginia.gov/urs/index.aspx>

⁴ Virginia Department of Rail and Public Transportation – Annual Budget Fiscal Year 2011-

<http://www.drpt.virginia.gov/about/files/FY%202011%20DRPT%20Agency%20Budget.pdf>

⁵ Amtrak - <http://www.amtrak.com/servlet/ContentServer?c=Page&pagename=am%2FLayout&cid=1246041980246>

- American Reinvestment and Recovery Act - \$75 million will be used for the final design and construction of 11.4 miles of third track in the corridor in Northern Virginia between Powell's Creek and Arkendale. Approximately \$19.7 million will be expended in FY 2011 on this project.⁶
- Federal Railroad Administration Intercity Passenger Rail Program – Virginia received \$45 million for Preliminary Engineering and environmental studies/analysis for the Richmond, VA to Washington D.C. segment of the Southeast high-speed rail corridor.⁷ HSIPR program funds require 20 percent matching funds. Virginia has received \$3.276 million in matching funds from host railroad CSX Transportation and \$8.101 million from state rail funds.⁸
- The Rail Enhancement Fund (REF) is a dedicated funding source that began in 2005 and provides over \$20 million annually for passenger and freight rail improvements. Approximately \$3 million from this fund will be used for the Demonstration Passenger Service from Lynchburg to Washington which began in Fiscal Year 2010 and service from Richmond to Washington which is expected to begin in early Fiscal Year 2011. A Rail Advisory Board provides recommendations to the Director of DRPT regarding allocation of funds from this program.
- Transportation Bond Funds – For Fiscal Year 2011, \$7.4 million of Transportation Capital Projects Revenue Bonds are planned to be issued for joint passenger and rail infrastructure improvements in the I-95 rail corridor and \$2.7 million for improvement to the tracks of shortline railroads. Additionally, \$22.3 million of bond proceeds will substitute the remaining project costs for passenger and freight rail projects in the I-81 corridor during Fiscal Year 2011.
- Virginia Transportation Act (VTA) of 2000 provided \$65.7 million for passenger and freight rail improvements in the I-95 Rail Corridor and \$9.33 million for passenger rail improvements in the I-81 Rail Corridor. During Fiscal Year 2011, DRPT expects to spend \$6.3 million of VTA funds to complete projects in the I-95 and I-81 corridors.
- Federal Railroad Administration grant funds totaling \$2.0 million will be used to support the Fredericksburg to Hamilton's Crossing Third Track Upgrade in Fiscal Year 2011.
- The Shortline Railway Preservation and Development Fund will support fifteen projects for Virginia's shortline railroads in Fiscal Year 2011 for projects primarily consisting of tie and rail replacement and the related ballast, tamping, and surfacing of existing shortline rail lines in Virginia.
- The Rail Industrial Access Program funds the construction of industrial access railroad tracks.

7.2. Wisconsin

In Wisconsin, the state supports rail activities through the Transit, Local Roads, Rails and Harbors Bureau which is housed under the Division of Transportation Investment Management (DTIM) within the Wisconsin Department of Transportation (WisDOT). According to the DTIM Web page⁹, the Bureau manages grant, highway improvement and assistance programs used by local governments to support transit services and reconstruct/maintain local highways, roads, streets and bridges. The Bureau also provides technical expertise and financial assistance for the railroad and water modes.

⁶ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

⁷ FRA HSIPR Program - http://www.fra.dot.gov/rpd/downloads/Summary_of_FY10_Selected_Projects_1010.pdf

⁸ Southeast High Speed Rail Association - <http://www.southeasthsr.org/node/24>

⁹ Department of Transportation Investment Management - <http://www.dot.wisconsin.gov/about/structure/dtim.htm>

WisDOT's central office in Madison is responsible for programming, coordination, and establishing standards for rail improvements throughout the state. A project office in Milwaukee was opened to implement major investments related to high-speed rail. However, this has been substantially reduced since the Milwaukee-Madison corridor was canceled.

A separate state agency, the Office of the Commissioner of Railroads (OCR), enforces regulations related to railway safety and investigates the safety of highway/rail crossings.

The 2009-2011 biennium provided \$38 million for rail projects out of the total \$6.8 billion budget.¹⁰ In addition, the 2009-2011 biennium included \$100 million in bonds for passenger and freight rail improvements. The following provides a breakdown of the funds for the 2009-2011 biennium and the subsequent sections provide more details about the state's programs:

- Railroad crossings – \$14,479,000 (46 percent federal funds, 54 percent state funds)
- Passenger rail service (Hiawatha) - \$12,885,600 (81 percent federal funds, 19 percent state funds)
- Freight rail loan repayments (FRIIP) – \$8,000,000
- Rail service assistance – \$2,604,600 (4 percent, 58 percent, 38 percent is federal, state and local funds respectively). Funds the operating budget for the department's rail program section and other activities that are not covered by one of the primary rail programs.
- Passenger rail bonding – \$40,000,000
- Freight rail bonding (FRPP) – \$60,000,000

7.2.1. **Wisconsin Freight Rail Programs¹¹**

Wisconsin has two primary freight rail programs that allow the state to assist with rail acquisition, rehabilitation and development projects.

