

# The Vision and the Blueprint: High-Speed Rail in the United States and Launching High- Speed Rail in the U.S.



MTI Report S-09-03



# MINETA TRANSPORTATION INSTITUTE

The Norman Y. Mineta International Institute for Surface Transportation Policy Studies (MTI) was established by Congress as part of the Intermodal Surface Transportation Efficiency Act of 1991. Reauthorized in 1998, MTI was selected by the U.S. Department of Transportation through a competitive process in 2002 as a national “Center of Excellence.” The Institute is funded by Congress through the United States Department of Transportation’s Research and Innovative Technology Administration, the California Legislature through the Department of Transportation (Caltrans), and by private grants and donations.

The Institute receives oversight from an internationally respected Board of Trustees whose members represent all major surface transportation modes. MTI’s focus on policy and management resulted from a Board assessment of the industry’s unmet needs and led directly to the choice of the San José State University College of Business as the Institute’s home. The Board provides policy direction, assists with needs assessment, and connects the Institute and its programs with the international transportation community.

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**THE VISION AND THE BLUEPRINT: HIGH- SPEED  
RAIL IN THE UNITED STATES  
AND  
LAUNCHING HIGH-SPEED RAIL IN THE U.S.**

HIGH-SPEED RAIL SESSIONS FROM APTA'S ANNUAL MEETING  
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The Mineta Transportation Institute (MTI), along with the American Public Transportation Association (APTA), would like to thank the following individuals who participated in a pair of high-speed rail panel discussions on October 6, 2009, during APTA's annual meeting in Orlando, Florida.

Panelists for the first discussion session, "The Vision and the Blueprint: High Speed Rail in the United States," which was moderated by MTI's Executive Director Rod Diridon, were:

- Frank J. Busalacchi, secretary of transportation, Wisconsin DOT, and chair, States for Passenger Rail
- Eugene Conti, Jr., secretary of transportation, North Carolina DOT, and chair, American Association of State Highway and Transportation Officials (AASHTO) Standing Committee on Rail Transportation (SCORT)
- Karen Rae, deputy administrator, Federal Railroad Administration

Thank you to Dale Muellerleile, senior vice president and national director for transit engineering for HDR Engineering, for providing welcoming remarks.

Panelists for the second session, "Launching High-Speed Rail in the U.S.," which was moderated by Jolene Molitoris, vice chair, APTA High Speed and Intercity Rail Committee, and Ohio Secretary of Transportation, were:

- Rod Diridon, chair, APTA High Speed and Intercity Rail Committee and executive director, Mineta Transportation Institute
- Nazih K. Haddad, executive director, Florida High Speed Rail Authority, and intercity passenger rail manager, Florida Department of Transportation
- Richard Harnish, executive director, Midwest High Speed Rail Association
- William A. Jones, III, CEO of Materials Transportation Company, president of BJ3 Industries, and mayor of Temple, Texas

Thank you to Steve Beard, senior vice president and transit market sector director of HDR Engineering for providing welcoming remarks for "Launching High-Speed Rail in the U.S."

Special thanks to the sponsor of both high-speed rail sessions, HDR Engineering in San Francisco, California.

MTI staff instrumental in making this e-book available include MTI's Director of Communications and Special Projects, Donna Maurillo, Student Graphic Artist JP Flores, Student Publications Assistant Sahil Rahimi and Student Webmaster and Technical Assistant Ruchi Arya.

Transcription services were provided by Meg Dastrup at Word Power Plus, with editing and publication production services by Catherine Frazier.

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## FOREWORD

On November 4, 2008, 52.3 percent of California voters said yes to a world-class high-speed rail system by passing Proposition 1A, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. The bond act, which supplies \$9.95 billion of general obligation bonds, is a down payment for a \$40 billion, public-private partnership high-speed rail system between San Francisco and Los Angeles.

With the implementation of 2009's American Recovery and Reinvestment Act (ARRA), the addition of federal economic stimulus funds will go a long way in making California's high-speed rail system a reality. But the state of California is not the only region with high-speed rail plans.

This year, the organizers of this year's 12th Annual Transportation and Infrastructure Summit, held on August 11–14 in Irving, Texas, brought together influential transportation and infrastructure policy experts in the Second Annual Global High-Speed Rail Forum. Attendees took part in discussions ranging from project viability and disbursement of funds to regional project initiatives and their planning, funding and implementation. The Mineta Transportation Institute (MTI) was proud to be a summit sponsor and co-host.

It was my honor to present information on California's high-speed rail project to a stakeholders' roundtable meeting on August 11 as a member of American Public Transportation Association's (APTA) High-Speed Rail and Intercity Rail Committee. That same day, I acted as moderator for one of two special sessions, "Bringing World-Class High-Speed Rail to America." This presentation featured representatives from three proposed HSR systems followed by a question and answer period.

Thank you to California Assemblywoman Fiona Ma, Midwest High-Speed Rail Association Executive Director Rick Harnish and Texas High-Speed Rail and Transportation Corporation Chair Robert Eckels for sharing their regions' plans and visions for HSR.

This e-book, a transcript of the proceedings of "Bringing World-Class High-Speed Rail to America, has been edited for clarity."

A handwritten signature in black ink that reads "Rod Diridon, Sr." The signature is written in a cursive, flowing style.

Rod Diridon, Sr.  
Executive Director  
Mineta Transportation Institute



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## EXECUTIVE SUMMARY

For years, the United States' passenger rail system has lagged far behind that of Japan, France, Germany, and even China and South Korea in developing and utilizing high-speed rail. Even though the Transcontinental Railroad was completed in 1869, joining the U.S.'s East and West Coast, and went on to be instrumental in growing the nation, U.S. interest in rail travel sharply declined with the more widespread use and availability of automobiles and airplane travel in the early to mid-20<sup>th</sup> century.

Globally, Japan seized the opportunity to build the first true high-speed rail system, the Shinkansen, in 1964, in time for the Olympic games. Today, Japan's 1,528-mile long high-speed rail system is the busiest in the world, moving 15 million passengers a year.

High-speed rail advocates understand that rail can be faster than the car, and for short trips, is superior to air travel due to long lines at airports; can carry larger volumes of people in a limited space; and consume less energy than cars and minimize pollution.

In the latter quarter-decade of the 20<sup>th</sup> century, several U.S. regions began to explore the possibility of high-speed rail systems to help alleviate highway and airport congestion—too many users, and the creation of infrastructure simply is unable to keep up with demand. These emerging corridors included Los Angeles-San Diego, Tampa-Orlando-Miami, and Dallas/Ft. Worth-Houston-San Antonio. None came to fruition.

The Northeast Corridor's Acela Express became the first high-speed rail system in the U.S. in late 2000. Traveling from Boston to Washington, DC, the all-electric system quickly grew in popularity, and again other regions began to take notice.

The state of California also started considering high-speed rail as a solution to overcrowded airports and congested freeways. In 1996, California's High-Speed Rail Authority was established. With the 2003 election of Governor Arnold Schwarzenegger, an advocate of environmental issues who also supported high-speed rail, Californians began to take notice of the advantages of a possible statewide high-speed rail system. Finally, with the passage of Proposition 1A in November 2008, Californians acknowledged their desire for a high-speed rail system, with 52 percent of voters passing the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, funding \$9.95 billion in general obligation bonds to build a high-speed rail system.

Funding from 2008's Passenger Rail Investment and Improvement Act (PRIIA) and 2009's American Recovery and Reinvestment Act (ARRA) will bring the dream of high-speed rail to a reality in not only California, but several additional regions. Because there is so much that needs to be done in a short period of time, at its annual meeting in the fall of 2009, the American Public Transportation Association (APTA) held two special sessions on high-speed rail to facilitate communication amongst rail transportation professionals and policymakers. This e-book is the edited proceedings of two sessions, "The Vision and the Blueprint: High Speed Rail in the United States," and "Launching High-Speed Rail in the U.S.," which were held on October 6.

Introducing the first session, “The Vision and the Blueprint: High Speed Rail in the United States,” was Dale *Muellerleile*, senior vice president and national director for transit engineering for HDR Engineering. Moderator for this session was Rod Diridon, Sr., chair, APTA High Speed and Intercity Rail Committee and executive director, Mineta Transportation Institute (MTI). Panelists included Karen Rae, deputy administrator, Federal Railroad Administration (FRA), who spoke about the process of planning and applying for PRIA and AARA funding; Frank Busalacchi, secretary of transportation, Wisconsin DOT, and chair, States for Passenger Rail, who talked about States for Passenger Rail’s role in the high-speed rail expansion and the application process; and Gene Conti, secretary of transportation, North Carolina DOT, and chair, American Association of State Highway and Transportation Officials (AASHTO) Standing Committee on Rail Transportation (SCORT), discussing North Carolina’s high-speed rail plans.

Introducing the second session, “Launching High-Speed Rail in the U.S.,” was Stephen Beard, senior vice president and national transit director, HDR Engineering. Moderating the second session was Jolene Molitoris, vice chair, APTA High Speed and Intercity Rail Committee, and Ohio Secretary of Transportation. Panelists included Nazih K. Haddad, executive director, Florida High Speed Rail Authority, and intercity passenger rail manager, Florida Department of Transportation, who talked about the history of high-speed rail in Florida and the state’s planned system; Richard Harnish, executive director, Midwest High Speed Rail Association, who discussed his role as a high-speed rail advocate for a Midwestern hub, and plans for that system; William A. Jones, III, CEO, Materials Transportation Company, president, BJ3 Industries, and mayor of Temple, Texas, who spoke about Texas’ attempts at a high-speed rail system and today’s plans for the “T-Bone Corridor”; and Rod Diridon, chair, APTA High Speed and Intercity Rail Committee and executive director, Mineta Transportation Institute, who gave an overview of California’s planning process and its planned routes between the Bay Area and Southern California, and other offshoots from the main line. Also addressing the attendees was Bill Millar, president of APTA.

This publication is an edited transcript of the two sessions, and has been edited for clarity and readability.

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## THE VISION AND THE BLUEPRINT: HIGH SPEED RAIL IN THE UNITED STATES

### DALE MUELLERLEILE

Good morning. My name is Dale Muellerleile. I am a senior vice president and national director for transit engineering for HDR Engineering. On behalf of HDR, and our 8,000 employees, we're proud to sponsor this session, and it's particularly great to see a lot of our clients and partners in the audience today.

HDR has long been a supporter and proud supporter of APTA over the years, on its committees, on its leadership program, and on its board. It's especially gratifying to see so many folks here today for a high-speed rail session. It wasn't that long ago that we could barely pack a room a third this size, but a little bit of federal money and commitments really bring out the crowd, and we're all really excited about where we are with the high-speed rail industry in the United States today.

It's my honor now to introduce the moderator for today's session, Rod Diridon.

Rod Diridon, Sr. is the executive director of the Mineta Transportation Institute. He is chair emeritus and member of the California High Speed Rail Authority board. He is considered the father of modern transit in California's Silicon Valley, where his political career began in 1971 on the Saratoga City Council.

Rod is executive director of the Congressionally-chartered Mineta Transportation Institute, and is chair of the National Council of University Transportation Centers. Rod has chaired over 100 national, state, and local programs. He is chair emeritus of the California High Speed Rail Authority board and chair of APTA's High-Speed and Intercity Rail Committee. He chaired the American Public Transit Association and was vice chair for the Americas of the International Transit Institute in Brussels.

Rod chaired the National Association of Counties Transit Committee, advised to the Federal Transit Administration, and chaired the National Research Council's Transit Cooperative Research Program. Welcome, Rod.

### ROD DIRIDON

Thank you very much, Dale, and I can hardly wait to hear what I have to say. I get to be the moderator today, but I want to set the stage if I could, please, because this session is more than usually important. Let me give you a little background to lead into why that's the case.

The reason is because we're being recorded in order that today's proceedings, along with past proceedings over the last six months regarding high-speed rail can all go into a composite publication, which will be on the Mineta Transportation Institute's web page so that everyone can see what's happening within the lead organizations on high-speed rail. We've done that with the last session for SCORT, and we'll continue to be kind of the recorder and research base for the high-speed rail activities, and we appreciate your cooperation in that regard.

Now let me give you just a little background before we hear from Karen Rae. High-speed

rail began in the world as we know it back in 1964, with the Japanese bullet train, which has gone through 13 iterations of evolution by today, and it's doing a wonderful job.

Then France exploded upon the scene, as demanded by Charles de Gaulle, which began their high-speed rail program in 1981. It created a somewhat different mode of transportation, but traveling at about the same speed as Japan's system, and it too is doing a wonderful job. It's interesting that both of those systems have carried billions and billions of riders without one fatality. In contrast, we killed 43,000 people on our roadway systems last year in America.

Then that evolution continued rather slowly, not with other countries throughout the world. The other countries in the world began building high-speed train systems and we have them in virtually every industrialized country now, and many that we would consider non-industrialized have high-speed rail programs now. But the United States was held back by our addiction to petroleum and to the automobile industry, and so we did not proceed with our high-speed rail programs, although we talked about it a lot.

California had a commission that began in 1983, another commission that began in 1990, and, finally, we resumed serious studies with an authority board in 1996. The same thing happened in Texas and Florida, where Texas was way ahead, and then they kind of got held up, as did Florida, by conditions beyond their control and were delayed.

And then, all of a sudden, the California project kept kind of easin' ahead and easin' ahead with the nickels and dimes that came out of the state legislature, and then a charismatic new governor decided that he liked high-speed rail, and when the Terminator says he likes something, he gets it, and so we had proposition 1A on the ballot in November of last year, and ahead of that time, our governor was up and down the state encouraging people to support it for the jobs and for the mobility. He said all the right words. I'm sure he got that from his wife, who is a strong environmentalist. Pillow talk is a lot better than any other advocacy you can have, I can tell you! So our governor became a green governor, and I can tell you, he really is. I'm an old-line Democrat, but I—we're—very pleased with our Republican governor.

With his strong help, and the help of the California Coalition led by several of you in the room, we then passed that ballot in November of last year, and created \$9 billion for high-speed rail in California, and it's amazing what \$9 billion will do for your image. We've likened it to California and the high-speed rail program's being the ugliest girl in town, or the ugly duckling, as she was growing up, and nobody wanted to be associated with her. Her uncle gives her \$9 billion, and everybody wants to take her to the prom.

Well, everybody wants to take us to the prom now, and that's what I'm going to lead into. Our \$9 billion was followed by PRIIA (Passenger Rail Investment and Improvement Act) and ARRA (American Recovery and Reinvestment Act), with another \$8 billion from Uncle Sam, another \$5 billion promised by our president in the authorization bills, which has been augmented now by action by the House and the Senate, with an additional billion or two in the appropriation process; and then, of course, our great crusader in Congress, Chair Oberstar has come up with a \$50 billion number for his authorization bill, the Service Transportation Authorization Act, which looks like it's beginning to develop legs. I can tell you that we have a proposal going to the APTA board to endorse that amount, and I



believe we've got all of the negotiation in place to see that adopted at the board meeting on Wednesday.



**Figure 2 Proposed high-speed rail programs and existing Amtrak routes**

So all of a sudden we've got momentum. It's very strong. It's been built over many, many years, and by a lot of people sacrificing their time with their families, and financial resources from you engineering organizations and consulting organizations, that have helped us through so many different crises, to the point where we really do have a project now.

Unfortunately, that's brought the vultures in, and we're seeing now organizations that have been created out of whole cloth, primarily for profit, that are attempting to call themselves this high-speed rail and this high-speed rail, and that's siphoning off energy. It's causing confusion in Congress. It's causing organizations that would be directly in competition with our other programs—and we have to go ahead with all the programs—and it's a distraction which we cannot afford.

So what we're talking about today are the objectives of APTA, of the States for Passenger Rail, of the Standing Committee on Rail Transportation (SCORT), for the American

Association of State Highway and Transportation Officials (AASHTO), and those objectives are synonymous. We need to focus the energy in that longstanding consortium of venerated organizations that are working, not for bottom-line profit for a lobbying company, but for their users, for the riders of transit in America, for the people that use the state highway and transportation systems, for the National Corridors programs. We've got to focus the energy there.

We've developed a draft memorandum of understanding to work together. That will have to be reviewed by the various organizations in order for it to be accepted by everyone, and we're going to attempt to go ahead together toward a focused advocacy effort at the national level. We ask you to help us in that regard by attending and being involved in our programs. I see that this is the third meeting of our programs in a row where we've had standing room only—we've over-filled the room again! That's a declaration of interest by the people in APTA, and that interest is the same as it is across the nation for high-speed rail. We've got to focus that interest through AASHTO and through States for Passenger Rail and through APTA in order that it not be siphoned off and become bottom-line profit for a lobbying firm or confusing Congress with advocacy that is antagonistic instead of cooperative. So please don't attend meetings of U.S. High Speed Rail associations, or whatever new organizations are popping up. If I can borrow a term from our good friends in labor, they are "*do not patronize*." If you can remember that, please—and I can't say it any more strongly. We want you to be involved in the programs at APTA, States for Passenger Rail, and SCORT for AASHTO, and focus your energies and your treasures through those organizations so that we can allow the program to be successful for *users* and not for an advocacy firm. Can I make that any firmer for you? I know a couple of you have been invited—I've been invited—to be keynoters at these coming conferences. I've told them absolutely not, and I'm asking you to do the same thing.

Let me move now to the beginning of our session, and we'll begin with the overall rules of the game, as presented by the Federal Railroad Administration (FRA). And the person who represents the United States in that administration, is our dear friend Karen Rae. The reason why I take special honor in introducing her is because she was the vice chair of the APTA High-Speed and Intercity Rail Committee before President Obama stole her and put her over in that new administration. I say "new administration." It's not new—it's a very old administration, but it has a very, very new look. All of a sudden, they have \$8 billion to pass out. Let me share with you her official bio.

