



# Michigan State Rail Plan

Draft Plan Public Meeting

*June 2011*

# Welcome

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- Meeting purpose
  - Present the draft plan and obtain feedback
- Meeting activities
  - Listen to the presentation and ask questions
  - Review a copy of the plan
  - Take-home a plan summary
  - Look at the exhibits
  - Talk with project staff
  - Fill out a comment form

# Plan process and timeline

	<i>Phase 1</i> <i>Data Collection and Visioning</i>					<i>Phase 2</i> <i>Policy Development</i>			<i>Phase 3</i> <i>Draft Plan</i>						<i>Phase 4</i> <i>Final Plan</i>	
	MAY 2010	JUN 2010	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011
<b>PLAN ELEMENTS</b>	Identify opportunities and challenges					Establish investment needs			Refine policies						Refine plan recommendations	
	Inventory rail facilities and services					Conduct benefits analysis			Draft plan chapters						Approve document	
<b>PUBLIC OUTREACH ACTIVITIES</b>	Public information meetings					Stakeholder meetings			Public information meetings						Website updates and comments	
	Stakeholder meetings					Website updates and comments			Stakeholder meetings							
	Website updates and comments								Website updates and comments							

# What is the plan?

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- Guides the future development of the rail system for passenger and freight rail over the next 20 years.
  - Inventories the existing system
  - Identifies challenges and opportunities
  - Identifies and prioritizes current and future system needs
  - Evaluates a series of investment scenarios
  - Makes recommendations to enhance rail services
  - Meets requirements for the Passenger Rail Investment and Improvement Act of 2008

# Rail plan organization

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- Chapter 1 – Introduction and vision
- Chapter 2 – Existing conditions
- Chapter 3 – Organizational opportunities
- Chapter 4 – Outreach activities
- Chapter 5 – Identification of investment needs
- Chapter 6 – Analysis of benefits
- Chapter 7 – Recommendations

# Rail plan organization

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- Technical memorandums
  - #1: Goals & Objectives
  - #2: Existing Conditions
  - #3: List of Projects
  - #4: Institutional Considerations
- Plan available online [www.michigan.gov/mirailplan](http://www.michigan.gov/mirailplan)
- Review plan copies at today's meeting

# Plan vision and goals

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- Vision
  - Michigan envisions a rail system that provides enhanced mobility for travelers and the efficient movement of goods while supporting economic development and environmental sustainability.
- Goals
  - Promote the efficient movement of passengers
  - Promote the efficient movement of freight
  - Encourage intermodal connectivity
  - Enhance state and local economic development
  - Promote environmental sustainability
  - Promote safe and secure railroad operations

# Freight rail profile

- 12<sup>th</sup> highest number of track miles in the country

Classification	Number	Operated miles	Owned miles	State-owned miles
Class I – Freight/Passenger	4	2,137	2,265	0
Class II – Regional	2	444	94	347
Class III – Short Line	15	1,514	907	183
Switching & Terminal	8	222	152	0
<b>Totals</b>	<b>29</b>	<b>4,317</b>	<b>3,418</b>	<b>530</b>

# MICHIGAN'S RAILROAD SYSTEM



## MICHIGAN RAILROAD OPERATORS

- Non-Class I Railroads
- CLASS I RAILROADS**
- CN Canadian National Railway
- CP Canadian Pacific Railway
- CR Consolidated Rail Corporation
- CSX CSX Transportation
- NS Norfolk Southern Railway



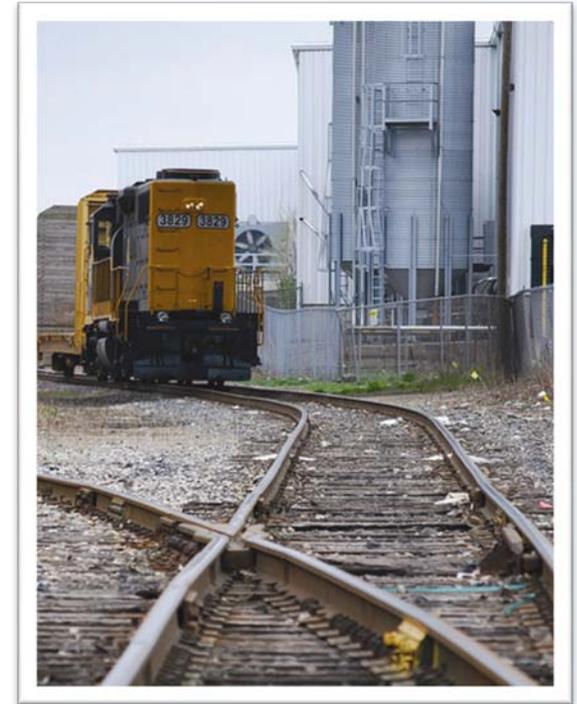
# Freight rail profile

- Other major rail facilities
  - Intermodal terminals concentrated in Detroit
  - Three border crossings with Canada
  - Two ports transport iron ore in the Upper Peninsula