The Freight Rail Infrastructure Improvement Program (FRIIP) provides up to 100 percent loans for rail projects that encourage connectivity to the national railroad system; improve transportation efficiencies, safety and intermodal freight movement; rehabilitate infrastructure; and develop the economy. The program is paid for by repayments of previous loans, which are typically local governments. Since 1992, \$79 million in loans have been awarded. FRIIP loan repayments are funding another \$8 million in projects over the 2009-2011 time period.

The Freight Rail Preservation Program (FRPP) provides grants to local units of government, industries and railroads for the purpose of preserving essential rail lines and rehabilitating them following purchase. Since 1980, the program has awarded \$80 million for rail acquisition and rehabilitation projects. The 2009-2011 biennial budget included \$60 million in bonding authority for the program. The program provides grants up to 100 percent of the cost to acquire rail lines and 80 percent of the cost to rehabilitate rail facilities or make improvements that continue freight service or preserve it for the future.

Another program that supports freight rail is the Wisconsin Transportation Economic Assistance (TEA) Program. The program seeks to attract and retain businesses and create or retain jobs in the state. Funding for the Transportation Economic Assistance Program in the 2009-2011 biennium is \$6.8 million. Historically, about 25 percent of the funds have gone to rail projects.

¹⁰ Wisconsin Rail Plan 2030 - <http://www.dot.wisconsin.gov/projects/state/railplan.htm>

¹¹ Wisconsin Rail Plan 2030 - <http://www.dot.wisconsin.gov/projects/state/railplan.htm>

7.2.2. Wisconsin Passenger Rail Programs¹²

WisDOT has several funding sources that have been used to support passenger rail service. The state uses Rail Capital Improvement Bonding Authority to fund capital improvements for intercity passenger rail. The current bonding authority is \$72.5 million, which includes the \$40 million that was added to the 2009-2011 biennial budget. Passenger rail operating assistance helps support Amtrak's operations for the Hiawatha line between Chicago and Milwaukee. Wisconsin pays 75 percent and Illinois pays 25 percent of net operating costs. Approximately \$12.9 million in the 2009-2011 biennium was funded for the Hiawatha service. Of this, approximately \$2.5 million is state funds and the remaining is paid with federal funds. A State Rail Station Capital Assistance Program was created to encourage upgrading existing stations, building new stations, making ADA improvements and improving connections with other modes. The program's structure is in place, but is currently not funded. Wisconsin also has programs that support commuter and fixed guideway transit.

In January 2010, Wisconsin was awarded \$810 million in ARRA funds for the Milwaukee- Madison corridor high-speed rail project.¹³ These funds were returned by the state in December 2010 and reapportioned to high-speed rail projects in other states.

7.3. California

Within the California Department of Transportation (Caltrans), the Division of Rail (DOR) is housed under Planning and Modal Programs. The main role of the DOR is to manage and coordinate intercity rail passenger services. The DOR manages two state supported routes operated by Amtrak, and financially supports a third. DOR also functions as the staff to the San Joaquin Valley Rail Committee. The DOR includes two offices: Office of Rail Capital Project Development, Operations and Marketing and the Office of Planning and Policy.¹⁴

California also has a High-Speed Rail Authority that was established in 1996 as the state's entity responsible for planning, constructing and operating an 800-mile-long high-speed train system. The Authority has a nine-member policy board and a core staff.¹⁵

Freight Rail programs are handled under the Office of Goods Movement in the transportation planning division of Caltrans. The Goods Movement office conducts analysis of freight transportation system performance and future trends, and recommends improvements through system planning, regional planning, intergovernmental review, and other activities.

The California Public Utilities Commission has safety jurisdiction over freight railroads, inter-city passenger railroads, commuter railroads, rail transit systems, and all highway-rail crossings.¹⁶

California provides capital and operation funding support for four commuter rail lines and for Amtrak. California has a range of programs that fund rail related projects including: the Ten Year Intercity Rail Capital Program; Capital Program Funding; Intercity Rail Rolling Stock Program; and several rail-highway grade crossing improvement and separation programs. Other funding sources that support intercity passenger rail include: the Public Transportation Account; State Highway Account; Traffic Congestion Relief Fund; State Bond Funds; Tribal Compact Bonds; local funds, federal funds, Amtrak funds and railroad funds. The state uses general obligation bonds to fund the implementation of the state's high-speed rail system. California does not fund freight rail projects outside of railroad crossing improvements.

¹² WisDOT Economic Development – Programs and Activities - <http://www.dot.wisconsin.gov/business/econdev/programs.htm>

¹³ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

¹⁴ Caltrans Division of Rail - <http://www.dot.ca.gov/rail/go/dor/index.cfm>

¹⁵ California High-Speed Rail Authority - <http://www.cahighspeedrail.ca.gov/>

¹⁶ California Public Utilities Commission - <http://www.cpuc.ca.gov/PUC/hottopics/4railsafety/>

California uses federal and state funds to develop high speed rail. In 2010, ARRA awards totaled \$2.344 billion in rail construction and upgrades.¹⁷ Additionally, \$900 million from FRA's HSIPR program were programmed for high-speed rail projects in California for FY 2010.¹⁸ This funding source will assist over 13 high-speed rail projects throughout the state. California will provide a dollar-for-dollar match, essentially doubling the federal government's investment. In 2008, California voters approved \$9.95 billion in bond funding toward the high-speed rail efforts.¹⁹

7.4. North Carolina

The North Carolina Department of Transportation's (NCDOT) Rail Division is part of the Transportation Program & Asset Management group. The Rail Division has three branches: Engineering and Safety, Operations, and Environmental and Planning. The Engineering and Safety Branch includes a Safety Oversight Program and a Crossing Safety component. The Rail Division's top priorities include: improving safety at railroad-highway crossings, preserving and modernizing railroad tracks, purchasing inactive railroad corridors, and providing marketing and improving state-sponsored intercity passenger rail service. They are also involved in improving freight access and developing the Southeast High Speed Rail (SEHSR) corridor¹⁹.