Karen Rae has nearly 30 years of experience, successfully tackling some of the biggest issues in the field of transportation. She currently holds the position of deputy administrator of the Federal Railroad Administration. In this role, she helps oversee operations for nearly 800 persons, organizations. These responsibilities include overseeing FRA's efforts to implement the president's historic commitment to advancing the development of high-speed and intercity rail.

Karen is a well-respected manager and transportation professional. Prior to joining the Federal Railroad Administration, Karen served as deputy commissioner of policy and planning at the New York State Department of Transportation, and, as deputy secretary for local and area transportation at the Pennsylvania Department of Transportation. As director of the Virginia Department of Rail and Public Transportation, she led the development and

implementation of that state's first-ever rail-funding program, and its first six-year public-transit plan. She also finalized an agreement with CSX Transportation to fund rail-line improvements—God bless her— and work to advance the Dulles Corridor Rail Project.

Earlier in her career, Karen worked for 18 years as general manager of the transit system in Austin, Texas, and in Glens Falls and Buffalo, New York. So she's been in several different capacities. She knows what she's talking about. And she's our champion. Karen Rae.

## **KAREN RAE**

First of all, I want to welcome many of my colleagues and friends in the audience. It's an extreme honor to be representing President Obama, working with Joe Szabo, and Secretary LaHood, who spoke yesterday. For many of us who have toiled for 30 years in the transit and rail industry, the team at DOT is a dream team. I mean I walk in every day, and people that I never thought I'd have the opportunity to work with are all residing in this new administration, and it's really an amazing place to be.

So why are we here? What is going on? Just 355 days ago, less than a year ago, this meeting would not have occurred with any of these conversations. We all know that we had a problem. We had a problem on our highway system. We had a problem in our aviation system. We had a problem in our overall transportation system, but we continued to play like the ostrich and hide our head in the sand, pretending that somehow, adding more capacity to all those modes was going to fix the problem, when, in fact, we were losing \$63 billion a year in congestion. They've never really measured how much productivity we lose at our airports because of the congestion at our major airports. So, truly, there is an opportunity to step in and be part of a networked solution.

The other thing we wanted to take a hard look at, as we put together the initial work to kind of move this program forward, is what I call the expectation-management chart. This is a chart about the levels of investment that have been put in place since the beginning of the National Highway System Initiative and on the aviation side. It's important to note that, as we take major steps forward in high-speed and intercity rail, as transit moves its message and its systems forward, that we're looking at a backlog of many, many years of investment that built out the national highway system and our national aviation system, both of which we're very proud, but we do have to put this in perspective. It didn't happen overnight. It happened after 50 years of investment.

So the theme of my presentation is "What a Difference a Year Makes." Again, a year ago, I was sitting in small meetings with Frank and Gene, and we were saying, "How do we ever get a federal partner? Is this ever going to happen? Can't we get a little step in?" And then we were thrilled, and declaring victory, I think, would be fair, when the Rail Safety Improvement Act and the Passenger Rail Investment Act passed less than a year ago. As we're busy working on how we're going to make these federal match dollars, the first that were every available, work to leverage all the state dollars that have been invested, along comes the Recovery Act, and we were hopeful to get a small slice of the Recovery Act money. The numbers being floated around were \$1 to \$2 billion. It was with great shock and surprise that we found that President Obama himself stepped in and said, "We have

to make a significant down payment to improve our passenger rail network, intercity, and high-speed rail.”

So just a quick rundown on them. RSIA, PRIIA, and ARRA is what I’ll talk about today.

First of all, I think it’s very important. Sometimes we get so caught up in the excitement of the vision of high-speed rail, we forget there are some very significant pieces of those two acts that are moving forward in parallel. One of the most significant acts to many of the folks in this room is the implementation of positive train control (PTC), which was required under the Rail Safety Improvement Act. We have hours of service. We have grade crossing, conductor certification, and we are actually working on a new safety strategy to help advance both, and all rail initiatives.

The second important act is the Passenger Rail Investment Act. The first time we had matching money for the states, and we were hoping to get \$100 million, \$200 million. I have to point to Frank Busalacchi, because he elevated this issue in the National Commission reports that came out talking about all modes. He refused to go away until they put a chapter in on passenger, intercity, and high-speed rail.

So then we have the American Recovery and Reinvestment Act, and I think the key word here is, although most of the other Recovery Act programs had very short turnaround to spur jobs—90 days, 120 days, 180 days—to really get the funds obligated, we’re the one program that was given through 2012 to get our program obligated *because* it was a new program, and Congress recognized, as did the president, that we needed a little bit of time to do it right for a brand-new program. But there was a lot of focus on the “reinvestment” side of this particular title.

So April 16, I was on the job two and a half weeks. Several of you in this room, including the gentleman up on the front stage, Bill Millar, joined, for the first time ever, the president, the vice president, and the secretary of transportation, in announcing a major strategic plan moving forward the High-Speed and Intercity Rail Initiative.

Our starting base was actually a map that had been drawn over many years. I’d like to point out to those of you who have been following the rail industry, many of these corridors were initially designated to help begin closing grade crossings, which would lead to higher-speed rail in those corridors, and the concept of high-speed rail as a true entity that we’re talking about today was a distant thought, because there just weren’t partners to help advance that cause.

So we put out the strategic plan 60 days after it passed, and then we decided we had 60 days to put out the first program guidance for a brand-new program. But we also knew that our partners, our key partners—the states, the freights, public-transportation operators, the unions and labor, as well as the environmental community, planning organizations—we needed to pull folks together to decide what did we need to design in this program to give it its best chance for success. Success was always our focus.

So, in about two weeks, between those two deadlines, we went around and met with over 1,200 people, and got a three-hour interactive workshop of what it would take to really move ahead this agenda.

And the keys for success: We really focused on something called “One Region, One Voice,” much like the National Highway System. If we have small segments that are not connected, that don’t interface with public transportation or airports or our highway system in a logical, rational, networked way, it’s not going to make sense. We’re not going to build rail to nowhere. We really pressed for priorities, maybe because I came from the state and locals. It’s not right to be making prioritization decisions in Washington. I don’t want 20 applications to come into our office and we get to choose what’s right for the state of Arizona. I won’t say “California,” okay, Rod?

Also, though, we were looking at strong financial and program management. This is where we did borrow a lot of help from the FTA programs, because we *do* have to have a solid management program, and a good financial plan in place, if we’re going to be moving forward.

And, then, this is probably the tough one. This is a capital program. It is brand-new. It does not come with operating assistance. So we looked to the states and the regions to support new service based on major capital investments.

And the last, but very important, is to make sure that there are agreements in place with either Amtrak, private or private operator, if that’s the case, if you can meet the requirements, or with the freight-rail operators, if you’re operating over [their right-of-way]. Very important pieces to make the first projects a success.

Now the good news is that, at midnight on Friday, we received a number of applications for our major-corridor program, which is the core of the program. We have already taken applications for smaller projects with independent utility. Those are under review. We also have a small amount of planning money which we’re trying to grow significantly. But the core of this program was really all about rebuilding corridors in the United States.

However, I think it’s important to note that it’s a networked approach. There will be services that would be significantly upgraded if they went to 90 miles an hour. They would cut hours of travel time off. There are some corridors that will go to 110. There are some that will go to 125, 150, and there are a few corridors that will hit over 200 miles an hour. It’s not picking one or the other. It’s designing a network that uses the right speed for the right environment. So we looked ahead, and probably the biggest issue—you can read the checklist of the things we were looking for, but clearly, the biggest issue we had, was a surprise—trying to struggle with the environmental issues, since most of these projects previously were state-funded projects. They were going through their state environmental process; but very few of them, probably a handful, had actually gone through the federal NEPA (National Environmental Policy Act) process; but, of course, with federal dollars, we must meet those requirements. We are looking at ways of helping to expedite that, but not to [in] any way ignore the environmental documents that are needed.

So how are we evaluating these programs? What are we looking at? Well, we’re looking at beyond just, “Are you getting more riders?” We’re looking at, “What are the transportation benefits?” “What are the jobs created?” “What are other public benefits?” “How much energy is saved?” as one example.

So beyond just growing ridership, taking it to the next level, and finding what the true public-policy benefits are is part of what we're trying to evaluate in this new round. And, for those of you that looked at the TIGER (Transportation Investment Generating Economic Recovery Grants) grants, which are the \$1.5 billion discretionary grant that the secretary has, they're looking for some of those same measures.

We also don't want projects that can't move ahead and show that they can be implemented. That would be a disaster for this beginning of the program, and also the timeliness of completion. We do have to show progress, and we have to show substantive progress soon, with the \$8 billion if we're going to defend continuing funding of this program. We also, of course, under the Recovery Act, had to look at things like regional allocations. We are looking for innovation and we at U.S. DOT and at FRA are really looking at partnerships.

I want to take just a minute to talk about safety, because many of you in this room have said, "FRA has these longstanding safety standards." We are very proud of our safety record, and it is our number-one statutory mission. However, we also know we now have a dual role, and we're transitioning, even as we speak, every day, learning a little. But we have also got some of the brightest people working with us. So we really decided, and, under the leadership of Jo Strang and Grady Cothen, and many of you know those two folks. They put together a beginning of a safety strategy to implement high-speed rail. For those of you who have worked with us, these are material steps away from looking at independent pieces of the system, and beginning to look at the number-two bullet: "Applies a system safety approach."

We're trying to look at the end-safety performance as it applies to the passengers, as it applies to the employees, and as it applies to the equipment. How do we maintain and improve our safety standard? But can we do it in ways that are smarter? The first areas, we're already, of course, working on PTC; but the other two areas are grade crossing regulations and standards, and upgrading those, and equipment standards, and upgrading those. So we are working through a Rail Safety Advisory Committee that both the unions and APTA are very well-represented on, and that's a forum we have to try to work through these details.

The other issues are just continuing to work through this. We need good modeling. But there's another part of this that we have to talk about. Transit and rail are, by far, the safest modes to travel on. As we look at improving our own mode, we need to find a way to insert our conversation in the overall highway-fatality discussion on how much would happen if we doubled transit ridership, and if we got even five percent of travel onto high-speed rail? What impact would that have on the overall transportation system? We are looking to use the best experiences from around the country.

One of the last areas I want to talk briefly with you about is we are also, because we were, you know, getting a little sloppy there—we'd only had several 60-day time frames—but we did decide that we have to honor the PRIIA requirement to develop a preliminary national rail plan, and it's very much required under PRIIA. The preliminary plans do, in 10 days, we have, through those outreach meetings that we had, we got good input about what needed to be in a national rail plan, but that's still a question. We are having a

strong emphasis on multi-modal, FTA, highway, ports, and everyone has been in our little workgroup. We intend to use this preliminary plan as a springboard to develop the “real” plan, because, honestly, the people that need to be part of the conversation were busy filling out all our applications. So we thought we ought to kind of stage this, and we’ll be unveiling a very aggressive outreach plan to take something that’s preliminary into a full-fledged plan.

So some of the questions we’ve been asking, and I have asked Bill and Art Guzzetti to help us kind of figure out how we best coordinate this conversation within the APTA family; but what should be in America’s first National Rail Plan? There’s never been one. So it’s kind of a big, basic question.

Should it be policy- and goal-driven? Should there be a lot of maps? Should it be outcomes- and performance-based? And who and what [drive] that plan? I think the “who and what” is everybody who has a stake in the end product. We started with just where is rail now on both the freight side and the passenger side, just looking at our current performance in the areas of safety and energy, livable communities, economic growth and environment. We think that’s the end goals that we should be talking about and figuring how we will advance the rail agenda using those.

We have lots of maps that are available. I have literally [an] inventory of probably 20 maps—a lot of them very good. This just happens to be freight flow. Too often, in the high-speed rail conversation, we forget about the importance of our freight network to our economy.

This map is not published yet, because it’s under development. We started an exercise of trying to map out everything we heard, from Congress, from the states, from other folks, of what people are thinking about. After we finish getting all that input, we may publish that in the plan, just things, not that we’re choosing, but what is under consideration in different regions. Again, relying on the regions to be the leaders.

So, for those of you in the room, the one thing that troubled me at the last meeting is how little folks from the transit world had been tied in to their state rail plans, *if* there was a state rail plan. So where is your state rail plan? Do you know? Is it multi-modal? Have they pulled in commuter rail? Who is in charge of that? Are you partnering with the other modes that you normally partner with? And, overall, our goal, and you heard Secretary LaHood talk about livable communities, how does the design of that network fit into that broader goal?

My closing slide is one that I think we literally have posted on all our walls, because, as we’re working 24/8 to try to advance this new agenda, I can’t help, and I will say, and look at Frank and at Gene, I think there were more tears in people’s eyes than I’ve ever seen a group of grown people at this time, but President Barack Obama said, “Imagine boarding a train in the center of a city. No racing to an airport, across a terminal. No delays. No sitting on the tarmac. No lost luggage. No taking off your shoes. Imagine whisking through towns at speeds over a hundred miles an hour, walking only a few steps to public transportation, and then ending up just blocks from your destination. Imagine what a great project that would be, to rebuild America.” Ladies and gentlemen, I’m honored to be here, but this will

not happen if we don't all work together in partnership, and I look forward to doing that with my state partners and with all of you in the room.

### **ROD DIRIDON**

What Karen was referring to was that wonderful session that the president convened in the White House on April 16, and several of you in the room were there with me. Karen got up at the beginning, and gave her presentation on where the ARRA implementation was, and the secretary and the vice president stood up, each giving fine presentations. When that fine young president stood up there, and he gave his talk that included a dozen quotes like the one you just saw, we all believed. When he pumped his fist in the air and said, "We're America, and we're going to build the best high-speed train system the world has ever seen," or words to that effect, there was paper flying, and even the old, jaded news media was cheering. I believed, and I hope you do, too!

Let's here from a person now who does believe, and he helps us believe. It's Frank Busalacchi. In January 2003, Frank was appointed secretary of the Wisconsin Department of Transportation. He was formerly the secretary/treasurer of the Teamsters' Local 200, based in Milwaukee, one of the largest Teamsters' locals in the state. He began with the Teamsters as business agent in 1979 and was elected president in 1991, and secretary/treasurer in 1994. The secretary plays a leading role in national passenger-rail issues. In 2005, he accepted the post as chair of the States for Passenger Rail Coalition, an alliance of 23 state DOTs calling for expanded federal support for intercity and passenger rail. Secretary Busalacchi has testified to Congress about the importance of passenger rail, is working to improve existing Amtrak service, and planning for the new high-speed rail service for Wisconsin and the United States.

Secretary Busalacchi also served on the National Surface Transportation Policy and Revenue Study Commission, the so-called National Transportation Commission that was required by the last authorization bill. Frank is a true leader. Between being Italian and a Teamster, he has a special, persuasive way about him. Please welcome Frank Busalacchi.

### **FRANK BUSALACCHI**

Thank you for that sterling introduction.

I really appreciate being here today. Many of you have heard me say President Obama has presented us with a great opportunity. His proposal to dramatically increase funding for passenger rail in this country is unparalleled. Eight billion dollars in American Recovery and Reinvestment Act funding. A billion dollars a year for five years to fund passenger rail, including the purchase of new equipment, providing access to federal surface transportation programs, which allows the potential for additional funding for long-term planning and development.

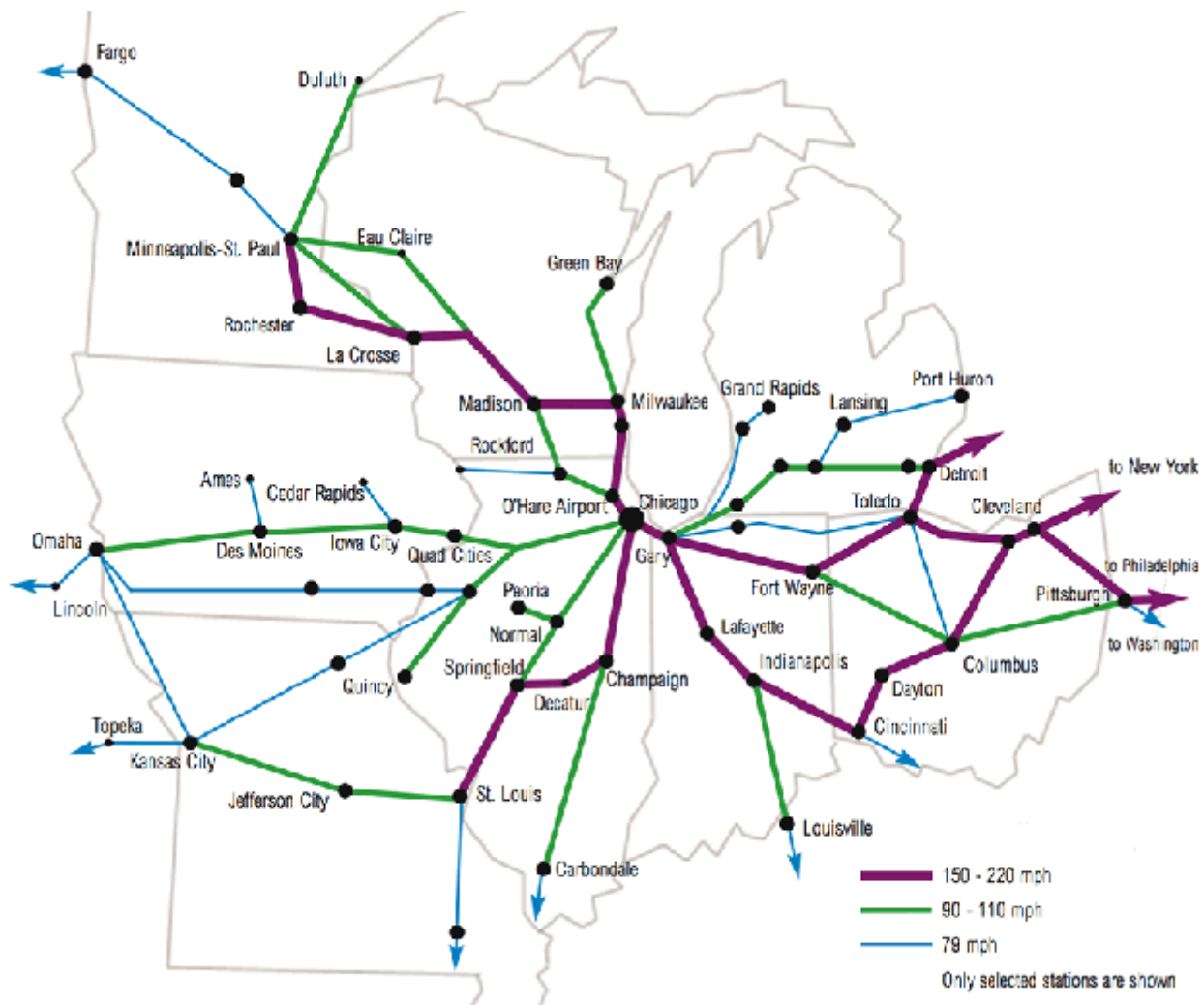
As chair of the States for Passenger Rail Coalition, I can tell you the 31 coalition states are extremely pleased by these actions, and we're all supportive of the FRA's efforts to create a strategic plan to develop high-speed rail projects throughout the country.