# Freight rail profile

- Freight rail trends
  - Rail moved 33 percent of Michigan’s freight tonnage accounting for \$41.4 billion in 2009
  - Largest rail shipments include coal, metallic ores, chemical products and transportation equipment
  - 2030 forecasts include
    - Imports: 0.13% annual increase
    - Exports: 2.51% annual increase



# Passenger rail profile

- Three Amtrak passenger routes
  - Wolverine, Pere Marquette, Blue Water
- Operate on 521 miles of track and serve 22 stations
  - Thruway bus connections in East Lansing, Ann Arbor, Dearborn, and Detroit

Service	Rail corridor	Distance (miles)	Current Travel Times
Wolverine	Chicago-Detroit-Pontiac	304	6 ½ hours
Pere Marquette	Chicago-Holland-Grand Rapids	176	4 hours
Blue Water	Chicago-Battle Creek-Port Huron	319	7 hours

# MICHIGAN'S INTERCITY PASSENGER RAIL SYSTEM

## PASSENGER RAIL SERVICES

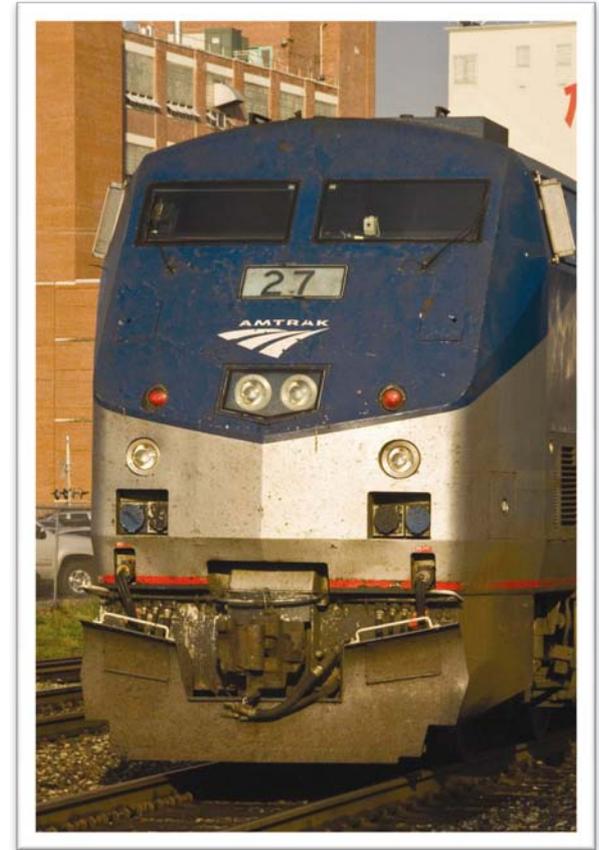
- Pere Marquette
- Blue Water
- Wolverine
- Route Used by Blue Water and Wolverine
- Thruway Motorcoach Connections
- Station

Note: The corridor served by the Wolverine is a federally-designated high speed rail corridor.



# Passenger rail profile

- State operating support
  - Pere Marquette and Blue Water
    - \$8 million annual contributions
    - Amtrak operates routes at the request of the state
  - Wolverine
    - Provided at no cost to state currently
    - Part of Amtrak's national system



# Passenger rail profile

- Ridership
  - Reached 775,997 in 2010
  - Increased 50% since 1999
  - Wolverine most highly utilized



# High-speed rail

- Midwest Regional Rail Initiative (MWRRI)
  - Nine state effort to enhance passenger rail
- Michigan's high-speed rail corridors
  - Chicago-Detroit-Pontiac
  - Feeder services to Grand Rapids and Port Huron