According to the NCDOT 2009 Rail Plan²⁰, NCDOT uses state, federal and surface transportation funds to improve existing tracks, install new signals and build stretches of new track to improve the state's rail system. In Fiscal Year 2007-2008, the state spent \$27.6 million to support rail improvement needs. This accounted for 0.7 percent of the total \$3.9 billion state transportation budget. An additional \$16.3 million was made available for rail projects through federal funds. According to the plan, NCDOT has invested about \$300 million over the past 15 years in the state's intercity passenger rail service, including renovation or construction of train stations, track work improvements and corridor preservation. Additionally, North Carolina provides operation funding support to Amtrak for services on the Carolinian (Charlotte-New York City) and Piedmont (Raleigh-Charlotte) corridors.²¹

In 2010, North Carolina was awarded \$545 million in ARRA high-speed rail funds.²² These federal funds were specified for upgrades to nearly 30 interrelated projects that will increase speeds, upgrade track, purchase and rehabilitate cars and fund congestion mitigation. Additionally, \$22 million from FRA's HSIPR program was awarded for the development of the Piedmont Corridor.²³

Specific rail programs as highlighted in the NCDOT 2009 Rail Plan are discussed below:

- Crossing Hazard Elimination Program - Implements projects to reduce crashes at rail-highway crossings. It has been used to advance the Sealed Corridor and Private Crossing Safety Initiative projects along the SEHSR corridor.
- Railroad Safety Enforcement Program - Inspect North Carolina's railroad tracks, cars and locomotives passing through the state and numerous grade crossing and train control signal systems.
- Corridor Preservation - Authorizes NCDOT to purchase railroads and preserve rail corridors for future rail and interim compatible uses.

¹⁷ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

¹⁸ FRA HSIPR Program - http://www.fra.dot.gov/rpd/downloads/Summary_of_FY10_Selected_Projects_1010.pdf

¹⁹ California High-Speed Rail Authority – Press Release: *Governor Schwarzenegger Issues Statement on California Receiving High-Speed Rail Award* – January 28, 2010. http://www.cahighspeedrail.ca.gov/press_releases.aspx

²⁰ North Carolina Department of Transportation Rail Division - <http://www.bytrain.org/>

²¹ North Carolina Department of Transportation 2009 Rail Plan - http://www.bytrain.org/quicklinks/reports/2009_railplanexecsum.pdf

²² Amtrak - <http://www.amtrak.com/servlet/ContentServer?c=Page&pagename=am%2FLayout&cid=1246041980246>

²³ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

²³ FRA HSIPR Program - http://www.fra.dot.gov/rpd/downloads/Summary_of_FY10_Selected_Projects_1010.pdf

- State Safety Oversight Program for Fixed Guideway Rail Systems - Oversees safety and standards of key transit agencies in the state including CATS, TT and PART for existing and proposed services.
- Track Improvement Program - Invests state, federal and surface transportation funds throughout North Carolina to improve existing track, install new signals and build stretches of new track to improve the state's rail infrastructure by increasing speed and capacity.
- Station Improvement Program - Helps to restore historic stations and build new stations within communities.
- Rail Industrial Access Program - Provides incentive to businesses to locate or expand their facilities in North Carolina by providing funding for companies that need railroad spur tracks.
- Shortline Infrastructure Assistance Program - Provides funds to shortline railroads to rehabilitate and modernize track and bridge infrastructure.
- Passenger Rail Service - Provides ongoing support for operation and expansion of passenger rail services including the development of the SEHSR corridor.
- Mobility Fund – A new funding source as of 2010 that is dedicated to projects of regional significance. Will generate \$173 million between Fiscal Year 2011 and 2014 and \$58 million each fiscal year thereafter. Mobility Funds comes from unused gap funds and reductions in the amount of money transferred from the Highway Trust Fund to the General Fund. The funds are only available for projects are included on Statewide or regional Tier facilities. Light rail and commuter rail projects are eligible. Projects must also be constructed within 5 years. Only right-of-way and construction costs are eligible for the fund. Finally, the fund will be distributed as follows: 60% for mobility/congestion; 20% for multimodal; and 20% for congestion and intermodal fund.²⁴

7.5. New York

The Freight and Passenger Rail Bureau (FPRB) is responsible for most rail issues in New York. The FPRB is a part of New York State's Department of Transportation (NYSDOT) Policy and Planning Division – Office of Integrated Modal Services. FPRB oversees planning and program management for freight rail and passenger rail initiatives. Additionally, the Bureau is involved in the development of rail-related capital and infrastructure projects. The Rail Projects Group (RPG), located within NYSDOT's Engineering Division, is in charge of the development and delivery of high speed intercity passenger rail projects statewide.²⁵