Last month, I participated in the FRA's kickoff meeting to develop that plan and urged it to include high-speed rail as an integral part of the plan. Earlier this year, when President



Obama, Vice President Biden and Transportation Secretary LaHood announced their intentions to develop the strategic plan for high-speed rail, everyone in the room, including me, was just thrilled. Their announcement demonstrated that the administration is prepared to provide the critical down payment necessary for an improved passenger-rail system in our country. We all share the president's desire to encourage economic progress through investment in infrastructure.

I've been speaking a lot about our vision for high-speed rail in this country. Many of you attended the FRA's workshop in Chicago earlier this year where I laid out the Midwest plans for high-speed rail. I don't want to spend time rehashing that plan. They're out there on the Internet for all to see—a nine-state web of high-speed rail lines based out of Chicago. We believe we've got a solid plan that takes a coordinated approach to developing high-speed rail. We've met with Secretary LaHood and let him know that Midwest has its act together. Our governors have created a steering committee which has regular meetings and communicates regularly. But I do want to spend a few minutes focusing on how we get to where we want to go.



**Figure 3 Proposed Midwestern high-speed rail**

We all know that building a high-speed rail system in this country won't be cheap. It will

take a lot of help from the federal government, and we're doing our best to convince the feds that high-speed rail is a good investment in this nation's future. In response to outreach by the FRA seeking input on interim guidance for high-speed rail under ARRA, I wrote to Administrator Szabo to share the States for Passenger Rail Coalition's view. Bottom line: the Coalition strongly believes that the National Highway System model is critical to the successful implementation of high-speed rail in this country, rather than the cumbersome New Starts program. We need to have the flexibility that the 80/20 highway funding model offers to do what needs to be done. We need the federal government to be a strong partner with us in this endeavor, and you and I, the states, and all passenger-rail supporters, need to keep the pressure on to champion the 80/20 funding mechanism. The more we can show our consensus for that funding mechanism, the better our chances of success, both within the FRA and in Congress.

In 2006, I was honored to be selected and to serve on the National Surface Transportation Policy and Revenue Study Commission, and while on the commission, I convened a group of rail professionals to develop a staged approach to upgrading and modernizing the nation's passenger rail network. The Passenger Rail Working Group, as it was called, established a blueprint for a national intercity passenger-rail network through the year 2050. Our plan, which was endorsed by the full commission, called for a phased expansion of America's existing intercity passenger rail system using the highway model in which the federal government would cover 80 percent of the improvement costs, with the states providing the other 20 percent. In fact, when I was at the FRA's kickoff meeting, I advocated for the use of the Commission's plan as the foundation for the FRA's plan.

The Commission also recommended initial federal funding of \$5 billion per year for intercity passenger rail development grants. In light of that recommendation, states see that ARRA funding for passenger rail is an excellent start for our passenger-rail initiatives. States are pursuing ARRA funds. In August of this year, they submitted 184 applications for \$6.9 billion in requests for track 1 projects. We're anticipating the first of these awards very soon.

Last Friday was the deadline for the states to submit their track 2 applications for the bigger, longer-term projects. The Midwest states have their applications in with an eye toward beginning the building of the Midwest regional rail system. Now, however, we have to wait and see who gets what, and how much. We all recognize that ARRA funding, and what's included in the president's budget, is only a down payment on what is really needed to achieve our goal of expanding high-speed rail throughout this country, but now is not the time to sit back and wait for the money to roll in. We need to maintain our pressure on Congress to keep funding for high-speed rail on the front burner as they work through the budget. Only through continued advocacy will we be successful.

In July, I participated in a round table held by the Subcommittee on Railroads, Pipelines, and Hazardous Materials, to offer suggestions for the rail section of the Surface Transportation Authorization Act of 2009. The States for Passenger Rail Coalition used the forum to, among other things, encourage Congress to create a state planning and research program.

State rail planning is in its early stages of development, and based on our experience

with the application process for ARRA funds, we believe that state intercity passenger-rail planning requires annual dedicated funding. This is similar to how the Federal Highway Administration funds its planning efforts. Specifically, we propose that two percent of the authorized annual funds from the Passenger Rail Investment and Improvement Act be set aside for state rail planning and research. The funding would be distributed equally among the states, but would be capped at \$1 million.

We also suggest that the states be given wide flexibility in the use of the funds. For example, a portion of the funds could be pooled to meet common needs and concerns, and we recommend that \$1.5 million be authorized for state rail planning and research grants that could be awarded in three areas: coordination with non-motorized transportation, contact-sensitive design, and environmental justice-planning directed at incorporating the needs of traditionally underserved communities. These grants would be awarded on a competitive basis.

Our high-speed rail efforts, however, will not be successful unless we recognize that we have to be full partners with the freight-rail industry. Much of the track we want to use belongs to the freight railroads. Entities like the Chicago Region Environmental and Transportation Efficiency project, or CREATE, are part of the solution. CREATE is working toward improvements needed to achieve the goals of the Midwest Regional Rail Initiative, including separation of passenger and freight movements to eliminate conflicts. Along with that, a number of states have awarded a portion of their ARRA funds for freight-rail improvement projects. These are the kinds of efforts and solutions we have to build upon if we are to make high-speed rail a reality in our country.

Clearly, President Obama has outlined a high-speed passenger rail vision for the nation. We see his action as the first serious, long-term federal policy and funding commitment for passenger rail of any sort in generations. All of us know that a high-speed rail network has the potential to reduce highway and airway congestion, greenhouse gas emissions, and the nation's dependence on foreign oil. It's up to us to convince the administration and Congress of these benefits and the value to this nation's economy of continued support for investment in both passenger and freight rail, specifically using the Federal Highway Administration's 80/20 funding model.

There are many people who think our phased approach to developing high-speed rail will be insufficient to draw enough people away from their cars or airplanes to justify this expense. They believe we should be looking at truly high-speed rail in the range of 200 miles per hour, like those in Europe, or the 300-mile-per-hour magnetic levitation trains in China and Japan, and we'd like to see that, but we also would need substantially higher funding. So I believe we must continue our phased approach and gradually build and expand the system we have, as other countries have done. In fact, the systems most states are proposing support the phased approach, which will complement the truly high-speed services that we envision in the future.

Needless to say, we can no longer be satisfied with the status quo. This nation's transportation system needs higher-speed passenger rail, and we are ready to move ahead right now. President Obama has shown courage in creating a vision for the rebirth of intercity passenger rail in this nation. We stand ready to see that vision become a reality

in our lifetimes. Thank you.

## **ROD DIRIDON**

Thank you, Secretary Busalacchi. You'll notice that these two gentlemen that are speaking today are secretaries of transportation for very active states, yet they've taken their time away from their responsibilities to be with you today, and we appreciate that.

The next speaker is Gene Conti. Secretary Conti is the head of the state of North Carolina's Department of Transportation, chairs the AASHTO Standing Committee on Rail Transportation, SCORT. He has over 30 years of public service and private business management experience. From 2001 to 2003, Gene served as chief deputy secretary for the North Carolina Department of Transportation. Prior to that role, he served three years as assistant secretary for Transportation Policy at the U.S. Department of Transportation, where he was principal advisor to the U.S. DOT Secretary Rodney Slater, and he advised on infrastructure, finance, transportation safety, environmental impact, economic growth, technology and mobility, and strategic planning. Gene also worked as the district director for PBS&J's mid-south district, overseeing all business-development efforts and community-relations activities. This is Gene's second cabinet-level responsibility. In 1995 to '98, he served as secretary of the Maryland Department of Labor, Licensing, and Regulations. You saw Frank having his persuasive ability because of his tenacity as a Teamster. Well, Gene is able to be persuasive by the bulk of his size and his intellect. So please welcome Gene Conti.

## **GENE CONTI**

Thank you, Rod, for that nice introduction.

Let me start just with a few personal comments, because a lot of this does tend to get personal, not in a mean-spirited way, but where we come from, and things that happened in our lives sometimes lead us to interesting places. One thing I will mention is I grew up in Pittsburgh, and got to know Bill Millar and Art Guzzetti when they were both working in Pittsburgh with the Port Authority, and, of course, we all share an intense devotion to that black-and-gold team!

I've told this story a couple of times recently, and some of you may have heard it if you were with us in Oklahoma City a couple of weeks ago at the SCORT meeting, but I do think it reflects some of my personal involvement in these issues for a long time.

It happened in 1993, when I first joined the Clinton Administration in the budget office. I was sitting down with my mother, who lived in Annapolis at the time, and we were talking about my excitement about joining the administration, and the interesting challenges ahead for transportation, and she turned to me and said, "Well, you know, you got your start in transportation."

And I said, "Well, I'm not sure what you mean by that."

She said, "Well, you were born in December 1946."

I said, "Right. I know my birthday."

And she said, “Well, in March of 1946, your father booked a trip from Seattle to San Francisco on a sleeper car. And so I think it’s fair to say you got your start in transportation. And, in fact, in rail transportation.”

Let me quote a couple of late-breaking items from North Carolina, because I think it indicates the topic we’re talking about today. These are from two of our major newspapers. Today’s editorials include the *Charlotte Observer*, our largest newspaper in the state, says, “State has audacious vision for faster trains. There is nothing small-minded about the \$5.3 billion pitch.” And Karen, you weren’t supposed to hear that, because I know you don’t want to listen to all the lobbying about different states’ applications, but the *Greensboro News & Record*, another large newspaper in our state, another editorial this morning: “State wants a high-speed ride. North Carolina application is brash. It ought to be.”

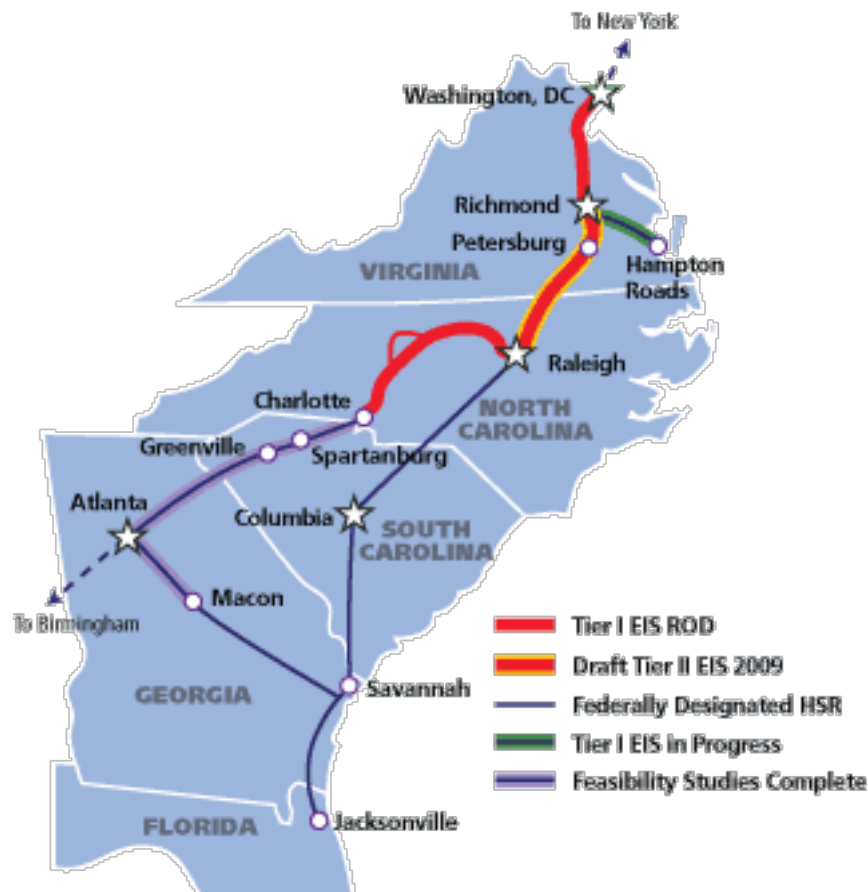
So that’s what we’re talking about here today, and that’s what I want to talk about as a representative of SCORT, and you know, we have 52 members of AASHTO. Not all of them are as passionate about rail as Frank and I, but we do have a core group of states, in the mid-20s in number, that have done a lot in the rail program over the years, and are very excited about this vision that has been created by the president and the people who serve in his administration.

So SCORT has worked long and hard, meeting, as Rod has said, in a telephone booth many times, because there weren’t very many people involved, but we have now set up SCORT. We have an active membership, and we are pushing, and will succeed, at the end of this month, when AASHTO has its annual meeting. We will establish intercity passenger rail and high-speed rail as a vital component of AASHTO’s mission. It will be in our long-range strategies and in our long-range plans.

We have worked very hard in North Carolina and across the country to establish strong partnerships with the Class I railroads, with Amtrak, with rail labor, with other private operators, people who provide services in the rail industry. And so we will continue to push very hard. In fact, our meeting two weeks ago was all about partnership, and how to strengthen and build upon those partnerships that we’ve already started.

We are very strongly aligned with the president’s vision for a high-speed rail network, corridors across America, and I will mention that when they put out the pre-application process, FRA got over a hundred billion dollars’ worth of interest. Then, when they restructured in terms of applying for short-term projects, and then long-term projects, they got over 200 applications for the ready-to-go type projects—nearly \$7 billion worth of projects, and certainly, our states were very active in submitting those applications.

Just last Friday, all of our rail folks in our states worked extremely long and hard to get those applications in for the longer-term corridor-development process, so we are anxious and look forward to hearing from FRA some time in the near future, in the next several months, on *those* applications.



**Figure 4 Proposed Southeastern high-speed rail**

We support this as a long-term commitment. We're not in this just because somebody put a lot of money on the table, and we'll kind of blow through that, and then figure out what the next step is. North Carolina, Wisconsin, all of these states, have spent a lot of time and energy and precious resources on building the foundation for this program; but now that we have a strong federal partner, we believe we can deliver a great program over the next several years. We look forward to, and my employees in North Carolina DOT look forward to building this system in our state, and working with Virginia and South Carolina and our other neighbors to do that.

We have a large department. We have 78,000 lane miles in North Carolina that we're responsible for, the second-largest in the country, but we also have committed to building our rail program over the years, and our highway folks are excited about creating those linkages, working on those construction projects, helping with the design and implementation and operations of all that.

The other thing I want to mention is this is not just about a high-speed rail network. It's really about connecting our cities across the Southeast, particularly for our corridor, focused on the Atlanta-to-Washington network. We have incredible business community support all up and down that corridor for building this network, and the key element of it is, when we get folks on a train into the center cities, we need to figure out how to help them get around, and that's where APTA and all the transit providers come in. We need to build those connections very strong and seamlessly so people can complete their journey

when they start it on the train.

For instance, in an area like Charlotte, part of our application is to develop some property that North Carolina DOT owns, right in the heart of “uptown Charlotte,” as they call it, and would create an intermodal center there that will connect the intercity rail with the local bus and rail service that they’ve started to build in Charlotte. So it’s going to be linking commuter rail, light rail, rubber-tire transit, taxis, autos, all of that, giving people a seamless system that they can negotiate with ease and with the ability to get around in those central cities where we’re connecting through this high-speed rail network.

So we’re very focused on making sure that, as we build the network, we build also the transit connections that will make it very practical for our consumers, our customers that count on us to do that.

This mobility is not just about moving people around. It’s about moving freight, so we want to continue to work with our freight partners to do that. All of this is built around sustaining a high quality of life and building an economic future that we can count on. This is going to create thousands of new and permanent jobs. It’s going to create, as I’ve mentioned, new transportation choices for travelers, for shippers and others. It’s going to reduce our dependence on foreign oil and other sources of energy. It’s going to help us improve our air quality, and it will absolutely build local community partnerships for economic development all across our country.

I flew out to Oklahoma City a couple of weeks ago with some of our rail folks, who do a tremendous job, and Paul Worley, who’s kind of responsible for our Sealed Corridor program, and has done a fantastic job over the years for North Carolina Rail, sat next to me, and we were talking about this program, and he said, “You know, I started here 17 years ago, and we had this vision of what we were going to try to do, and we started to take the first steps with our Sealed Corridor program, making those investments that Karen talked about in safety, and making all this possible. But I never really thought we were going to get to this point, where we can actually think about building this network.”

It was incredibly moving for me, because Paul is just a tremendous professional and to see his eyes just lit up with that vision meant a lot, and I think that’s true across the country. Folks who have worked so long and hard are now at the point where they can see that vision become reality. As the British historian Thomas Carlisle said, “It’s not just what dimly lies in the distance, it is what lies clearly at hand.”

And so the time is now. It is clearly at hand. We can *do* this. As Karen said, we have to work together, but we can do this. Within the next three to five years, we will have visible results on the ground that all can see. This will work. It makes sense. All of it makes sense. The connectivity to public transportation. It’s not a one size fits all, as Frank said. We all need to be creative in how we deal with our regional networks that already are there, and with how we deal with the challenges in our cities. All of us can respond if we’re creative and innovative to create the solutions that will make it possible. Thank you.