# High-speed rail

- Chicago-Detroit-Pontiac
  - Federally designated high-speed rail corridor
  - Kalamazoo to Porter
    - 97-miles owned by Amtrak
    - Speeds to increase up to 110 mph by August 2011
  - Dearborn to Kalamazoo
    - Awarded \$350 million to purchase and upgrade corridor
  - MDOT initiating high-speed rail investment study
    - Environmental document needed to move forward with planned service improvements



# Rail funding

- Existing state rail programs

State Programs	2010 Allocations
Passenger Rail Program	\$7.6 million
Local Grade Crossing Program	\$7.0 million
Trunkline Railroad Crossing Program	\$1.4 million
Freight Economic Development Program	\$1.3 million
State-Owned Rail Property Capital Development	\$1.0 million
Michigan Rail Loan Assistance Program	Program suspended in 2010

# Rail funding

- Major capital expenditures
  - Since 1974
    - \$100 million for passenger rail projects
  - Since 1995
    - \$100 million for safety improvements at grade crossings
    - \$115 million to upgrade state-owned rail lines



# Rail funding

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- Funding challenges
  - State budget shortfalls
  - Limited state and no dedicated federal freight rail funds
  - Michigan must consider purchasing the Kalamazoo-Dearborn corridor valued at \$200 million to avoid downgrade to 25 mph.
  - State matching funds needed for federal passenger rail grant awards.
  - Federal law will require Michigan to provide operating subsidy for the Wolverine in 2014 at about \$25 million per year.
  - Federal funding for passenger rail is uncertain because it requires ongoing congressional appropriations.

# Rail funding

- Funding opportunities
  - New federal passenger rail funding programs available
  - MDOT major federal awards
    - January 2010: \$40 million for station improvements
    - August 2010: \$150 million for Dearborn-Kalamazoo upgrades
    - May 2011: \$199 million for Dearborn -Kalamazoo improvements



# Investment needs

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- 140 projects have been identified
- Cost over \$9 billion
- List developed from:
  - Local, regional and state plans
  - Freight stakeholders and railroad companies
  - Public outreach meetings and comments
- List prioritized into investment packages
  - Baseline, Good, Better and Best

# Investment packages

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- Baseline scenario
  - Maintains current funding
  - Allows for some public and private investment
  - Utilizes existing federal funds for the Chicago-Detroit-Pontiac corridor
  - Wolverine line is not funded
  - Freight infrastructure continues to deteriorate

# Investment packages

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- Baseline includes:
  - State operating support for Blue Water and Pere Marquette
  - Amtrak funded corridor improvements including Incremental Train Control System
  - Cab car coach refurbishment and leasing for Ann Arbor-Detroit Regional Rail and WALLY
  - Tier I EIS for Chicago-Grand Rapids and Battle Creek-Port Huron corridors
  - Jackson and Durand station improvements
  - MDOT freight rail improvement programs continued
  - Several privately financed track, structure and equipment replacement projects

# Investment packages

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- Good scenario
  - Includes Baseline projects plus 90 additional projects
  - Expands state freight rail programs
  - Provides operating subsidy for Wolverine
  - Makes substantial freight and passenger rail capital investments

# Investment packages

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- Good includes:
  - Chicago-Detroit-Pontiac corridor improvements
  - Operating support for Wolverine
  - New stations in Detroit and Ann Arbor
  - Improvements and operations for Ann Arbor-Detroit Regional Rail and WALLY
  - Positive Train Control installation
  - Traverse City/Petoskey and Detroit-Toledo feasibility studies
  - Several Detroit Intermodal Freight Terminal projects
  - New freight rail tunnel between Detroit and Windsor, Ontario
  - Increased funding for state-funded freight programs
  - Substantial short-line rail infrastructure investments

# Investment packages

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- Better scenario
  - Makes significant rail system improvements
- Better includes:
  - Baseline and Good projects
  - Completion of high-speed rail projects
  - Completion of all Detroit Intermodal Freight Terminal projects
  - Feasibility studies for 220 mph passenger rail between Chicago and Detroit and continuing to Toronto

# Investment packages

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- Best scenario
  - Includes all identified 140 projects
- Best includes:
  - Baseline, Good and Better projects
  - Completion of all Midwest Regional Rail Initiative projects in Michigan
  - Purchase of new passenger rail equipment
  - New passenger service to Traverse City

# Rail investment benefits

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- Transportation
- Economic
- Environmental
- Community

# Rail benefits

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- Transportation benefits
  - Rail increases efficiency and choice for passengers and freight.
  - Intercity passenger rail connects major urban centers, allows a passenger to be productive while traveling and is less prone to highway and airline delays.
  - High-speed passenger rail is time-competitive with air and auto trips between 100 and 500 miles.
  - Freight rail makes moving goods quicker, cheaper and more reliable, directly benefiting businesses and jobs.