The Office of Modal Safety and Security (OMSS), an Office within NYSDOT, works to promote the safe transportation of people and goods in New York State, and to assist passengers and freight transportation providers in establishing proactive safety, consumer and accident prevention programs, and in complying with safety and regulatory requirements. This office has Rail Safety Bureau for both passenger and freight rail systems.²⁶

Several funding programs²⁷ are administered for rail related travel in the State of New York including:

²⁴ North Carolina Department of Transportation - <http://www.ncdot.org/about/finance/mobilityfund/>

²⁵ New York State Department of Transportation, Freight and Passenger Rail Bureau - <https://www.nysdot.gov/divisions/operating/opdm/passenger-rail>

²⁶ New York State Department of Transportation, Office of Modal Safety and Security, Rail Safety Bureau - <https://www.nysdot.gov/divisions/operating/osss/rail>

²⁷ New York State Department of Transportation, Rail Funding and Finance Options - <https://www.nysdot.gov/divisions/operating/opdm/passenger-rail/rail-funding>

- The Passenger and Freight Rail Assistance Program - A multi-year freight and passenger rail funding program passed by the State Legislature. Since 2003, funding from this program has been administered as an annual subsidy for Amtrak operations. There are no local match requirements for this program.
- The Rebuild and Renew New York Transportation Bond Act of 2005 - The bond act allocated \$27 million to rail and port projects each year for five years. NYSDOT develops formal procedures to invite applications, specify application criteria, and requires notification the Governor and the Legislature. A 10% local match was required. This program has expired.
- The Multi-Modal Program - Funds capital improvements to rail freight and passenger facilities, port facilities, local roads and bridges, and fixed ferry facilities. Funds are generated through sale of bonds. No specific dollar amounts are set aside on a modal basis, but rail projects generally receive a small percentage of the total funds allocated. A local match is not required.
- Seven High-speed Intercity Passenger Rail projects were selected in New York with an award amount of \$151 million in Recovery Act funds. Including state and other funds, the total amount invested in these projects will be \$163.70 million.²⁸
- New York State provides operation funding for the Adirondack rail line.²⁹
- New York State received \$28.460 million in funding for FY 2010 from FRA's HSIPR program. These funds will go towards final design and construction of two projects and development of a third.³⁰
- Currently, NYSDOT is applying for funding for 10 high-speed rail projects totaling \$138.1 million under the FRA's Nation-wide Discretionary Grant Program for HSIPR.³¹

7.6. Florida

Within the Florida Department of Transportation (FDOT), the Rail Office is part of the Public Transportation and Modal Administration, which is housed under the Intermodal Systems Development (ISD). The Rail Office is the state's designated entity for freight and passenger railroad planning and programming. The passenger section addresses intercity passenger service (Amtrak), high-speed rail, and commuter rail services. The freight section is comprised of four areas: policy, planning, and procedures; rail safety inspections; rail-highway crossing safety; and project development assistance. The Rail Office is made up of one Central Office and several District offices. The Central Rail Office in Tallahassee is dedicated to the development of policies and plans, quality assurance, safety compliance and technical assistance. The District Rail offices take care of day-to-day operations.³²

The Florida High Speed Rail Authority Act was enacted in March 2001. It created an Authority to advance the development of a statewide High Speed Rail System in Florida. As of 2009, the Authority was replaced by the Florida Rail Enterprise, which is an agency under FDOT³³. FDOT also created the Florida Statewide Passenger Rail Commission. The Commission is responsible for monitoring the efficiency, productivity and management of all publicly-funded passenger rail systems

²⁸ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

²⁹ Amtrak - <http://www.amtrak.com/servlet/ContentServer?c=Page&pagename=am%2FLayout&cid=1246041980246>

³⁰ FRA HSIPR Program - http://www.fra.dot.gov/rpd/downloads/Summary_of_FY10_Selected_Projects_1010.pdf

³¹ New York State Department of Transportation - <https://www.nysdot.gov/programs/high-speed-rail>

³² 2006 Florida State Rail Plan - <http://www.dot.state.fl.us/rail/Publications/Plans/2006/flrail06.pdf>

³³ 2006 Florida State Rail Plan - <http://www.dot.state.fl.us/rail/Publications/Plans/2006/flrail06.pdf>

in the state. They also advise the FDOT and state legislature on policies and strategies relating to state-owned passenger rail systems.³⁴

The state channels rail funds through the FDOT Work Program (WP) and allocates dollars to public transportation, high-speed rail, intermodal rail, and freight and passenger rail projects.³⁵ According to the rail plan, state funds account for approximately 47 percent of all rail funds. Federal contributions account for approximately 18 percent. Other sources include tolls and bonds (18 percent), doc stamps (8 percent), right-of way and bridge bonds (2 percent), and general revenues (1 percent). Rail funding has typically been used for acquisition of rail corridors and assistance in developing intercity passenger and commuter rail services, development of fixed guideway systems, rehabilitation of rail facilities, and rail safety. Florida does not provide operational funding support for Amtrak passenger services.³⁶

Florida was awarded \$1.25 billion in ARRA funds to construct the Tampa-Orlando corridor³⁷, and \$808 million in FRA HSIPR funds for FY 2010.³⁸ Since this time all of the funds have been returned to the Federal government and will be reallocated to other states through an application process.