## **ROD DIRIDON**

That’s one of the tallest philosophers I’ve ever seen. Gene, thanks for sharing that remarkable

intellect, and we appreciate your taking the time away from your day-to-day job.



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## QUESTIONS AND ANSWERS THE VISION AND THE BLUEPRINT: HIGH SPEED RAIL IN THE UNITED STATES

### ROD DIRIDON

So you've just heard from the States for Passenger Rail, which represents the corridor aspect. You've heard from the AASHTO SCORT, Standing Committee on Rail Transportation that represents the states. You are APTA. You know of the APTA effort, which now has over 200 members in our High-Speed and Intercity Rail Committee, and charging ahead with great cooperation from the parent organization, and you've recognized that we *are* going to build some rail in the United States, and it's going to be high-speed rail.

So, with that thought in mind, and that determination in each one of your hearts, let's proceed into a question-and-answer process. And remember Karen can't answer questions about grant applications or anything that relates indirectly to grant applications. So don't ask her questions about the ARRA granting process. And would you please, when you ask the questions, say your name and your organization, and then make them a question. We're not here for advocacy. We're talking to friends, so they're *with* us. What we're here for is getting information out that will help us all be more effective partners in this process. And Dr. Van Beek, you're first.

### STEVE VAN BEEK

I'm Steve Van Beek with Eno Transportation Foundation. First off, kudos to APTA. Great panel. Great speakers. You all very much complemented each other.

One thing I didn't hear, though, that I would like to hear, both from DOT FRA as well as from the states, is a move toward an integrated intercity transportation system, and that is integrating high-speed rail and passenger rail with the airports, and, you know, Obama's vision that you put on the screen is great, but how about the vision of arriving at Charles de Gaulle on the TGV and taking it to Bordeaux? And right now I haven't seen too much of a priority put either in guidance or in language coming from DOT to knock down some of the modal barriers that we currently have to better integrating the modes, particularly between surface and air. And I wonder if you all would comment on that? Thank you.

### FRANK BUSALACCHI

In the state of Wisconsin, we have worked to integrate. We built a station at General Mitchell Field, and it has become wildly successful. I know exactly what you're talking about, because we have the perfect example. It has just been used dramatically by the population. The grant that we have filed from Milwaukee to Madison, the train, when it stops in Madison, will stop at the Dane County Airport.

I know I'm shameless, but I had to do that. So we have integrated that.

The one problem that we see happening with *some* of this, is, if you talk about the Dane County Airport, it's a long way from downtown Madison. So we have to work with transit to get bus service from there into Madison, or, somewhere down the road, we have to make

that extension from the airport into the city of Madison. But you're right about that, in that it works very, very well when you connect up with the airport.

**KAREN RAE**

First of all, from DOT's perspective, I was asked, "Well, shouldn't there be a national transportation plan before you do a national rail plan?" And I said, "Well, there is this little thing called a deadline in statute that says we need to do a preliminary national plan; however, I *will* tell you that the whole effort to integrate FAA, FTA and the ports at the national level, not to mention as we go out and do more outreach, is, I guess, in *our* way, a way of kind of beginning the conversation which we believe will be more aggressive in the next transportation-authorization discussion, which is how to look more systematically at our investments, and get less into the silos that we've all become accustomed to. So, although rail doesn't have anything else to do right now, we did think that we could start to mirror that collaboration in this planning process that we're undertaking, to try to begin to show how those linkages, you know, play out together.

**ROD DIRIDON**

Gene?

**GENE CONTI**

Yeah, you know, we're starting from a strong point in terms of our rail program, but we also have very little transit connection in North Carolina, so I think that's going to be our first focus, to make sure that our airports are connected in transit. On the rail side, we have some good partnerships going on. Norfolk Southern, the Charlotte Douglas Airport, and DOT are working on creating a new, intermodal hub there with Norfolk Southern, and so that's going to make the freight movements around Charlotte much easier. We're also partnering with CSX on a number of projects to make it easier to get stuff from the Port of Wilmington in North Carolina up to Charlotte, double-stacking capability, so I think those linkages are important. Again, on the passenger side, we're focused on what we can do in the next two to three years to get the rail network going, and then help areas like the triangle and others build those transit connections to the airport.

**ROD DIRIDON**

Thank you very much. Question?

**GARY CUMBIE**

Gary Cumbie, Fort Worth Transportation Authority. And I agree. It's a wonderful panel. I think it's interesting that we've got a defensive tackle and an Italian Teamster, and yet the one that's negotiated concessions from CSX was a woman from Texas.

And the question I have relates to that, because I think both of our secretaries of transportation talked about the need to partner with our freight brethren, and I think many of us in transit know that it's difficult to partner with our freight brethren, and I don't blame them. They own the rights-of-way. It causes them operational and other types of problems. But how do we begin to get that sort of partnership? Are there ways that we can begin to do things that benefit them as well as our own need to move people around? How do we do that?

**KAREN RAE**

I'm going to start first. We've had the freight railroads at the table since this initiative was announced. In fact, at FRA, that has been a heavy focus of our long-term conversation. It's got to be about elevating the rail discussion. It's not just about any one component, from our perspective. It is about elevating rail as a critical component of the national network. That's movement of freight. That's movement of goods, people. They all have to be discussed, different solutions in different places, but we have gone out of our way, just as we have with the states, to make sure that the freight rails, as well as labor and some of the other partners, have been at the table as we begin to create this new program. So it's not easy. There are lots of tradeoffs that have to be very publicly discussed, but having a forum, and then continuing that conversation, I think, is of the first major step from the national perspective, but a lot of it resides at the state and regional level. So I'll pass to my colleagues.

**GENE CONTI**

Yes, I talked just a minute ago about the Norfolk Southern partnership we're working in Charlotte. CSX? We're working with them on a number of things. You know, bringing money to the table helps get the attention, but I think you have to sell it on, "Look. We're going to improve the freight capability, and we're going to improve dramatically the passenger capability here, so it can be a win-win." Railroads are difficult entities to deal with. There's no question about that. Anybody who's ever tried has a story, but we found them to be more cooperative recently, with this new money on the table.

The other particular advantage we have in North Carolina is we have a North Carolina Railroad, which essentially owns about 340 miles of right-of-way, which we lease to those freight railroads, so they're very much interested in being *our* partner, because they want to use that track for their advantage.

**FRANK BUSALACCHI**

You're asking a good question. There's been a lot of distrust. I feel very strongly about it, that we have to communicate with the freight railroads. Obviously, it's their business. They were not doing very well until they downsized and abandoned a lot of track. You know, we've got issues where, in the northern part of the state, they're totally embargoing factories. And so we know that we've got to work through this, because the passenger trains are not going to be on time unless we work it out, and if they're not on time, we've got a real problem.

So, you know, it behooves us to make sure that we communicate, and we try to get the point across to them. We do it on a regular basis. "Look, you know, we're not going to be your enemy here. We're going to work with you to try to get this worked out." But I will not leave here and lie to anybody that there aren't issues, because, let me tell you, there are issues. There's a lot of issues, and we just have to get through them.

**ROD DIRIDON**

I'd like to comment on that, too, from the perspective of the California High Speed Rail Authority board. It's as different as night and day, depending on the railroad you're talking to, and you need to take advantage of the railroad that is willing to communicate as a device for co-locating or locating your corridor adjacent to their tracks. BNSF (Burlington

Northern Santa Fe) is wonderful. We've had great cooperation there. Union Pacific is another story. But even Union Pacific, now that there's money on the table, has come to the table, and we're talking. Technically they say, "We're not negotiating." But we are, and I would expect to see a settlement in the near future, even with the Union Pacific Railroad in California. So you have to continue to try. Brickbats don't work. You can't beat them into submission. They own the track, so you can't take what is theirs away from them by public pressure; but the sugar that comes from the currency that's on the table now certainly makes the negotiation prospects much more opportunistic and attractive. Yes?

### **TOM DREW**

Tom Drew, Foresight Transportation. Hearing this today, very exciting information to hear, and I'm sure the whole room feels that way. My question is a technology question. Just really looking for the panel's opinion on this. It was mentioned, and I thought I'd just ask you, is magnetic-levitation train technology a viable solution for this high-speed rail initiative in the United States?

### **FRANK BUSALACCHI**

I'll come right out of the gate on that. In my opinion, no. I think we've got other fish to fry. We've got a long way to go. I mean we don't even have the *grants* yet.

But seriously, you know, I mean *love* the technology. I've been to China. I've ridden the maglev, but the enormous cost that it would take to do in this country, I don't believe this country is ready for that. I believe this integrated approach that we're talking about is really where we've got to be.

### **ROD DIRIDON**

Gene, do you want to comment?

### **GENE CONTI**

Well, I agree with Frank. I think we need to focus on what we can do over the next three to five years to show real improvement, real results. You know, somewhere off in the distance, I love the technology. It might be useful to talk about, but I think we've got a lot of work to do between now and then.

### **KAREN RAE**

I will say that the applications are technology-neutral. It's what you can deliver and how you can deliver it and when it could reasonably be available, so that we can show that we *can* make a difference. So maglev, as well as many of the other technologies that are on the table, in different quarters. At the end of the day, we will be evaluating many of the things I had up on the screen.

### **ROD DIRIDON**

I'll note that the California High-Speed Rail Authority has spent millions of dollars to analyze the viability of the different modes *in* the state of California. All of the engineering firms that have done those studies have recommended steel-wheel-on-rail technology for the 790-mile California system, and that decision was made clear back in 2001, before all

the difficulties that have recently occurred with maglev emerged upon the scene. So there is no question that California is going to use steel-wheel-on-rail technology, and are very pleased to have made that decision. Yes, sir?

### **HOWARD CHAPMAN**

My question is for Secretary Conti, and partially for Deputy Administrator Rae. I'm with the Charleston Area Regional Transportation Authority in Charleston, South Carolina. Secretary Conti, in your speech, you mentioned that you're working hard on the Washington-to-Atlanta corridor. In Deputy Administrator Rae's map, there were two red lines and one gray line through South Carolina. The gray line just happens to go through Charleston, but the two red lines go through Columbia and Greenville.

My question is the gray line actually has the same amount of traffic and passenger ridership as the two red lines combined in South Carolina. We have convinced Secretary Limehouse to write letters to the FRA. Our mayors have written letters to the FRA to try to get that upgraded. Is that something that North Carolina can help us with? And also, is that something that FRA is willing to look at and push? Because that's really where the ridership is on the eastern side of *our* state, and I would expect it's the same in North Carolina. Thank you.

### **GENE CONTI**

Well, actually, the situation may be a little bit different in North Carolina, but I think we would definitely. I've talked to Secretary Limehouse about the partnership between our states. I have no particular ax to grind about where the routes go through South Carolina.

I will tell you that we have existing Amtrak service that runs down the eastern part of our state, and then we have service that cuts over and goes to Charlotte. So we want to maintain at least those two corridors, and then folks down in *our* eastern coastal area, Wilmington, in particular, want something extended down their way, and the folks in Asheville out in the west, in the mountains, want something extended *their* way. So that's all in our plan. That would fit well with what you're talking about in South Carolina. It's kind of first things first. How do we build upon what we've already done, make it more successful, and then extend it beyond that? I certainly would love to be able to get on a train in Raleigh and get to Charleston. I love Charleston.

### **KAREN RAE**

And I'll just quickly say that the map that came out originally was just a map of existing designated corridors. The map I put up, that I said we're not really willing to share yet, because it's under development, is a place where we are getting input from states, from regions, about what their visions might be. Really, one of the biggest challenges is thinking how do you start to take that universe, and begin to set up an implementation plan, from a national perspective? So I think there's a lot of opportunity in the National Rail Plan to basically redo the way that map looks, and incorporate not only the passenger side, but the freight side, into the discussion.

### **CHERYL KING**

Good morning! My name is Cheryl King. I'm with the Metropolitan Atlanta Rapid Transit

Authority in Atlanta, Georgia. I'm going to ask a tough question, and it's a question as much as it is a comment, and a request for a strategy. How are we going to pay the ongoing operating and maintenance costs of high-speed rail? I don't know that we have an answer, but I'm suggesting that if we don't, we need to start thinking about it, because it's going to be a key issue for us in the future.

**ROD DIRIDON**

Thank you. Comments, gentlemen? Lady?

**FRANK BUSALACCHI**

I can only speak for Wisconsin, and I can tell you that, right now, we have a subsidy for the Chicago-Milwaukee, and there's going to be a substantial subsidy for the Milwaukee-Madison. There's no getting away from it, right? We don't only want these trains on time. We want them full, and I mean if it's going to cost an enormous amount of money to ride these trains, people aren't going to ride them. So there's going to be a subsidy involved.

I have scolded our legislature about that, and whoever listens to me. I don't beat around the bush. It's going to be there. I'm not going to kid you. Rod and I talked a little bit earlier this morning about this. We're spending literally billions and billions of dollars on roads. Gene and I, that's what we do all day. Ninety-five percent of my budget is roads and bridges. To be an honest answer to your question, there's going to be a subsidy. I mean I know there's going to be one in Wisconsin.

**GENE CONTI**

I guess from the North Carolina perspective I would say this. We already subsidize our service from Raleigh to Charlotte. We own the equipment. Amtrak operates it. We subsidize it. We've seen a great increase in ridership, and we believe, if we get the high-speed rail corridor built out, particularly from Charlotte to Richmond, that we will get much closer to a breakeven on the operating side than we ever could have imagined. So we're optimistic about that, but the state's prepared—I think the governor is *certainly* prepared—to support this effort for the long term, and make sure that it's successful.

The other advantage, as I mentioned, we own the right-of-way, so we can generate some revenue from the freight railroads' leasing that right-of-way for freight service. So we do have a little bit of a different income stream, if you will, from the assets that we own, and it's not just relying on the passenger side to carry the whole load.

**KAREN RAE**

And we, of course, are looking to ensure and the base of our program is capital. Rail has been so under-invested in, and as you saw in one of my charts, that that's really where we feel we need to start and focus. We do think that there is a partnership, and I'll use Secretary Busalacchi's line, like the highway programs. Nobody pays state highways to remove snow and mow grass and do general maintenance, bigger maintenance; to some extent, there's some capital money for interstate maintenance, but what's the equivalent of their operating and rail operating are taken care of by the states.

So, again, it goes back to partnership. And we are looking, at this point in the process, at getting the infrastructure investments in place, and looking to our partners to ensure that

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those expenditures will result in improved operations. And that's kind of the balance we've set up, at least at this point in the program.

### **ROD DIRIDON**

I should note that these programs are what are called "incremental upgrade programs," where we'll be mixing freight and passenger on the same tracks. The separate true high-speed rail programs, the 200-mile-an-hour programs in Texas, Florida, and in California, possibly in the northeast corridor in the future, really would be showing a net profit on operations. California's system, after two different bond-worthy consulting organizations have carefully examined it, indicate about between 30 and 40 percent return. Thirty to 40 percent of gross would be net over and above operating and maintenance, and that's going to be used to help amortize construction bonds in a public-private partnership mode. I think Texas and Florida are looking at the same kind of programs. So it depends on where you are.

But you know, there's no such thing as a free lunch. In America, for so many years, we've been saying, "Oh, we want something for nothing." Well, as a result of that, we've fallen behind the world in terms of our transportation systems. We've got to be willing to pay.

We're over time, and so we can't take any more questions. Let me close, though, by offering a couple of comments.

We do have a session today that will get into some detail on some of the corridors. We'll be talking about the incremental-upgrade corridor around Chicago, and Rick Harnish will be discussing that. We have the Texas corridor presented by Mayor Jones from Temple, Texas. The Florida program will be presented by Nazih Haddad, who is the director of rail from the Florida Department of Transportation, and I'll cover California. As we close, please thank Frank and Karen and Gene. Thank also Dale and HDR for our sponsorship. Thank you very much. And also note Dave Solow and Joe Giulietti are our leaders on our APTA board, and thanks to them, too.





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## LAUNCHING HIGH-SPEED RAIL IN THE U.S.

### STEVE BEARD

Good afternoon, everybody. I'm Steve Beard. I'm senior vice president of HDR Engineering, and our transit market sector director, including high-speed rail. I think you all know by now that HDR is the world's leading sponsor of high-speed rail sessions at the Orlando conference, so I think we've got that one covered. APTA supports these sessions. Obviously, this is one of the top-of-the-list sessions and top-of-the-list topics in our industry today. So much going on, and this is such a great session on getting where we've been for so many years to launch high-speed rail in the United States. So it's my pleasure to introduce our moderator this afternoon, Jolene Molitoris. She's director of Ohio Department of Transportation, and she strengthens Governor Ted Strickland's commitment to moving Ohio into a prosperous new world by modernizing the state's multimodal transportation system using collaboration and innovation.

The governor said, when he appointed her to this position, "From her work in Washington and Ohio, Jolene is nationally recognized for her historic leadership in the transportation industry." He gave her the distinction of being the department's first woman director.

She was appointed in 1993 by President Bill Clinton to be the first woman to head the Federal Railroad Administration, and during her eight years in Washington, she led the agency to wide changes to make significant improvements in safety and customer service. The changes resulted in the seven safest years in U.S. railroad history. Her tenure was also highlighted by innovative efforts to develop public-private partnerships in financing our national transportation improvements. Jolene.

### JOLENE MOLITORIS

Thank you so much, Steve, and we are so grateful to the support and sponsorship of HDR for this conference and, certainly, the one this morning. Before we begin today, it is my pleasure to introduce the famous and infamous president of the American Public Transportation Association, Bill Millar, who can join us for a short period of time. He's in great demand, so we're so thrilled that you're here. Welcome, Bill!

### BILL MILLAR

Thank you very much, Jolene, and thank you for your leadership. We appreciate, with all *you* have to do every day, your taking the vice-chair role, and other leadership roles, in our high-speed rail activities.