# Rail benefits

- Economic benefits

Economic indicator	Existing	Baseline	Good	Better	Best
Personal Income (billions)	\$7.4	\$7.2	\$8.7	\$9.0	\$9.3
Sale of commodities (billions)	\$26.8	\$26.0	\$31.1	\$32.0	\$33.6
Employment (annual average)	7,500	7,400	8,800	9,100	9,400

# Rail benefits

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- Environmental benefits
  - Rail travel is the most energy efficient transportation mode in the country reducing fuel consumption and air pollution.
  - One gallon of fuel will carry one ton of freight 413 miles via rail, as compared to 155 miles by truck, reducing greenhouse gas emissions by 53 percent.
  - Intercity passenger rail uses 21 percent less energy per passenger mile than autos and 17 percent less than airlines.

# Rail benefits

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- Community benefits
  - Enhanced freight rail services encourage local business investment.
  - Passenger services result in increased development potential around stations.
  - Improvements to warning devices at crossings increases safety and may qualify a community for a quiet zone which reduces train horn noise.

# Plan recommendations

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- Plan recommends Good investment package
  - Balances need for new rail investment with funding challenges and opportunities
  - Makes substantial system improvements
  - Initiates studies to position Michigan to achieve Better and Best levels of investment in the future

# Plan recommendations

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- To develop **passenger rail** Michigan should:
  - Continue improving Michigan’s high-speed rail network.
  - Expand the feeder bus system to connect more communities to the passenger rail system.
  - Conduct feasibility studies to expand rail service to Traverse City, Grand Rapids and Toledo.
  - Study 220 mph service for the Chicago-Detroit-Toronto corridor.
  - Establish a bonding program to provide state matching funds for federal grants.

# Plan recommendations

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- To develop **passenger rail** Michigan should (cont.):
  - Investigate the use of a state ticket fee/tax to offset state matching funds.
  - Encourage local communities to participate in capital funding for station improvements.
  - Seek Congestion Mitigation and Air Quality funding for short-term passenger rail operations.
  - Conduct market studies to maximize ticket revenue and initiate a media campaign to encourage ridership.
  - Investigate outsourcing for equipment maintenance, reservation services and food services.

# Plan recommendations

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- To enhance **freight rail** services Michigan should:
  - Work with local, regional and state agencies to identify regional economic development strategies.
  - Prioritize freight projects that will have the most economic development impact.
  - Develop promotional materials for funding programs.
  - Develop regional economic distress indicators and focus resources in those areas.
  - Study rail freight movements in underserved areas.
  - Study short-haul intermodal facility needs.

# Plan recommendations

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- To address **state-owned** lines Michigan should:
  - Continue to sell state-owned rail lines and seek legislative permission to expedite selling the larger rail systems.
  - Look for opportunities to sell short segments of track that are not critical to overall system.
  - Encourage new industry to locate along state-owned lines to make them more attractive to buyers.
  - Continue to make improvements that increase the track's ability to carry heavier loads.
  - Preserve and make provisions for segments that are critical to future passenger rail service.

# Plan recommendations

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- To enhance **state rail programs** Michigan should:
  - Continue to fund the Freight Economic Development Program to encourage businesses development.
  - Consider changing the Michigan Rail Loan Infrastructure Program from a revolving loan to a grant.
  - Expand funding for the Local Grade Crossing Program to address crossing surface conditions.

# Plan recommendations

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- To leverage **federal funding** sources Michigan should:
  - Continue to pursue federal passenger rail funding opportunities focusing on the Chicago-Detroit-Pontiac corridor.
  - Create Service Development Plans, Alternative Analyses and NEPA documentation to make sure projects are ready to proceed when additional funding becomes available.
  - Pursue federal funding opportunities that will also benefit freight rail.

# Questions

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- Thank you for your participation today!
- Please direct questions to State Rail Plan team members wearing name tags.
- Submit all comments to MDOT by July 1, 2011
  - E-mail at [mdot-mirailplan@michigan.gov](mailto:mdot-mirailplan@michigan.gov)
  - Written at MDOT, P.O. Box 30050, Lansing, MI 48909