7.7. Illinois

The Bureau of Railroads is part of the Division of Public and Intermodal Transportation under the Illinois Department of Transportation (IDOT). The Bureau of Railroads administers rail service programs that supplement rail passenger service provided by Amtrak's national system and preserve rail freight service.³⁹

Passenger and freight rail are administered under different sections within the Bureau, and both report to the Bureau of Railroads Chief. The Bureau Chief reports to the Deputy Director of the Office of Planning and Programming at IDOT.

The Illinois Commerce Commission is charged with rail safety in the state⁴⁰. The Commercial Transportation Law establishes general safety requirements for track, facilities and equipment belonging to rail carriers within Illinois, and gives the Commission jurisdiction to administer and enforce those requirements

For rail, IDOT administers the following funding programs:⁴¹

- Rail Freight Program - Provides capital assistance to communities, railroads and shippers to preserve and improve rail freight service in Illinois. The program proposes \$18.5 million from current federal and state revenues for rail freight improvements for Fiscal Years 2011-2015.
- Rail Passenger Program – Provides support for the National Passenger railroad system. The Fiscal Year 2011-2015 program proposes \$150,000,000 from the Illinois Jobs Now program for capital projects to facilitate passenger service expansion.
- Chicago Region Environmental Transportation and Efficiency Program - The CREATE program is a multi-billion dollar effort to improve Chicago's extensive rail system by modernizing connections and grade separating highway and rail traffic. Of the \$3 billion estimated cost, \$230 million is to be supplied by participating railroads, with the remainder of

³⁴ Florida Statewide Passenger Rail Commission - <http://www.floridarailcommission.com/>

³⁵ 2006 Florida State Rail Plan - <http://www.dot.state.fl.us/rail/Publications/Plans/2006/flrail06.pdf>

³⁶ Amtrak - <http://www.amtrak.com/servlet/ContentServer?c=Page&pagename=am%2FLayout&cid=1246041980246>

³⁷ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hrr_awards_summary_public.pdf

³⁸ FRA HSIPR Program - http://www.fra.dot.gov/rpd/downloads/Summary_of_FY10_Selected_Projects_1010.pdf

³⁹ Illinois Department of Transportation - <http://www.dot.state.il.us/org4.html>

⁴⁰ Illinois Commerce Commission - <http://www.icc.illinois.gov/railroad/>

⁴¹ Illinois Department of Transportation – FY 2011-2015: Proposed Rail Improvement Program - <http://www.dot.state.il.us/opp/2011-2015%20PRIP/2011program.pdf>

the funds contributed from federal, state and local levels. In July 2010, a \$100 million TIGER grant was awarded. As of late 2010, a total for around \$320 million had been committed to the project, with an additional \$133 million provided from ARRA funds (this was a portion of the \$1.1 billion provided by ARRA – see below).⁴²

- American Recovery and Reinvestment Act – ARRA awarded Illinois \$1.1 billion for improvements to the signal system, track and equipment for the Chicago to St. Louis high-speed rail line.⁴³
- FRA’s HSIPR program awarded \$3.7 million for the replacement of two existing bridges to upgrade Amtrak’s Chicago to Milwaukee corridor.⁴⁴

7.8. Indiana

The Indiana Department of Transportation (INDOT) Rail Division is in charge of planning and management of Indiana’s rail system. They also monitor rail safety and maintain state rail maps and other data. The Rail Division consists of four employees and reports to an INDOT deputy commissioner. The Rail Division is responsible for freight, passenger and high speed rail initiatives throughout the state.

The INDOT Office of Freight Mobility is responsible for freight planning and management. This Office works on freight rail issues and collaborates with other divisions such as the INDOT rail, long-range planning, modeling, and economics offices. Federal and state rail crossing and safety improvement funding programs are administered by the INDOT Office of Roadway Safety.⁴⁵

Indiana also has the Northern Indiana Commuter Transportation District (NICTD), which owns and provides passenger service for the South Shore Line. It connects South Bend, IN with Millennium Station in Chicago, IL and is used primarily by commuters who work in Chicago. NICTD is governed by a Board of Trustees representing the four Indiana counties served by the South Shore Line. Intercity passenger service in Indiana is provided by Amtrak.

Indiana has a few funding programs that benefit freight rail as follows:

- Industrial Rail Service Fund (IRSF) – Provides grants and low-interest loans to Class II and III railroads and port authorities to purchase or rehabilitate property to be used for rail transportation and to rehabilitate railroad infrastructure. Funded with .029 percent of the state sales tax as of FY 2009.⁴⁶
- Railroad Grade Crossing Fund (RRGCF) – Administered by INDOT’s office of Roadway Safety provides resources for railroad crossing safety improvements to local jurisdictions, counties, and Class II and III railroads. They receive approximately \$500,000 per year.⁴⁷

They have also used federal funds to improve rail. In 2010, Indiana was awarded \$71 million in ARRA funds for crossover and signal improvements for the Indiana Gateway, a segment of track between Porter and the Illinois state line that serves both freight and passenger rail services.⁴⁸ Also, the State of Indiana provided over one million dollars in financial assistance for capital improvements to the historic Amtrak Beech Grove maintenance facility.⁴⁹

⁴² Chicago region Environmental Transportation efficiency Program - <http://www.createprogram.org/JanuaryNewsletter.html>

⁴³ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

⁴⁴ HSIPR Program - http://www.fra.dot.gov/rpd/downloads/Summary_of_FY10_Selected_Projects_1010.pdf

⁴⁵ Interview with Mike Riley, Railroad Section Manager, Indiana Department of Transportation. 03/16/2011.