You know, 10 years ago, APTA had one of its big expos here in Orlando, and at that time, Al Engel said to me, "Hey, could you come across the street to this other hotel. I'd like you to meet with the High-Speed Ground Transportation Association of America, and give us some guidance and give us some direction on where we ought to go." And that was 10 years ago, and boy, we've come a long way since!

As we said in one of the earlier meetings this week, we used to be able to hold this kind of a session in a small meeting room, maybe not much bigger than a phone booth, but, as you proved this morning, and as you're proving this afternoon, interest in high-speed rail

runs high and runs deep within APTA, and that's a great thing.

I want to do a customer survey. I'd just like, if this is the first time you've been to an APTA annual meeting, would you just put up your hand real quick? Yes. So we've got a lot of new folks here. Thank you. And Tom, Bill, we're glad to have *you* with us particularly on this thing. Good.

Again, the interest in high-speed rail is great. As we've heard so many speakers point out, it's not just this notion of fast trains, as romantic as that might be, but it's the connectivity of the system. It's making sure that there are good transit systems to get people to the high-speed service, and to get them from the high-speed. Make sure that combination of intercity and transit work well together for our customers.

This is an exciting time. This is one of those times like if you can remember back to the beginning of the space program, or beginning further back than that, if you can remember the thought that. "Wow! You really *could* build a highway and go from the East Coast to the West Coast without a traffic light." It's one of those moments and just project yourself ahead, what this country is going to be like five, ten, twenty years from now, when the work we're talking about today as dreams becomes reality. It's going to happen because all of us pull together and work on this. So Jolene, thanks for letting me steal a couple seconds here. Steve, thank you so much for you and your company and the sponsorship here, and I'll save the best for last. Rod, thank *you* for your leadership in chairing our High-Speed and Intercity Rail Committees. Thank you all very much.

### **JOLENE MOLITORIS**

Thank you so much, Bill. It is so exciting to have somebody like Bill Millar as our visionary and our cheerleader and our advisor ten years ago, and now, and into the future, Bill.

This morning, we had a wonderful session. Rod, you did such a great job as the moderator, I hope I can live up to that high bar you set. And what you heard from leaders around the country, from Karen Rae, Frank Busalacchi, Gene Conti, the vision of high-speed rail—where it's come from, where we are, and where we have to go. Today's session is going to build on the morning of information by talking about real projects that last Friday were submitted through the wonders of electronics to the FRA, with the hopes and dreams, hard work, and commitment of thousands and thousands of people who know high-speed rail is in our future.

First of all, we know we've built our way to today, and as I look around this room, I see so many of you who have given, who have visioned, who have worked, and I think, some day we need to gather your stories, because, truly, this is the people's time. In fact, the people of America have been far in advance of the political leadership of our country. It's the people of this country who know what we must do, and it is our great and wonderful opportunity to live in a time with a president who has the vision, who made the commitment of \$8 billion, when nobody was expecting it. And I want to remind us all, there were courageous people in the House and the Senate who voted for stimulus, and if it weren't for them, we would not be here talking about this right now. And so courage has always been a part of it. Commitment has always been a part of it, and each of you bring, or could come up here and tell us what *you* have contributed to this mosaic, to bring us to this time.

From a personal note, I can mention two things that I remember during my eight years as Federal Railroad administrator. One of them was that we either designated or extended the designations 13 times of high-speed rail corridors. So gentlemen, I have a little piece of your history, too, and that's a great feeling!

And also I remember the day when the dedicated people at FRA who had ridden the Acela and ridden the Acela and ridden the Acela to make sure that it was ready for prime time. And that was the time when the Acela could begin to be used on the Northeast Corridor by Amtrak, and you know how popular that is. Some day, we'll get all your stories, because they are so precious, to bring us to this moment. And there was a moment, and it was described by you and Karen this morning, Rod, when the president made that announcement, and I truly think there was no man or woman in that room, even press, who didn't have an emotional reaction to what this all meant, sort of like the space program and John Kennedy—"We will go to the moon in 10 years."

That was the moment, but this is high-speed rail's time. Because it will take everything we've got. It will take all of our ingenuity, our inventiveness, our dedication, and our ability to bring people together, to build the kind of system that will truly be the best in the world.

I want to mention a couple of markers, and I think they will probably come up in the presentations of our colleagues. First of all, we're going to have an authorization bill, and they're not going to call it the Highway Bill. They're going to call it the Transportation Bill. It's going to be an authorization, not a re-authorization, because we truly are going to create the transportation system of the future with that bill, and we have heard courageous vision from Mr. Oberstar, Mr. Mica, others, who truly want this country to have the best transportation system in the world. And I always like to quote Ed Hamberger (president and CEO, Association of American Railroads). We don't want to ever forget our freight systems, our freight partners, and Ed Hamberger was quoted as saying the United States has *the* best freight system in the world, and there is no reason why we can't have the best passenger system, as well. Now if we can have our freight leader say that, surely we will say it, as well.

We need to think as one. We've had these silos, and we complain about them a lot, especially when you're working the halls of Congress, and a lot of people are just focused on one piece, to make sure they get enough money. We have to focus to get enough money for high-speed rail and transit, but we also have to realize that those connections must be funded, too. We have not, as a nation, invested enough in transportation, and it is time to recognize that the return on investment for transportation cannot be compared by the return on any other kind of investment, and we need to be able to quantify our story. And I believe that APTA, the High-Speed Rail and Intercity Committee, and all of the Executive Committee, can help us develop a quantifiable business case that even our strongest opponents cannot deny.

We've got a lot of work to do, but probably one of the biggest moments was when everybody pressed that button on Friday. Gene [Conti] mentioned today a lot of people think they're highway departments. But in the legislation in Ohio and every other place, they're transportation departments, and I just want to underscore what Gene mentioned.

A year ago, there were people in the department who just didn't know about a train. We have the Ohio Rail Development Commission. And they sort of did the "rail stuff," and it was kind of "over there." We established a rail tiger team to prepare for our application, and we invited anyone who wanted to be part of that to join, and the level of excitement, the level of dedication—I have to now start saying "24/8" like Karen [Rae]—the 24/8 kind of commitment that they gave, as did all of your teams, everybody was in that kind of a committed relationship with this application. To see that excitement. To see them understand the connection between rail freight, rail passenger, highways, buses, airports, ports, pedestrian and bikes, the whole thing is knitted together to be a real system.

I'll take a moment just to say a few words about the Ohio application on Friday. It was for \$564 million, and I'm allowed to say some of these things, 'cause Karen's not in the room. Am I right, Karen? You're not here, right? Okay. We have to be very careful to protect Karen's cone of silence.

Our application involves 256 miles of mobility for rail-passenger service on a corridor that hasn't had it for almost 40 years. It will be the beginning and first step at 79 miles an hour, but even in the first year, because of the level of population, seven major cities and ten smaller cities in Ohio, we will attract a half a million people the first year, and, by 2014, over 600,000, and this 256 miles will be within 15 miles of 60-plus percent of Ohioans—over 6 million potential riders.

We are excited because we think it's an investment that has a return of economic development in these cities; mobility for our people affecting our economies and our environments in such a positive way. However, I want to mention this whole concept of working together, everybody said it, and yet it bears repeating over and over. I think we all have to look at ourselves and say how do we do it every day? How do we think about our work, about our partnerships, because every investment in transportation can help each one of us—our homes, our cities, our businesses.

One of the highway contractors in Ohio said to me about how important all our investments in the highway network and the bridges are—and of course that's true—but he also said, "We can build anything." And I think that's really the message. We can build anything. We can build everything that we need to have the best transportation system in the world.

It is a wonderful privilege to be on the stage with such wonderfully committed transportation professionals in high-speed rail and in many other ways, and our first guest, a longtime friend, is Nazih Haddad, Naz to his friends. Nazih Haddad is the manager of the Passenger and High-Speed Rail program for the Florida DOT in Tallahassee. Nazih has been involved in the development of plans for implementing high-speed rail service in Florida for the past 19 years. He previously served as the executive director for the Florida High-Speed Rail Authority. Currently, he's overseeing all work activities dealing with high-speed rail, including the preparation of applications under the stimulus high-speed rail program. Nazih is someone who is not only brilliantly informed about all the technical aspects, but passionately committed to making this a reality in Florida. He's lived through some times when you were almost there, and then it went away. But, you know, just like Abraham Lincoln, sometimes you have to not make the golden ring a few times, and then you do, and I know it's your time, Naz. Welcome!

**NAZIH HADDAD**

Thank you so much, Jolene. I'll tell you, it is really a privilege for me to be introduced by you, a friend for a long, long time. I recall when you were at the FRA, and of course I knew you even before you went to the FRA, but at the FRA, you were a great friend, great supporter. So you helped us a lot during that time, but also, after you left the FRA, kept cheering us on.

I recall the very fond memory of us going to meet with the FRA folks, I think, back in 1995, 1996. We had an issue at the time with the FTIS (final environmental impact statement), or the environmental impact statement, that we were working on at the time, and we had a big meeting in a big meeting room. Jolene was there, and a lot of her staff. There were a lot of naysayers in terms of the time and the duration of certain activities that we were undertaking, and so Jolene got up. She asked her staff to leave the room. Came back a little while later and basically, I think you coined the term, "Yes, we can." And so we went on to continue with the work, with that FEIS, only to stop it back in 1999.

It is, again, a privilege for me to be here in front of such a big crowd to talk about high-speed rail in the state of Florida. We have been at this for quite a while. What I would like to do today is start with a brief overview, providing you with, maybe, a list of some of the factors that make the state of Florida, particularly the corridors that we've chosen, ideal for the development of high-speed rail systems in the state. Let me start with an overview of the factors, why Florida is an ideal place to develop express high-speed rail service, and move on to give you just a very brief history of the planning activities and the work that we have done on high-speed rail for many, many years in the state of Florida. And I'll follow that with a brief description of the applications that the Department of Transportation has put forward to the FRA under the ARRA high-speed rail program.

Talking about some of these factors, I would like to start with the demographics of the state of Florida. Population growth: Although we have experienced a little bit of a slow trend here recently, the state of Florida is still on a growth pattern. We are currently the fourth-largest state in the country in terms of resident population. We are expected to surpass New York in population, in the next eight to nine years.

Another factor, of course, is that we are a tourist state. We have millions of visitors and tourists that come to our state annually. Many of those come from overseas, from Europe, and from Asia, from South America, are already accustomed to intercity train travel where they come from, and are most likely to take some of those systems, once we have them built.

Another demographic factor is the aging population. A lot of elderly who would prefer to travel between our cities utilizing new modes of transportation such as high-speed and intercity rail, as opposed to driving an automobile and getting into the traffic that we experience on the highways every day.

The geography of our state. We have limited room for additional highways. We have a flat terrain, which is conducive, or more conducive, to building of a system. We don't need to build any tunnels. Some structures, as a matter of fact, on the 88-mile system between Orlando and Tampa, we probably would have roughly about 10 to 12 miles of tracks and structure. The rest of it would be at grade.



**Figure 5 Planned Florida high-speed rail system**

We have ideal distances between population centers. Orlando-Tampa is only about 88 miles, and then Orlando-Miami is roughly about 220, 230 miles that we can cover easily with a high-speed rail system.

We're looking for ways to help us with our growth-management and environmental preservation. Certainly a high-speed rail system would have the benefits of transportation and economic developments along the route. It would help with the environmental issues and, by not using fossil fuel to operate the system, using electric power, would contribute to the governor's climate initiative, and clearly, would provide future relief of highway and regional air travel.

A very brief history of where we've come, what we've done with high-speed rail over the years. We started way back when, in 1974, with the cross flow or the transit study. That's 35 years ago that the department of transportation started looking at that. In the 1980s, that was followed by efforts by the Florida High-Speed Rail Commission in conjunction and partnership with the private sector, to build a system between Miami, Orlando, and

Tampa—the first, the same corridor that we’re talking about here today. That was followed in the 1990s by the Florida Palm Transportation and the Fox project, and beyond that, in the early 2000s, we had another effort by the Florida High-Speed Rail Authority to bring a system to fruition. All these efforts did not materialize, and I think a lot of people would suggest that, because of political factors, politics, and so forth, and maybe indeed that had something to do with it. But I think the bigger factor why we have not been successful in bringing high-speed rail to the state of Florida, and to the United States, is the lack of a federal funding program for funding high-speed rail. That, as we all know today, has changed with the onslaught of the ARRA program for high-speed rail, and, again, that started back in October of last year.

I was making a presentation back in September of last year, and I was asked the question, “What were the prospects were development of high-speed, intercity rail, in the state of Florida?” I said pretty much nonexistent. But then, in October, as Karen Rae suggested and told you about this morning, we had the Passenger Rail Investment and Improvement Act, which provided one and a half billion dollars in authorization for high-speed and intercity rail. And then the watershed event, of course, happened in February 2009, when the American Recovery and Investment Act was introduced and approved by Congress and approved by the president. Then, on April 16, President Obama issued his strategic vision plan for high-speed rail in America. The guidelines were issued by the FRA June 17, and then, as I mentioned earlier, the Department of Transportation submitted two proposals, the track 1 application on August 24, to get us started on the Orlando-Miami segment, and to get that segment to the same level of preparedness as we are on the Orlando-Tampa segment. And, finally, we issued an application, submitted that to the FRA last Friday, October 2, for a track 2 application for a design-build project on the Orlando-Tampa segment. It’s a project that would cost \$3.2 billion, and we’re requesting \$2.6 billion from ARRA.

You’ve seen that before. The one comment I’d like to make on this is when Florida was designated by the FRA, or the Florida Corridor between Miami, Orlando, Tampa, back in 1992, that was one of only four or five corridors designated at that time as high-speed rail corridors. As you can see, the map has grown quite a bit since that time.

The basis for our Florida ARRA applications and the Florida projects today is based on the Tampa-Orlando-Miami corridor, as we suggested earlier. Track 1B application, and I want to take that on first, Orlando to Miami, we’ve done a lot of work on that segment before. As I mentioned earlier today, we were working on an environmental impact statement back in the ‘90s on this corridor, but that effort was stopped. We have also conducted the large-scale feasibility study back in—that’s the Florida High-Speed Rail Authority did that back in—2003/2004, It identified several corridors and settled on the two corridors that you see before you here, the I95 and the turnpike route, and those are the two corridors that need to be studied further under the environmental impact statement, the NEPA (National Environmental Policy Act) review, the preliminary engineering work that we need to do on that. So we submitted the track 1B application, requested \$30 million from ARRA to take us forward to that, and estimated that we can do this work in two years, and we’re pretty confident that we can do it in two years. We’ve already put out the advertisement for the procurement of that, and received four proposals, which we’re going through at this time, of course, contingent on receipt of federal funding for this project. Our second program, of course, is the track 2 application. This is Tampa-Orlando for a

design-build project. This would be a high-speed rail express system that would operate top speed of about 168 miles per hour. Total cost, \$3.2 billion. We're asking \$2.6 billion from ARRA.

A quick map of the corridor from Tampa to Orlando. The project would begin at the planned intermodal transportation station in downtown Tampa. It will pretty much hug the I-275–I-4 corridor for about four or five miles. It would be going on structures, that is, traversing into the I-4 corridor, someplace just east of Ybor City, and then will continue in the median of I-4, which we have preserved by the Department of Transportation. I guess it's 1991 that we put our policy out there to make sure that the preservation of that 44-foot envelope is there for future use by high-speed rail. It continues in the corridor, in the I-4 corridor, all the way to Orlando, where it traverses into the Beach Line corridor, the state route 528 corridor. We go on the north side of that corridor in the right-of-way that the department owns, and then, at John Young Parkway, we take a turn to the southeast, and then enter the airport, terminating at the north terminal building at the Orlando International Airport.

Stations that we will have on this: Of course, the Tampa downtown station. We will have one station located in Polk County. There are five different locations that are still competing for that particular site, one of which just came to our attention recently. The University of South Florida Polytechnic University is building a new campus in the east part of Polk County, and certainly they are interested in having *that* Polk County station located there.

We will have a station located at Celebration, at Disney World, and last week, we received a letter from Walt Disney World Company indicating support to our project, indicating support to the new alignment that we're looking at in the Beach Line and the I-4 corridor, and offering the state 50 acres of land to help and to basically build the station on, valued at \$25 million.

The next station is at the International Drive Convention Center, an intermodal station, which is just around the corner from here, and then, finally, at the Orlando Airport north terminal building.

Here is a map to show where the location of the Tampa station is, in downtown, just south of I-275, and east of the Hillsborough River. The people in Tampa are very excited at the potential for transit-oriented development over there. There's quite a bit of land that is available for some improvements there, and some basic development in the area, so that would also be part of the project, and there's a lot of potential for that.

Here's just a schematic or a typical section of I-4, just to explain how we, what we preserved within the I-4 corridor. We've made major investments in the corridor over the years to preserve this 44-foot envelope. As a matter of fact, when we were adding lanes just recently, in the past five to seven years in Polk County and elsewhere, the department insisted that any crossroads would have to be rebuilt to maintain the integrity of that 44-foot-wide envelope, 17 and a half feet high, to allow for the development of that system within the median.

We estimate that we own approximately 92 percent of the right-of-way that's needed. That includes the I-4 corridor that we're talking about, as well as the right-of-way that we own



on the north side of the Beach Line. We estimate that there's probably about 90 to 100 parcels of land that we still need to purchase, about four miles, three miles, on the west end, near Tampa, probably about six miles on the east end in Orlando. We estimate the cost of that at about \$95 million.

I'd like to show this slide here to show the vision that the Orlando, the GOAA, Greater Orlando Aviation Authority, has had for years and years now. They've built this infrastructure here. They've built these taxiways and crossroads on structure to allow high-speed rail and light rail, to ultimately enter into the airport domain and the airport grounds, and basically be able to have the stations over at the north terminal building. This is a tremendous cost that basically the state and by GOAA, have already made in this investment, and several examples that we can give on that, that the investment has been made in this corridor to maintain and to be able to implement the high-speed rail system within this corridor.