⁴⁶ Indiana Department of Transportation - <http://www.in.gov/indot/files/FY10procedures.pdf>

⁴⁷ Interview with Mike Riley, Railroad Section Manager, Indiana Department of Transportation. 03/16/2011.

⁴⁸ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf and HSR Updates - http://www.hsrupdates.com/stimulus_grant_awards/details/INDOT-to-proceed-with-Indiana-Gateway-project--276

⁴⁹ Indiana Department of Transportation, Passenger Rail Service in Indiana - <http://www.in.gov/indot/3066.htm>

The NICTD South Shore line is funded in part by a Commuter Rail Service Fund, a special fund that receives 0.14 percent of the State's general sales and use tax revenue. NICTD received \$11.1 million in 2006 from this funding source. NICTD also received \$0.1 million from the Electric Rail Service Fund, a special fund that receives property tax on railroad companies' distributable property.⁵⁰

Indiana does not provide operational funding support for Amtrak services and the state does not have any existing financial commitments for the development of high speed rail projects.

7.9. Minnesota

The Minnesota Department of Transportation (Mn/DOT) has a Division Office of Modal Planning & Program Management. Within this division, the Office of Freight and Commercial Vehicle Operations includes units that administer programs pertaining to freight, railroad and waterway functions. The freight planning and development unit reviews MNDOT's role in freight transportation and develops strategies for future rail implementation. The freight rail unit oversees existing operations, the Minnesota Rail Service Improvement Program and rail safety and education. The passenger rail unit administers existing and future rail and high-speed and intercity passenger rail.⁵¹

Minnesota assists with rail funding by helping railroads and other entities apply for federal funding programs. They also have some limited state rail programs that are discussed below.

The freight rail unit administers the Minnesota Rail Service Improvement (MRSI) revolving loan program. These funds are loaned or granted to rail users and carriers to revitalize deteriorating rail lines, improve rail-shipping opportunities, and to preserve and maintain abandoned rail corridors.⁵² In addition, Mn/DOT receives roughly \$5 million annually in federal grade crossing protection funds, matched by \$600,000 in state funding. The federal participation for railroad-highway grade crossing safety improvement projects is 90% with a minimum 10% matching share. Normally it is expected that the local road authority will pay the 10% local match. If a local road authority agrees to close a crossing in their jurisdiction, it may qualify for 100% funding.⁵³

Minnesota does not provide operational assistance to Amtrak passenger services. Other passenger rail projects in the State, such as the Northstar Commuter Rail Line have utilized a variety of funding sources such as federal, state, county, and Regional Rail Authority funds.⁵⁴

Minnesota received \$600,000 in ARRA federal funds to study high-speed rail service between Milwaukee, WI and Minneapolis/St. Paul.⁵⁵ Matching funds were provided from WisDOT and MnDOT. In FY 2010, Minnesota received \$40 million from FRA's HSIPR program to rehabilitate the historic St. Paul Union Depot as a multimodal hub for intercity rail, future high-speed rail, local rail and bus transit, and pedestrian, bicycle, taxi, and other local modes of access.⁵⁶ These intercity passenger rail planning activities are managed by a small Passenger Rail Office with support from existing freight program staff.

7.10. Ohio

The Ohio Rail Development Commission (ORDC) was created as an independent commission within the Ohio Department of Transportation (ODOT). Their mission is "to plan, promote and implement the improved movement of goods and people faster and safer on a rail transportation network

⁵⁰ 2009 Indiana State Rail Plan - <http://www.in.gov/indot/3065.htm>

⁵¹ Minnesota Department of Transportation - <http://www.dot.state.mn.us/aboutrail/>

⁵² Minnesota Department of Transportation, Minnesota Rail Service Improvement Program - <http://www.dot.state.mn.us/ofrw/mrsi.html>

⁵³ Minnesota Department of Transportation - http://www.dot.state.mn.us/ofrw/PDF/Rail_safety.pdf

⁵⁴ Northstar Corridor Development Authority - http://www.mn-getonboard.org/abt_history.html

⁵⁵ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

⁵⁶ FRA HSIPR Program - http://www.fra.dot.gov/rpd/downloads/Summary_of_FY10_Selected_Projects_1010.pdf

connecting Ohio to the nation and the World.” The ORDC is the successor of the Ohio High Speed Rail Authority and the Division of Rail Transportation of the Department of Transportation. The Commission has a 14 member board, representing a cross-section of people from railroads, business and government. Seven commissioners are appointed by the governor and one each by the Ohio Senate President and Speaker of the Ohio House of Representatives.⁵⁷

The Commission issues grants and loans to other public and private sector parties for the purpose of rehabilitation, construction, planning, relocation, or acquisition of rail transportation in the state. The grants and loans are funded by a mixture of sources including the federal government loans and grants, the state of Ohio, and transportation authorities. ORDC is charged with establishing eligibility and distribution criteria for the grants and loans. ORDC also uses Federal Highway Administration funds allocated by the Ohio Department of Transportation to fund at-grade highway-rail crossing safety improvements throughout the state.

For passenger rail, Ohio does not provide operational funding support for Amtrak. They were awarded \$400 million for the 3C (Cleveland-Columbus-Cincinnati) passenger rail corridor in early 2010 to fund a number of projects across the state.⁵⁸ However, the funds were returned to the federal government in December 2010.⁵⁹

7.11. Pennsylvania

The Bureau of Rail Freight, Ports and Waterways operates as part of the Pennsylvania Department of Transportation (PennDOT) under the Deputy Secretary for Aviation. They are responsible for carrying out planning for the Bureau’s two annual grant assistance programs, the Rail Freight Assistance Program (RFAP) and the Capital Budget Rail Transportation Assistance Program (Rail TAP). Primary functions are to develop grant program investment strategies and to provide technical and administrative support to rail users and the public. The Bureau is comprised of the Director’s Office, the Engineering Department, and the Planning Department.⁶⁰

Rail safety is handled by the Rail Safety Division of the Pennsylvania Public Utility Commission. The Division handles proceedings pertaining to the abolition, alteration, construction, relocation and suspension of public highway-railroad crossings to prevent accidents and promote public safety. Additionally, the Division inspects railroad facilities for compliance to state and federal regulations.⁶¹

The RFAP and Rail TAP provide financial assistance for investment in rail freight infrastructure. The Bureau is charged with the administration of these monies. Financial assistance is available on a matching grant basis to railroad companies, transportation organizations, municipalities, municipal authorities and users of rail freight infrastructure.⁶²

For passenger rail, Pennsylvania provides operational funding assistance for Amtrak’s Keystone Corridor service.⁶³ In 2010, they were also awarded \$27 million in ARRA funds for rail and rail crossing improvements along the Keystone Corridor East (Philadelphia to Harrisburg). The funds are meant to further improve the existing 110-mph service. Approximately \$750,000 of these funds is intended for a planning study to that will evaluate the extension of high-speed rail service from Harrisburg to Pittsburgh.⁶⁴

⁵⁷ Ohio Rail Development Commission - <http://www.odotnet.net/ohiorail/OVERVIEW1.htm>

⁵⁸ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

⁵⁹ Ohio Rail Development Commission - <http://www.dot.state.oh.us/divisions/rail/Pages/default.aspx>

⁶⁰ PennDOT - <http://www.dot.state.pa.us/Internet/Bureaus/pdBRF.nsf/RailFreightHomepage?openframeset>

⁶¹ Pennsylvania Public Utility Commission - http://www.puc.state.pa.us/transport/railsafe/railsafe_index.aspx

⁶² PennDOT - <http://www.dot.state.pa.us/Internet/Bureaus/pdBRF.nsf/RailFreightHomepage?openframeset>

⁶³ Amtrak - <http://www.amtrak.com/servlet/ContentServer?c=Page&pagename=am%2FLayout&cid=1246041980246>

⁶⁴ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

7.12. Washington

The Washington Department of Transportation (WSDOT) has a State Rail & Marine Office that is primarily focused on freight and passenger rail planning and rail project management. This office manages the state's freight and passenger rail capital programs and operations.⁶⁵

The Washington State Transportation Commission serves as an independent state agency whose seven citizen members are appointed by the Governor and confirmed by the Senate. The Commission exercises responsibilities in preparing the state's transportation plan, proposing the state's transportation budget, and working with the Governor, the State Legislature, the Secretary of Transportation (whom the Commission appoints) and others across the state in formulating transportation policy. The Commission also oversees the implementation of transportation policy and the operational plans for highways, ferries and intercity passenger rail.⁶⁶

For passenger rail, the state provides operational support for Amtrak's Cascades service.⁶⁷ Washington was awarded \$590 million in ARRA funds for tracks improvements and safety-related projects on the high-speed rail line between Seattle and Portland.⁶⁸ In 2010, Washington was awarded \$30.95 million in FRA HSIPR program funds. These funds will be used for station upgrades at the King Street and Tukwila stations, siding extensions and earthwork improvements on the Amtrak Cascades route, and for the development of a comprehensive State Rail Plan.⁶⁹

7.13. Summary

In summary there are a variety of organizational approaches to deliver rail programs at the state level:

- Virginia has an independent state agency for all intercity passenger and freight rail and transit functions
- North Carolina has a Bureau function within the North Carolina Department of Transportation that has comprehensive responsibility for all freight and intercity passenger rail activities which currently includes intercity passenger rail equipment purchase and refurbishment and maintenance activities.
- California features an independent High Speed Rail Authority with access to state bond funding for its proposed 800 mile, \$40 billion high speed rail system.
- Illinois's Bureau of Railroads within the Illinois Department of Transportation supports a comprehensive freight and intercity passenger rail program with the exception of rail safety which is administered within the Illinois Commerce Commission.
- In Wisconsin, Freight and Passenger Rail Programs are now operated out of a Railroads and Harbors Section within a Bureau of Transit, Local Roads, Rails and Harbors in the Wisconsin Department of Transportation. A decentralized Regional Rail Office formed in the Southeast Region for the Milwaukee to Madison high speed rail mega-project has recently been largely dissolved.
- Minnesota has formed a small Passenger Rail Office to support its early stage intercity passenger rail program.