I'm going to spend another few minutes talking about the applications. This is an excerpt from the cover letter to our track-2 application that our governor, Charlie Crist, sent to Secretary LaHood. "The state of Florida has the demographics, geography, growth-management plans, and economic and environmental features that make Florida's proposed high-speed rail system most compelling. High Speed Rail also complements Florida's history and image as the cross-roads of entertainment and space technology, enhancing our global competitiveness as [an] entrepreneurial and travel destination"—Governor Charlie Crist.

To give you a quick overview of the application, it contains 33 different documents and reports, including a separate corridor service overview application for the entire corridor. Although we're focused on Orlando-Tampa, under the guidelines of the FRA, we had to do an entire corridor. So we've filled out this application, corridor service overview application, for the entire corridor. It provides a service development plan for the entire corridor, a service NEPA document that was required under the FRA, and through the guidelines for the entire corridor, and then a project-management plan that the DOT would put in place, project management that's not very different from a lot of the projects that we have—megaprojects, whether it's 595 at a billion and a half, or many other projects that we have completed, and continue to work on in public-private partnerships with the private sector here in the state. We know what we're doing. We have the capabilities. We have the know-how and we know how to implement and move forward with this project.

We also submitted the corridor-program application for the Orlando-Tampa segment. This included the FRA-approved FEIS. This is an already approved FEIS, approved in 2005 for the project. We provided detailed ridership, capital, operating costs, economic impacts information for the project, provided preliminary engineering plans and drawings—very extensive engineering plans and drawings. A complete implementation schedule for the project.

We offered connectivity plans, and you have heard a lot about connectivity. We showed how we would connect into SunRail, to light rail, to other bus rapid transit, and to links in the Orlando area, and also to Key Barta and many other new light-rail and commuter-rail systems on the Tampa side. We also provided a complete project and financial plan for the project. In addition to that, we had to present a similar plan for the Orlando-Tampa, and the Orlando-Miami corridor, but with a little bit less detail.

We sent enough resolutions. I guess it's going to take the FRA quite a while to go through resolutions, letter of support from the business community, from state, from local and county governments. Resolution of support from the governor and the cabinet. We had a lot of letters from Disney, from Universal Studios, from a lot of different chambers of commerce, from Miami-Dade, Orlando, Tampa, and other key interested and supporting groups that we included in the letter.

Final slide—or maybe there is one behind that—Tampa-Orlando. We believe it's a ready-to-go segment. It is a shovel-ready segment, and here are some of the reasons why we believe that is the case. We're looking at the short first-segment start to the project, 88 miles in distance. We are looking at the large state investment already made in this corridor. We own 92 percent of the right-of-way needed for the project.

We have a completed FEIS for this project. We have conducted an investment-grade ridership study that was led by two different entities, two different groups of estimators, Wilbur Smith and AECOM. We had just updated those models. We have come up with updated numbers for the corridor, and the forecast that they came up with was 2.4 to 2.9 million riders per year, generating \$39 to \$42 million per year, and that's in '02 dollars. We kept it at the '02 just like we had it before, \$39 to \$42 million in '02 dollars. That would be sufficient to cover what we estimate will be the operating costs on the project.

But just bear in mind that this excludes any potential ridership, captive-market ridership, that Disney can offer to this project. There are 2.1 million riders that Disney carries between the Orlando Airport and Disney on an annual basis, and this is not just an estimated number. This is an actual number that you can go to the airport and they'll give it to you. This is a most-affordable segment, \$3.2 billion in capital costs, which we're asking \$2.6 billion under the ARRA program. The project can be under construction within a two-year period, meeting the requirements that the FRA has, and meeting the vision that the president has to get some true, European-style high-speed rail system operational within a very short period of time.

Next steps that we're going through? We're working to get the federal (final?) record decision on the Orlando to Tampa project, and we believe that that could be completed by the end of the year. To do that, we have to achieve several memorandums of understanding with several entities—basically, stakeholders who own property, such as the Orlando Airport, where we're going to place stations, Disney, and other station owners; and we are actually, in the next week or two, going to start looking at the methods for procurement for this project, and we're going to start that process very, very soon.

That's pretty much my presentation. I appreciate your attention, and thank you, Jolene, for giving me the time to do this.

### **JOLENE MOLITORIS**

Thank you so much, Naz. What an exciting project this is, and the level of work and dedication over years. Leonard Parker and Dan Pickett are the leaders. Dan is the president of the railroad signalmen. Thank you.

Dan, please stand up. I just want to recognize the fact that these two gentlemen have

represented rail labor throughout, I would say, decades. They've never stopped being here. Partnership with not only rail labor, but labor from all parts of the construction industry, is extremely important, and we thank you so much for carrying our message to the brothers and sisters of organized labor, who are a very, very, important part of the success equation that we're trying to create.

I am really privileged to invite and introduce Rick Harnish, who is the executive director of the Midwest High Speed Rail Association, and Rick is going to be talking about not only the kind of program his association has been advocating for a very long time, and getting more successful by the hour. I want to mention something that I didn't bring up before, and that is the kind of coalescence that has occurred in the Midwest.

Secretary Ray LaHood told us early on that it was important that people, projects, states, and regions worked together. Now, as you well know, sometimes, that's not the easiest thing to accomplish, because, perhaps, people are thinking a little more parochially. But the secretary was impressing this message upon us, and so the FRA's message was also clear. I think Karen Rae, Joe Szabo, the administrator, emphasized how important this commitment to work together was. And so, in July, in Chicago, eight governors came together to sign a memorandum of understanding, along with the mayor of Chicago, on working together to create high-speed rail for the Midwest, and as those of us who are a *little* prejudiced about the Midwest, seeing that as kind of the heartbeat of the country, reaching out to our southern, western, and far-western friends with our systems. It was a big day, but one of our members often says, "You know, it's very difficult to get even two governors to agree on some simple things. To get eight governors and a mayor to sign an MOU on high-speed rail for the Midwest was a tremendous accomplishment. I'm sure that Rick is going to talk to you about what he sees from his perspective as the executive director of the Midwest High Speed Rail Association, his perspective about us working together.

The Midwest High Speed Rail Association is a membership-based nonprofit organization advocating for fast, frequent, and dependable trains linking the entire Midwest, and Rod, as you have mentioned in several meetings that I've been with you in, while we were here at this conference, it's that membership-based organization that's so critical for us as we move forward as an advocacy group.

Rick Harnish graduated from Elmhurst College in 1986 with a bachelor of arts in transportation management. He was then a logistics manager at American President Lines, J.B. Hunt, and managed industrial real estate on Chicago's West Side. I think all of these key factors really make you a transportation professional. He helped found the Midwest High Speed Rail Association in 1991. He became the first paid executive director of the association in February 2001, after leading a successful fund-raising campaign. While at the association, Rick has led several very successful grass-roots campaigns, including winning a doubling of Amtrak service linking downstate Illinois to Chicago. I'm sure Secretary LaHood was very happy about that! Please let us welcome Rick Harnish.

## **RICK HARNISH**

I was very excited and appreciative to be in the room for the event when the eight governors agreed to work together on the stimulus package. One of the things we talk about in Chicago

is the challenge of having an economy that's basically a third of the United States, but it stretches over, depending upon who's measuring, eight to ten or eleven states, with different governors, that the Constitution keeps them from inter-reacting very well. To have high-speed rail as one of the issues that starts bringing our economy closer together was very exciting, and it was really exciting to be in the room.

But I also want to point out something in that, which is our mayor in Chicago has about the same stature as the governor. So I found *that* very exciting, because he was a mayor on the governors' list, and the mayor spoke at that event.

So I have a different role than other folks in the room, for the most part. My job is to go and talk to any group that will hear me. I say that I will travel to anywhere that they will provide a train ticket and a group of 20 people. I've eaten a lot of rubber-chicken meals in a lot of small towns across the Midwest to talk to them about, "Yes, it is possible to get better train service. Here are the steps that we need to take to get there." And then organizing these folks with a lot of help from the UTU (United Transportation Union) in order to make what most people thought was a really audacious goal of getting Illinois, which, you know, we had had that battle since 1971—"Are we going to cut our service again this year?" And then you fight that battle that year, and then you keep the service, or maybe you lose a bit, and maybe, one year, you get a little bit more, and I was really tired of that.

And so we said we're going to stop talking about cutting. And even though there was a risk during the 2000 legislative year of us actually having a significant cut in Amtrak service in the 2007 budget year, we didn't talk about that at all. This was all about, "We want you, the legislature, to double this service." And that's what happened. Joe Szabo at that time was the legislative leader for the UTU in Illinois, and when he got on board, boy, it became a very fun ride after that! We had slogged through for about a year, and then, when the UTU brought their power in, it was incredibly exciting.

So, currently, I use this slide here to start all of my presentations, and the reason for that is, I realized one day that the space of those five TGV trains is about the width the Boeing 737 needs to dock, and, you know, a 737 has 137 people, and we think that our airports are busy because they're so inefficient, because they've got these big vehicles carrying a lot of small people. So, for those of you who don't know, starting from left to right, those five trains have 750 seats, 1,100, 1,100, 750 and 1,100 seats. This is the Friday of the July 14 weekend in 2008. I haven't been able to confirm this, but the photographer, one, says that the announcements that day were that the trains were sold out, so don't even bother coming to the ticket counter; and, two, they've got a train leaving every seven minutes to the coast, and I just—I can't—get my arms around the scale of that, . . . plus, how it changed people's travel patterns.

So before high-speed rail, you couldn't go to the coast for a three-day weekend; but because of high-speed rail, now, you can. I use this as a fun example of how this changes the dynamics of how cities inter-react, how people inter-react, and *because* those dynamics change, you become a much more powerful, much more productive, and much more innovative economy. And that's why we have to make this huge investment in high-speed rail.

So a lot of people have been asking about what the applications were. I've been focusing in the last month or so in creating a big shift in *our* organization, to become bigger, more aggressive, more in the urban areas. During the Bush administration, when we couldn't talk about 220-mile-an-hour trains, it was very difficult for our message to work in the big cities. So I spent most of my time in the small cities, getting them to start talking about more Amtrak service.

The last several months, we've been shifting so that we're ready to go into the big cities as soon as we're done with this process with the first round of stimulus. And that's, in part, to take away from some of the confusion that happens when the states are applying for 110-mile-an-hour service, and we definitely want those projects to happen, but we're talking about how do we turn 8 billion once into 10 billion or 20 billion or 30 billion a year, and that's what our goal is. Our goal is to figure out how to get high-level, big hitters in our big cities in the Midwest to support that 10 or 20 or 30 billion a year.

The first step of that is a web site we put together called 4billion.com, where we're gathering signatures in order to start working on getting the conference committee to go with the 4 billion versus the 1.2 billion. So this is a working draft of what our dream network might be. Since we've done this one, there's a couple versions of it that have come out, but this gives a reference for some of the things I'm talking about, since people talked about what those stimulus, or were asking, what the stimulus projects are.

So kind of going around counter-clockwise, starting in Missouri. Missouri already has taken a slight slice of federal funding to start adding passing sidings between Kansas City and Missouri, and they've applied to do the next step of that, to actually connect passing sidings, so you end up with some double-track sections in there. That ties into what I'll talk about in Illinois later, to also help the Union Pacific create a better route between L.A. and Chicago.

Coming up to Iowa, Iowa has applied for high-speed crossovers on the BNSF main with that one, the Amtrak service that goes to Denver and San Francisco. They're also applying for funds to get the train service to Iowa City from the Mississippi, and perhaps—I haven't confirmed this—going to Des Moines and perhaps Council Bluffs.

I'm not real sure how the Chicago-Rockford, just Galena-Dubuque service, goes to Dubuque, and I'm not sure whether Illinois is handling that in its entirety, or Iowa is. I'm not sure at this point what Minnesota is applying for. Wisconsin certainly is applying to go from seven trains a day, Chicago to Milwaukee, up to somewhere in the future plans, 14 trains a day, extending that service out to Madison, which has no train service today.

Michigan has been applying for going from three trains a day, Chicago to Detroit at five and a half hours, down to four hours, nine or ten times a day, and Indiana is making an application for their portion of it in the upper northwest portion of Indiana. I have not confirmed whether they're doing anything with the Fort Wayne or Indianapolis routes.

So that's an overview of the kinds of things that we're talking about in the Midwest today. It's upgrading existing routes for maximum speeds of 110 miles an hour, and Jolene, of course, talked about Ohio.

One of these things that we are starting to talk about is the exciting possibility that happens if you start coming west from Philadelphia or New York, and east from Chicago, and eventually, they meet in the middle, and, you know, there was a critical role that the Erie Canal played in tying Chicago to the East Coast, and this continues that tradition of connecting New York to Chicago.

So that brings us to Illinois, and there are two things that Illinois is working on simultaneously, and I talked about. We did do an application for establishing service to Rockford, Galena, and Dubuque up in the northwestern corner, establishing service to the quad cities on the Mississippi, which then go out into Iowa, but this is the one that we're very excited about here, Chicago to St. Louis, when we would sit down as our smaller, insider group a couple of years ago, when we would lament that double-tracking the Union Pacific route between Chicago and St. Louis was really what needed to happen, and why was it was too audacious a goal to talk about two years ago, and we were lamenting that. But now that's what the state has applied to do, to double-track the entire route from Chicago to St. Louis. That would take what is now five trains a day up to somewhere around eight or nine trains a day, and the trip time would come down between five and a half hours and six, down to under four, so that's a significant step.

And the other thing that it does is, you'll see there's Dwight and Joliet and Pontiac and Bloomington, Springfield. Springfield is our capital. The employee shed for Springfield is about 60 to 70 miles. There are people who live in Lincoln, and the husband works in Springfield, and the wife works in Bloomington Normal. There are a lot of people that work in Champaign and drive to Springfield and back and forth. So that route becomes what I like to call "super-commuter rail" for the whole center of the state, and it's a very exciting project.

Now George Weber, an excellent administrator at IDOT has this. We're very excited that we've got him doing this, and so we've kind of said, "Well, that's done, right? It's not a done deal, but we need to start focusing on the next steps."

And because we're an outside organization, and we don't have to worry about the day-to-day of implementing what has to be implemented today, we can step outside of that and start looking at, "Well, what does this state really need to do?"

And we found a group—actually, they found us—in St. Louis called Civic Progress, and they represent the top 30 employers of the St. Louis area. Last year, they brought the Brookings Institution into their meetings, and they said, "What do we do to keep from becoming Detroit?" For those from Michigan, I'm sorry, but that's what they asked. And the Brookings Institution said, "Well, what you need to do is give up your competitiveness with Chicago. Stop thinking that you're a rival of Chicago." And that led them to a decision to massively expand Lambert Field to compete with O'Hare, right?

The Brookings Institution said, "That's not your future any more. Your future is to become part of Chicago, almost a suburb of Chicago, and *that* is what your future is, and you have to make that happen."

So it took them a while to accept that. That's a big shift in thinking, but they did come to accept that. After that, they said, "Well, how do we make that happen?" The consultants came back, and said, "You can't be any farther away than two hours, right?" It took me a while to actually think this through, but the reason for that is, you can go to the other city, spend a full, productive day, and be back at home in time to see your kids before bed, and even by dinner. And a critical step is that one day back-and-forth and still back in time to see the kids.

So then they said, "Okay. How do we make two hours happen?" And the answer is only high-speed rail. You can't do it with airplanes. You can't do it with cars. You can't do it with buses. You can't do it with water, even though there is a water link between the cities. You have to have high-speed rail. So the Civic Progress came to us and they said, "How do we make a two-hour trip happen?" And we hired TranSystems in order to answer that question.

If you look here, the green line is the existing route, and we asked TranSystems to use existing rights-of-way, and there isn't enough room on the existing route to add two new tracks. It simply isn't possible, especially between Chicago and Joliet. IDOT wanted to add a third track on that route and they couldn't do it; but if you look at Chicago to Champaign, the Canadian National (CN) right-of-way there is 200 feet wide and, in some places, much wider than that. So it becomes very easy to move the CN over, put the new high-speed tracks there next to it, and grade-separate the entire thing, because the communities aren't right up against the right-of-way like they are on the other route.

The other thing that this does is it becomes an operable segment that you could use as a test bed to very quickly get this implemented, and prove what the case is without dealing with Union Station issues by going underneath McCormick Place, and by getting directly into Champaign.

The other thing that we did in this is we extended it up to O'Hare Airport, and this provides something that becomes very exciting. Not only does it connect the entirety of downstate to O'Hare, which is where all the international flights are for the Midwest, but it connects downtown Chicago and McCormick Place with a one-seat ride to the airport, and that becomes critical because we could run shuttles in between. And there's the McCormick Place segment. It also solves the problem of how to get out of town, which, in the city of Chicago, the CN intends to abandon that right-of-way, and down south, again, it's very wide, so that you can use repurpose it very easily.

There are a couple of sacred cows that we're slaughtering with this, hopefully. One is, people think that the St. Charles Airline can never have trains on it once the CN leaves. The other is bike paths down here that we're talking about putting tracks back in. But this becomes, not only do you have downtown St. Louis, but, up there, you've got on the belt highway, a park-and-ride station, and then you've got a two-hour trip, Chicago to St. Louis, an hour and fifteen minutes to our state capital from downtown Chicago, and a 45-minute trip from a major research institution, the University of Illinois. So this is generating a lot of excitement, and part of this will be kind of the solid example that we can use throughout the Midwest for what 220 can do, and this becomes what you say, "This is why we need to spend \$10, \$20, \$30 billion a year on high-speed rail development, so that we can make

this kind of thing happen.”

And our organization is putting together a very aggressive campaign, as I said before. The first small step in that is the 4billion.com Web site that I encourage you to go to and sign your company up in that, and we'll use that as a sign-on letter that we'll distribute to the conference committee in the next several weeks. So I hope that's a good background. Thank you.