Each of these approaches as features that could be considered by Michigan DOT and its freight and passenger rail programs evolve and mature.

⁶⁵ Washington Department of Transportation - http://www.wsdot.wa.gov/News/2009/03/03-17-09_Railofficerestructure.htm

⁶⁶ Washington State Transportation Commission - <http://www.wstc.wa.gov/>

⁶⁷ Amtrak - <http://www.amtrak.com/servlet/ContentServer?c=Page&pagename=am%2FLayout&cid=1246041980246>

⁶⁸ ARRA Awards Summary (2010) - www.whitehouse.gov/sites/.../rss.../hsr_awards_summary_public.pdf

⁶⁹ FRA HSIPR Program - http://www.fra.dot.gov/rpd/downloads/Summary_of_FY10_Selected_Projects_1010.pdf

Table 3: Rail Program Governance in Other States

	Virginia	Wisconsin	California	North Carolina	New York	Florida	Illinois	Indiana	Minnesota	Ohio	Pennsylvania	Washington
Who governs the state's rail programs?	Dept. of Rail and Public Transp.	WisDOT, Bureau of Transit, Local Roads, Rails & Harbors	CalTrans, Division of Rail	NCDOT, Rail Division	NYSDOT, Freight and Passenger Rail Bureau	FDOT, Rail Office	IDOT, Bureau of Railroads	INDOT, Rail Division	MNDOT, Freight, Railroad and Waterways	Ohio Rail Development Commission	PennDOT, Bureau of Rail Freight, Ports and Waterways	WSDOT, Rail and Marine Office and the Washington State Transportation Commission
Who oversees freight programs?	Dept. of Rail and Public Transp.	WisDOT, Bureau of Transit, Local Roads, Rails & Harbors	Caltrans Office of Goods Movement	NCDOT, Rail Division	NYSDOT, Freight and Passenger Rail Bureau	FDOT, Rail Office	IDOT, Bureau of Railroads	INDOT, Rail Division	MNDOT, Freight, Railroad and Waterways	Ohio Rail Development Commission	PennDOT, Bureau of Rail Freight, Ports and Waterways	WSDOT, Rail and Marine Office and the Washington State Transportation Commission
Who oversees passenger rail programs?	Dept. of Rail and Public Transp.	WisDOT, Bureau of Transit, Local Roads, Rails & Harbors	CalTrans, Division of Rail	NCDOT, Rail Division	NYSDOT, Freight and Passenger Rail Bureau	FDOT, Rail Office	IDOT, Bureau of Railroads	INDOT, Rail Division	MNDOT, Freight, Railroad and Waterways	Ohio Rail Development Commission	PennDOT, Bureau of Rail Freight, Ports and Waterways	WSDOT, Rail and Marine Office and the Washington State Transportation Commission
Who oversees high-speed rail programs?	Dept. of Rail and Public Transp.	WisDOT, Bureau of Transit, Local Roads, Rails & Harbors	High-Speed Rail Authority	NCDOT, Rail Division	NYSDOT, Freight and Passenger Rail Bureau	Florida Rail Enterprise	IDOT, Bureau of Railroads	INDOT, Rail Division	MNDOT, Freight, Railroad and Waterways	Ohio Rail Development Commission	PennDOT, Bureau of Rail Freight, Ports and Waterways	WSDOT, Rail and Marine Office and the Washington State Transportation Commission
Who oversees rail safety programs?	Dept. of Rail and Public Transp.	Office of the Commissioner of Railroads	California Public Utilities Commission	NCDOT, Rail Division	NYSDOT, Office of Modal Safety and Security	FDOT, Rail Office	Illinois Commerce Commission	INDOT, Office of Roadway Safety	MNDOT, Freight, Railroad and Waterways	The Public Utilities Commission of Ohio	PennDOT, Bureau of Rail Freight, Ports and Waterways	WSDOT, Rail and Marine Office
Who oversees grade-crossing programs?	Dept. of Rail and Public Transp.	Office of the Commissioner of Railroads	California Public Utilities Commission	NCDOT, Rail Division	NYSDOT, Office of Modal Safety and Security	FDOT, Rail Office	Illinois Commerce Commission	INDOT, Rail Division	MNDOT, Office of Freight and Commercial Vehicle Operations	The Public Utilities Commission of Ohio	PennDOT, Design Services Division	WSDOT, Rail and Marine Office

Table 4: Funding of Rail Programs in Other States

	Virginia	Wisconsin	California	North Carolina	New York	Florida	Illinois	Indiana	Minnesota	Ohio	Pennsylvania	Washington
Does the state fund freight rail projects?	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the state fund passenger rail capital projects?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the state provide operating support for Amtrak?	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	No	Yes	Yes
Does the state provide support for other passenger rail services (i.e. commuter)?	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Does the state fund high-speed rail projects?	Yes	Yes*	Yes, bonds	Yes	Yes	Yes*	Yes	No	Yes	Yes*	Yes	Yes

* Wisconsin, Florida and Ohio have recently cancelled high speed rail programs supported with grants from the American Recovery and Reinvestment Act of 2008 (ARRA) and returned those funds to the federal government. The future of high speed rail programs in these states is currently uncertain.