## **JOLENE MOLITORI**

It's really exciting to see the kind of energy and vision that a variety of organizations can bring, and I have the privilege of introducing someone who is our next speaker. I think of him as kind of a renaissance man, and when you hear his bio, I think you will feel the same. William A. Jones, III, perhaps one of our newest members to our team of advocates. He is the CEO of Materials Transportation Company, and president of BJ3 Industries, both of Temple, Texas. With MTC, Bill has over 35 years of experience in manufacturing and business operations in steel fabrication. MTC manufactures products to serve industry all over the world for food manufacturing, material handling, and warehousing and distribution operations.

Bill has a BA in accounting from the University of Mary Hardin-Baylor and an MBA from the University of Texas at Austin. He's a veteran of the United States Army, having served in air-defense units in Chicago and Korea from 1972 to '75.

Bill is also a mayor. Mayor Jones was elected in May of 2002 as the mayor of the city of Temple. He led the effort to have Temple become a member of the Texas High Speed Rail and Transportation Corporation (THSRTC), is currently a vice chair for the corporation, has been involved in the Temple community as the chairman or president of many boards and organizations for the past 20 years. And, in 2002, served as the state chair for the Texas Association of Business, a powerful statewide organization advocating issues on behalf of business in Texas. So I think what we're going to hear from the mayor is a confluence of vision, business experience, and determination for the future of Texas.

## **BILL JONES**

Well, good afternoon! It is a great privilege for me to get to participate with a group of true transportation professionals. I'm new to this game, but I enjoy seeing the economic-development opportunities that can come from transportation, and I've been in transportation in a different way. My company name is Materials Transportation Company. People think I'm a trucking company, and we manufacture and design special material-handling systems for industry. And so that's my background, but, since I've been mayor, I've really gotten the opportunity to see just how important transportation is for the state of Texas and also for the United States, and how far behind we are in becoming a world-class country again with transportation. And, in the past, we've led the way in so many different ways.

You know, we're at a dawn of a new era in passenger rail in the United States, and it's a very exciting time. In Texas, we share in that excitement. We are looking to develop a system that addresses a number of issues for the state of Texas, but I would dare say that this is applicable to all that any of us are trying to do in our regions. As we connect into the future within this nation, and that's to build capacity, to address environmental concerns



and environmental issues of air quality and land usage, to improve the economics in our states and in our regions, to create jobs, to create economic development, to improve safety, to make sure that safety is paramount in everything we do and everything we design, and then also to make sure that it's sustainable and maintainable. It's not coincidence, but we think it's illustrative that these are the five platforms for the Texas Department of Transportation in their plan and their policy, going forward, for their design of transportation systems in the state of Texas.

I look at today, and I think we're in the crawling stages. You know, you have to crawl before you can walk, and walk before you can run, and I'll bet Karen Rae kind of feels that we're probably in the labor stage, and that she's going through the labor pains right now. While it's very exciting, I'm sure there's pain associated with that from time to time. So we have great respect for Karen Rae, and although I've only known her for a very short period of time, I do have great respect for her background and the job that she has before her, and the opportunity that we have with her.



**Figure 6 Planned Texas high-speed rail system**

Let me show you Texas a little bit. I have one disclaimer that I have to make. I'm sure you're all wondering where I got this Texas accent—from the northwest suburbs of Chicago. It's where I was raised. I was raised in the approach of O'Hare Field, in Elk Grove Village, Illinois, and so I got to Texas as quickly as I could. I've been there 32 years. Picked up a few Texas habits, so I'm sure you'll hear a brag or two along the way, but I grew up in the Midwest. I learned to drive in the Midwest. I know the congestion of Chicago and I went to school in Des Moines, Iowa before I went into the military. So I'm very familiar with the

Midwest.

Just to kind of give you an illustration, how big is Texas? Well, up in the upper right-hand corner is Texarkana, Texas. Right up there is a little point. And then, over in the far-left side is El Paso, Texas, and if you pivoted the state of Texas on Texarkana, and rotated it up and around towards the Midwest, El Paso would be over the city of Chicago. So that's a long way across the state of Texas. It's a big state. It's a big state from north to south and from east to west. But we're going to focus on that area that's in the dark green, and that's an area that we refer to as the "Texas T-Bone Corridor." It came from the high-speed rail federally-designated corridors—the south-central corridor, which encompasses from San Antonio going north up into Dallas-Fort Worth, and you'll see in a moment, on a different map, that it also reaches into Little Rock, Arkansas. There was a president at the time from Little Rock, so it got included in there. And then I think there was a senate chair from Oklahoma, and he made sure Oklahoma was included in that corridor. So the South-Central High-Speed Rail Corridor encompasses Texas, going along I-35 to the north, and then to the Northeast up through to Little Rock, Arkansas, and up into Oklahoma. And then there's another corridor that originates in Texas, in Houston, and goes to the east, and that's the Gulf Coast Corridor.

We've been working for the seven years that the Texas High Speed Rail and Transportation Corporation has been in existence to correct what we see as a little flaw in the high-speed rail corridors, and that's that the largest city in the state of Texas is not connected to the remainder of the South-Central Corridor and the rest of the state of Texas. So we designed a corridor called the Brazos Express Corridor, and have been advocating for the last six years to have that included as part of the federally-designated corridors, and so we include that in our plan, connecting Houston up through Bryan College Station, the home of Texas A&M University, and then into Central Texas, Fort Hood, Temple, and Killeen. That pretty well evenly divides that route from Fort Worth to San Antonio and creates a route 440 miles long.

As we look at history, and Nazih showed us a Florida history going back to the early '70s, Texas has a similar history of excitement and failure. We had a program called the Texas Triangle. It was the Texas TGV, and it went from the Dallas-Fort Worth area down to San Antonio, over to Houston, and, from Houston, up to Dallas-Fort Worth again, and that was a 770-mile route that Southwest Airlines and landowners killed back in 1993, and so that was our last effort for high-speed rail. Today we've developed a system that connects the same cities and includes the city of Bryan College Station, a major university, and an important area for the state of Texas, but we do it with 440 miles—quite a significant reduction in infrastructure requirements to build that line.

And then I talked about the connection to the other routes, up to Oklahoma, to Little Rock, and to Memphis. And then, from there, we'll connect with the 3C line in Ohio. I couldn't get that on the map, Jolene, so that we'll connect from Memphis up to Cincinnati, and we'll be directly connected with Ohio.

From Houston, we connect over through New Orleans and going over to the East Coast. So we, too, have a vision, and can see the interoperability and the connectivity with other parts of the United States as the plans emerge, and they go on, into the future.

We've worked very hard on our Congressional caucus. Texas has got 32 representatives. In the next census, we're liable to pick up another three and possible four more seats in the U.S. House of Representatives. Both of our senators have been very supportive for high-speed rail, and you will recognize Kay Bailey Hutchison there, who has been a tremendous advocate for Amtrak, particularly in the years when, under the Bush administration, there were attempts to basically defund Amtrak. So I think she's been very important in making sure that intercity passenger rail in the United States stayed viable and, most importantly, stayed funded. So you'll see this group as across-the-aisle, very supportive, representing all areas of the state of Texas. I think we did sneak Don Young into this grouping? Yeah. There, in the lower left-hand corner. Representative from the state of Alaska, Don Young, when he was House transportation chairman. Was a great advocate for high-speed rail, and he came on board with unwavering support for high-speed rail, and we also have several members of the Arkansas delegation that are members of our caucus. So we've got great support at the Congressional level, and we have an equally-impressive bipartisan level of support in the state legislature and the state senate.

Okay. Here comes some of the brag part of my Texas story. Fifty-one point seven million (51.7 million) people is where we're going, and that's in 30 years. Texas currently has 25 million people. So we will double in population in the next 30 years. That's pretty significant growth! And if you'll remember back to that picture I had on that map earlier, that dark-green area, today, 68 percent of the population of the state of Texas lives in that T-Bone Corridor. That's roughly 16 million citizens of Texas live in that corridor, and as the population of the state doubles, about 78 percent of the population of the state of Texas will live in that corridor, and that's close to 40 million people who will live in that same corridor. So, while the state of Texas doubles, the T-Bone Corridor area will more than double; and, in 2050, looking out at the projections, Texas and California both will be around 60 million in population in 2050, and so, while that seems like a long time, that's merely 40 years, and we just looked back this year and celebrated the 40<sup>th</sup> anniversary of man landing on the moon, and some of us will say, in some instances, "You know what? That just wasn't that long ago. It seems like just a few years back."

And so if we look forward that same amount of time, we are looking at potentially 45 percent of the population of the United States living in three states that are represented on this stage today, and that's Florida, California, and Texas. That's a huge shift in the population of this country, and I think that we, the three of us, are looking to address those growth demands right now, and how do we address our population? How do we move people safely and efficiently around our states?

If Texas was a nation, and, like I said, in Chicago, you might have heard that's under consideration, but it's not. We can't do that any more. We can break up into five different states, but we can't spin off and become a nation by ourselves any more. So we're committed. We're in for the long run. But if we *were*, we would be the tenth-largest economy in the world. We have more Fortune 500 companies based in Texas than any other state in the United States. One thousand people a day move to the state of Texas. That's in this economy. There were more jobs created in the state of Texas in 2008 than in all other 49 states combined.

We have very impressive growth figures in the state of Texas. We have great demand to be able to improve our transportation infrastructure. The one thing I *can't* say about Texas is that we've, in the past, had a very strong vision of anything beyond being a highway department for our department of transportation, and, for the state of Texas, we cannot stay with that mindset. We are going to be a transportation center for America. As the Panama Canal has increased, and that will be finished in 2014, we will see many, many super container ships coming into the ports of Houston, Corpus Christi, and Beaumont. That will create container traffic that will go on freight rails from the ports of Houston up into the United States. We are currently building intermodal freight ways, inland ports, in and around the Dallas area, and so, as those containers hit the coast, they're going to move them immediately up inland to be able to get them processed so that we don't get logjams at our ports. We will need increased freight-rail capacity in addition to passenger-rail capacity. So, as we look at our high-speed rail system in Texas, we also have to coordinate, work with the class ones, not because we're going to run on common rails, but because there's the opportunity to look for common right-of-way, because of us need the additional capacity. They need the additional capacity and we need the land to be able to build an ultra-high-speed system that doesn't exist and we don't see ourselves going incremental in the state of Texas, 'cause we don't have a very strong intercity passenger-rail system in Texas today.

So, as we look at Texas, and we say, "Okay. What is it about Texas that is going create the ridership for a high-speed rail system that requires the kind of speed? Well, this is a very, very busy chart, but what it shows is colleges and universities. There are 1 million students today that attend colleges and universities in the T-Bone area. You see everything from the University of Texas to Baylor to TCU to SMU to Texas A&M University to University of Houston, San Antonio, and you'll also see many, many different sports venues, entertainment venues, Dallas Cowboys, Houston Astros, Texas Rangers, the San Antonio Spurs, Houston Rockets, the Dallas Mavericks, the Dallas Stars.

Military bases. We've got Air Force bases in San Antonio and in Houston. We have the largest single-site employer in the state of Texas, the home of 50,000 brave American men and women that serve in the United States Army at Fort Hood, Texas, and their families, right there in the middle—a big reason why the T-Bone is centered in the middle of that Dallas-Fort-Worth-to-San Antonio route. You see the U.S. Army right there in the center.

You also see medical centers of excellence, with Scott & White Hospital affiliated with Texas A&M College of Medicine. You've got Veterans Administration hospitals. You've got the Port of Houston. They've been a member of our HSRTC since the beginning. They see high-speed rail coming into the Port of Houston, where they're building cruise-ship terminals to be able to feed the cruise-ship industry going down into the Gulf of Mexico and into the Caribbean. They've been very, very active and involved, and we've got great cooperation from Houston Intercontinental, and Hobby and Ellington Fields. That's an airport system in the Houston area, and then also the Dallas-Fort Worth Regional Airport. They already have the plans for the right-of-way reserve going up into Dallas-Fort Worth Airport for high-speed rail coming into the south.

Also on that very busy chart, you'll see other transportation systems. You see DART (Dallas Area Rapid Transit). We've got The T from Fort Worth, and TRE (Trinity Railway

Express) coming from Fort Worth, both commuter and transit systems. We've got AUS and Cap Metro in Austin. The Houston Metro system is important because, as I said at the beginning, connectivity is extremely important for the effectiveness of this system.

Our vision and our methodology in the Texas T-Bone is to connect the airports, not the city centers. We see the high-speed rail going into the airport at DFW, and the DART and The T are already planned to come into the north side of the Dallas-Fort Worth Airport in 2013. Our cities are not like cities in many other parts of the country, in the Dallas-Fort Worth area, particularly. Business and entertainment and education and medical venues are spread throughout the Dallas-Fort Worth Metroplex, and so, right in the middle of the Dallas-Fort Worth Metroplex is the Dallas-Fort Worth Airport. So those that have a need to be able to connect high-speed rail with airports, the Texas T-Bone is a plan where you see that as a core element of our plan. We go down and we pass the AUS and enter the Austin Bergstrom Airport in Austin, down into San Antonio, and then into Bush Intercontinental, and then down into the city center of Houston, and then continue on into the Port of Houston. So that's the one city that we'll see serving just as a continuation of the line down into the port.

So that's really the overall picture of why the Texas T-Bone, why the alignment that we have proposed, and the population and the demographics that say we've got a plan that will justify the kind of expenditure that we foresee. Double-line, of course, with high-speed rail, electrified system, 200-plus miles an hour. No grade crossings, and, potentially, much of it will be elevated. The one thing that we can take from the failed plan back in the late '80s and early '90s was that we battled the land owners.

In Texas, we are a very, very strong property-rights state, and we respect the land owners, and to be able to work with them, to be able to build a system like this, we can elevate the system. Yes, it increases the cost, but it also addresses many things relative to the design and the build of the system. Like Florida, it's flatter than can be, flatter than anything. We don't have mountains to worry about. We don't have large valleys to have to traverse, but we will elevate the system to be able to address the issues of the land owners, and also it helps going into the city centers. So that's a picture about the Texas T-Bone and how we integrate in with the South Central High Speed Rail Corridor and into the Gulf Coast Corridor, and I look forward to any questions for you at the end of the program if there's time. So thank you very much for your attention.

### **JOLENE MOLITORIS**

Thank you, Mayor. That was fascinating. And certainly not last but not least, someone who really doesn't need an introduction to this group, but I just want to read a little bit, because we see that smiling face of Rod Diridon in this organization, but maybe some of us don't know so many of his accomplishments.

He is actually considered the "father"—I think it makes you too old, Rod. I'm going to call you the "uncle," the uncle of modern transit in California's Silicon Valley, and he actually began his political career, because all politics is local, as a member of the Saratoga City Council. He is currently the executive director of the Congressionally-chartered Mineta Transportation Institute. He's also chair of the National Council of University Transportation Centers. Now get this. Rod has chaired over 100 national, state, and local programs. That

blows me away!

He is chair emeritus of the California High Speed Rail Authority board and chair of APTA's High-Speed and Intercity Rail Committee. He chaired the American Public Transit Association and was vice chair for the Americas of the International Transit Association in Brussels. He chaired the National Association of Counties Transit Committee, advised the Federal Transit Administration, and chaired the National Research Council's Transit Cooperative Research program. He is a stellar contributor to the transportation growth of this country. He's a visionary, and we are so excited to hear about California's application last Friday. Welcome, Rod!

## **ROD DIRIDON**

She is indispensable. Millar, she needs a raise! Well, this is going to be a summary of a much, much longer presentation, which was the formal progress report that we received at our August meeting of the High-Speed Rail Authority board. It was prepared by Tony Daniel and Ken Griffey, the program director and chief engineer, and I've scoped it down to about 20 percent of what it was. So when we get to it, you're going to have to listen and watch real fast—It's kind of like picking the chocolate chips out of the chocolate-chip cookie, and maybe it will make you want to go back and eat a cookie.

The full presentation will be on the web site for this session in the APTA Web site, so you can go back—those of you who are techies—can go back and look and see exactly what each one of the engineering firms are doing. We have over a hundred of them working for us now—and where we are in terms of this unbelievably-complicated process to support the largest construction project in the nation's history.

Let me give you just a little bit of background. I'm not going to go into a lot of detail about the character of the project, because I did that at our session at the APTA rail conference this past June, but I will quickly summarize by telling you that California began looking at high-speed rail as a result of the Japanese project in 1964. We had a couple of commissions reviewing it at that time, and then went kind of dormant. Then, when the French came online in '81, we had another commission, followed by another commission in the early 1990s. All of those commissions came out and said, "California is perfect for high-speed rail. Linear, heavy population growth, and all the rest." But nothing then happened when we started talking about money.

Then we had some courage exerted in 1996. We had the adoption of the law that created the California High Speed Rail Authority board. Now an "authority" in California is the same thing as a city or county. Within the law relating to that authority, they have the same powers as a city or county. They can condemn land. They can create debt. They can sell bonds and do all the other things that a city and county can do, and so, by creating a high-speed rail authority for the state, there was a declaration of intent.

The responsibility of that authority was to design, build, operate, and maintain a 200-mile-an-hour train system interconnecting the metropolitan areas of the state, as I quote. Those metropolitan areas are San Diego, the greater Los Angeles area, on up to the Bay Area, and on up to Sacramento. That, right now, is 39 million people, and it will be over 60 million people by 2050, and so you can see that we absolutely must have this kind of

transportation mobility, clean and quick. Otherwise, California will founder, and we certainly can't allow that to happen to the sixth-largest economy in the world.

We have completed, through the investment of about \$200 million of state funds at the end of this year. We've completed the project-level, program-level environmental review. We had a certification of that review in July of last year for the 790-, 800-mile double-track high-speed rail system for the state of California. That certification chose the corridors, and you'll see those in a moment, and it shows the station locations, and shows the type of motive power that we're going to have—steel-wheel-on-rail. We're not thinking about any other kind of motive rolling-stock characteristics.



**Figure 7 Proposed California high-speed rail system**

The next step, we did two business plans and an implementation plan. The implementation plan is the cookbook on step-by-step, and it's about this high off the ground in single-

spaced pages, and it's being updated every year, so that, as new things come about, new specifications occur, they're injected immediately into that implementation plan.

We have chosen, as a result of the certified program-level environmental clearance, a 220-mile-per-hour system. The starter element will be 450 miles long, from Anaheim through Los Angeles, up the Central Valley to San José, through a lot of tunnels, and into San Francisco. The extensions eventually will go on up to Sacramento and down to San Diego.

It will be electrically powered. It will be fully grade-separated, never sharing tracks except for very short distances at very low speeds going into stations, and it will be chain-link fence protected along the right-of-way so that you can't have cows wandering into the path of the trains.



**Figure 8 Proposed San José Diridon rail station**

I'll never forget. I was riding in the cab of a TGV, the new one, going 220 miles an hour between Lyon and Marseilles, and I leaned over to the driver, and I said, "What happens if you hit a cow?" And he smiled a little bit, and I thought he didn't understand me. And I said, "What... happens... when... you..." And he said, "Cows don't get on our tracks." And what he was saying, and he explained, that if they were to hit a cow with that fiberglass body, you'd have TGV all over the place. So they absolutely set it up so nothing can get on the track, and that's what we intend to do.

It will have the latest security devices. It will have the latest earthquake-protection devices that have been pioneered by our good friends from Japan, and we're looking forward to beginning the next phase of this.

Now the next step is to do what's called the project-level environmental review, and the 30-percent engineering, and we're about 50 percent through that process now. That is



unbelievably complicated, and that's what I'm going to be showing you in the slides coming up: Where we are in that process, and what we have left in that process, and I can tell you, it's mind-boggling. When you're talking about having to acquire all of the high-grade steel that the world can create for about three years, you have to worry about staging and stockpiling, and all the rest. All the cement the world can create for quite a period of time will be used by this project. So we're talking about something that has never been done before. I guess the Chinese are doing it right now, but we haven't done it before in the United States.

The last thing I'll note in preliminary is that the projections—and these have been confirmed by Charles River Associates and Cambridge Systematics, both very bond-worthy firms—are that we will carry 94 million riders per year when the system is complete, grossing \$3.4 billion. Ninety-four million riders per year, \$3.4 billion gross, and \$2 billion net after O&M on that \$3.4 billion gross.

Now when we got those numbers, we sent 'em back to Charles River Associates and Cambridge Systematics and said, "We don't believe these. Go back and reconfirm, and be conservative."

And they went back, reconfirmed, and they said, "These are the midpoint of our projections. They're not the high point. They're not the low point. These are the midpoint of the projections, and we've restudied and reconfirmed, and are ready to stand behind this."

So this is a remarkable system. We're talking about public-private partnership, obviously, because we're going to have quite a significant net that can be used to amortize a private investment. As a result of this data, we have 28 different world-class investment organizations that have signed letters of interest to invest in the project already, and we haven't even solicited the real interest in investment.

This is what the presentation is going to cover. I'm going to go through the first portion very quickly, and I've eliminated almost all the slides, and I'm just using an outline in the first portion. And then we'll dwell a little more heavily on the last portion.

We're going to look at the Los Angeles-to-Anaheim portion, which is probably going to be our first segment in terms of the detail that we're going to have to look at for each one of our nine construction segments, then we'll summarize at the very end. And I'll try to go quickly so we have time for questions.

This is the way it sets up in terms of the authority relationship. The authority board and staff are at the top. We set the policy. We do the outreach. We find the money. And we make the decisions.

The project management team, led by Parsons Brinckerhoff, is responsible for overseeing the technical works. Remember I mentioned we have a hundred different engineering and planning organizations working for us at this time? So that's a big handful. The technical directions are set through the EIR/EIS for the project-level EIR/EIS in the 30-percent design. We're not going to go to a hundred percent design, because we're going to do a design-build-operate-maintain-and-finance contract. It's never been done before in the U.S., but

the laws of California have been changed to allow us to do it, and so we only go to a 30-percent design, and then the regional teams are working at the same time, the nine regional teams, to perform the 30-percent design work on the selected alternatives for how we're going to treat the corridors, whether it's going to be underground, in a trench, on grade, or elevated, in each one of the little portions of each one of those corridors. That's a look at the first phase.

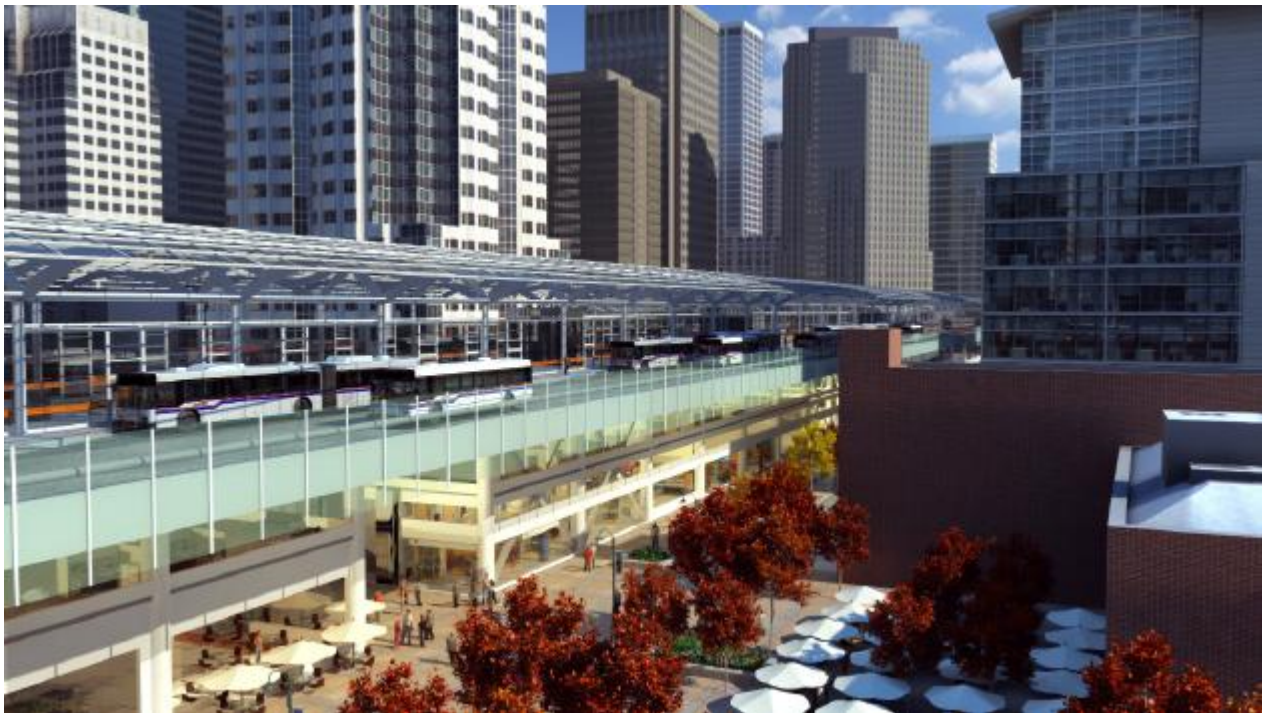
The first phase will be from San Francisco on down through San José, Gilroy, and tunnels under the Mt. Hamilton range, over to the Central Valley just south of Merced, all the way down through that big, long, flat Central Valley in an area that's rapidly growing. It's one of the fastest-growing places in the United States now, and it has terrible air-pollution problems, by the way. On down through Bakersfield, again, through tunnels through the high desert, and on down through Palmdale, then into the L.A. basin, ending at a big station in Los Angeles, and ending in Anaheim for the starter portion. Then we'll see extensions eventually, then, to Sacramento and to San Diego. The San Diego extension goes out through the Inland Empire, which *is* the fastest-growing area in the United States right now: Riverside, San Bernardino, and that area.

There will be a smaller, higher-speed, but not true high-speed, probably a 110-, 120-mile-an-hour system, from San José up to Oakland and on through the Altamont Pass up to Sacramento that is also being studied as part of our project.

The program-management responsibility. Those are the activity areas. I'm not going to go into detail on these because you can kind of reason through them. But, as you can see, outreach, high-speed rail design standards, systems-level design, regulatory approval. Regulatory approval by itself is a mind-boggler. Environmental approach, and so on. I'm not going to read all these to you, because we'll never get through them, so please grasp them, and then you may want to go back through the detail, but each one of these projects is going to have to go through this. We're a little further along, but every one of them is going to have to go through these steps, and that means a full-employment act for engineers and planners in the United States. Now I know none of you are concerned about that, but any time we can keep an engineering firm off of welfare, we want to do that! That's a good objective.

Now this is what we want to avoid, so just a little aside. I'm sure that won't happen for us. We tease Tony Daniel, our program manager, with the fact that he's the one standing in the middle there. Systems-level design. That's what we're talking about doing now. I'm going to flip through these quickly so that you can get the sense of how it comes together.

Regulatory approvals. Railroad agreements and so on. We talked about developing contract agreements with the various railroads this morning. You'd better start early, and expect to stay up late at night on that one. Systems-level design, and that's a continuation of the last one. Automatic train controls prominently displayed there. Infrastructure engineering design. This is where we go to the 30 percent, the first 15 percent, and then the 30-percent level of design. To give you an idea, we've got over a thousand overcrossings and bridges in this system. We've probably got between, depending on how the studies turn out, 30 to 40 miles of tunnels, some of them six miles long, which means a double bore.



**Figure 9 Proposed San Francisco transbay transportation hub**

Infrastructure-engineering design. Again, I'll let you try to capture some of that as we go through, but I can't take the time to read it all to you. Regulatory and railroad work. This is a tough one, because, as Karen mentioned this morning, FRA does not have procedures in the United States for what we consider true 200-mile-an-hour-plus high-speed rail, so they're having to work out standard, overall criteria for the U.S., for these higher-speed systems, but they're also going to have to work out, because we're moving very quickly, and we *can't* be slowed down, or we'll lose the ARRA funds, they're going to have to also work out—ruling a particular applicability to the California project, and they're going to have to be careful not to approve something for us that can't be implemented some place else, so the inter-relationship here, both in California, with the other systems around the United States, and with FRA right now, is mind-boggling, and it has to be done right. We're talking billions of dollars, and we don't want to make the mistakes that Europe made with incompatible grades, gauges, and motive power throughout their countries that they're now having to go back and rectify with their new interoperability rulings.

More regulatory work, work with the railroads. You know, just standardizing the kind of voltage we're going to use is a tough one, because railroad systems from around the world use different voltages, yet we want them all to be able to bid on our system because we want the best competitive possible bid. So we've got to figure that out so we can develop a specification that will allow the various rolling-stock manufacturers to bid.

Environmental guidance. Well, we've got plenty of that. The Environmental Protection Act at the national level and the California act are very stringent. California act's a little more stringent than the national act. We have to comply with both. There are profound extended periods of public hearings that we have to go through, and you can't make one mistake. If you mis-notice one public hearing, if you fail to respond to one comment from a small city up or down the line that has a concern, then you have to go back and do it over again.

Otherwise, you're going to lose a lawsuit which will then cause you to go back to do it over again anyway, and cost you a lot more money.

Delay on a \$40 billion project, at five percent inflation per year, is a loss of \$2 billion dollars' worth of buying power; so we cannot tolerate delay. We have to do it right the first time, and to do it right is very, very tough, with all of the laws, some of which actually conflict, and which we have to go through and sort out the conflicts as we're going along.

That gives you an idea of the kinds of things that we are having to build in our system. The train goes straight. California doesn't go straight, and so there will be some long bridges. There will be some long viaducts. There will be some long tunnels, and there will be some areas where we'll be building adjacent to currently existing rail systems.

The next portion is the master schedule through our record of decision. This is what we're looking at, and I'll let you look at it. It's in two different ways, and the overall diagram has it in many different ways that you engineers would be much more interested in. But the top three, with the sunshine on the left-hand side that relates to stimulus, is the target area to be done. We have submitted our grant application for \$4.7 billion. All of those will qualify for the funding by virtue of being under construction by the September of 2012 deadline, and all of those will qualify for ultimate approval by being in operation as operable segments before the September of 2017 deadline for operation.

In addition to that, the other portions are down the way. You can see San José to Merced and so on. I'm not going to name them all to you. The last page here are what we would consider the second phase of our system. They'll be built at the same time as the first ones. They'll be ready to build along with the first if we can find the funding, but if the funding isn't available, these are in a second phase of priority. Let me tell you, that decision was tough, because nobody wants to be in the second phase, especially the state capital, but we had to make it. We made it, and it's now in the books.

That's the percent of completion of the various responsibilities. Project management is ongoing. Engineering criteria, 50 percent complete. Environmental review is ongoing, and it's about 50 percent. Ongoing regional-consultant management, one percent; for right-of-way management, we don't have much right-of-way yet, but we're about to begin buying it, and negotiating it in terms of relationships with the railroads. We've got 90 percent of the revenue projections done, and I mentioned some of those to you.

We're going to have to do a new business plan every two years by legislative action. So every two years, we update our business plan so that it doesn't become obsolete. And staging and procurement, we're just getting started there.

The next steps. Test-track development, 30-percent design. I'll jump down through those quickly for you. The last thing I'll do is show you an example of the detail of the individual project areas. Now we're going to have three of these going immediately under the ARRA dash-to-the-finish effort, where we saw the sunshine emblems on the front for the test-track area between Merced and Bakersfield in the Central Valley, and the San Francisco-to-San José portion, but I've chosen Anaheim to L.A. because it's a little further advanced, and a little more interesting.



**Figure 10 Proposed Anaheim rail station**

The overall concept. We see there that we need a test track, so we're going to develop a test track in the Central Valley. It doesn't necessarily have to be that *whole* distance, but it will be somewhere between Bakersfield and Merced. Relatively flat, with current access to right-of-way adjacent to current rail systems. The little red portion down at the lower right-hand corner is the portion between Anaheim and downtown L.A., and the red portion in the upper left-hand corner is the San Francisco-to-San José red portion. Those are the target areas for the ARRA application that we're moving ahead with double-shift work.

And remember, if you spend more engineering at this stage, you save it in terms not losing your buying power because of inflation. So don't worry about spending more money on engineering and planning in order to accelerate your project at the front end, because you're going to more than save that by getting into construction more quickly.

Thirty-percent design criteria. You see that. I'm not going to read it to you, but one of our elements in California—I know Texas has, too; I don't know about the other communities—is our Public Utilities Commission. It's kind of like an oversight-railroad commission that says what you have to do in terms of safety and rate-setting, and those kinds of things. So we have to make sure that we not only work with FRA at the national level, but we keep the PUC informed. They're very cooperative if you keep them informed, and helpful throughout the process.



**Figure 11 Proposed Sacramento rail station**

Acquisition of right-of-way and permitting. That's an obvious step, but it's very complex. Most of our right-of-way will be adjacent to currently existing rail tracks, but that relationship has to be negotiated, and we have to be concerned about spur tracks on the side. How do we handle that and any place we are associated with adjacent highway right-of-ways?

Advantages of design-build. We've all talked about it. We had a session earlier, so I'm not going to go into detail here. It's faster. It spreads the liability away from the public sector, and so on. At the same time, you have to be pretty careful, or you're going to be giving away the store.

Deliverables. There's the kind of deliverables. You're going to have a design-build. Again, we're doing a design-build-operate-maintain-*and-finance* contract, which means that the contractor is going to have to come into the project with between 20 and 30 percent of construction project in order to be able to have the right to run the franchise for 30 to 40 years and pay California for the right to run the franchise. And right now, as I mentioned, we have the letters from 28 different organizations that say they'd love to do it.

Structural contracts. That will be an element of the design-build. Because I want to save time for questions, I want to run through to a diagram that shows how it works together. The yellow portion is the design-build-operate-and-maintain portion. It's the area above [unintelligible] work, and we divide that into two sections, with the upper left-hand section, overhead, catenary and train sets, being one contract, with communications and central control, among other things, being another contract. Maybe not. Maybe that will be one contract.

We know that we're going to have to build the lower portion, the blue-shaded portion, in at least seven to nine different contracts, because no organization in the world can get a

performance bond for a \$30 billion construction project. So we know we're going to have to keep it down to \$4 to \$5 billion maximum size of those construction projects in order to get the performance bonds that we're going to demand, because we don't want the people of California to be at risk if the performance is not accomplished. We want that bonded so that we can bring in another contractor at no additional cost to the public to complete the project. So that will be design-build-operate-and-maintain for the yellow portion. Design-and-build for the blue portion. And, again, probably nine breakdowns in the blue portion.



**Figure 13 San Diego's Mission Bay high-speed rail train and freeway**

Last steps are testing, commissioning, revenue service. Let's go through quickly now the test track, or the original section, the first section, between Anaheim and Los Angeles. This will give you an idea of how complicated a project we're talking about here.

You see the elements of the construction phase there. They're multitudinous. Utility relocation. We've got a dozen. It's 14 different utility companies to work with. Each one will have to have a contract with them as to how to handle their utility relocations and whether or not they're going to be providing some service to us, and there will be tradeoffs in that regard. That's a look at the high-tension wires that go over the Anaheim-to-L.A. line. The grade separations. There are 49 grade separations in that relatively short piece of track, so you can imagine the rest of the system up and down the state. I said over a thousand grade separations of one sort or another, bridges, whatever, in that system.

Earthwork and so on. Grading and earthwork. Aerial viaducts and bridges, we've talked about—there is 9.1 miles of that. The aerial viaducts. You can see the locations there. This is a very populated area in South Central L.A. Track construction and electrification. Another project. Station locations.

We're asking the cities to build the stations. We're going to increase value in the downtown

area by those stations being there by at least 10 times, and sometimes as much as 20 times. We're asking the cities to put that increased value, which will generate higher property taxes for them, into the construction and operation of their stations. All of the cities have said, "We're happy to do that as long as you create a station in our town." So there's been a little bit of a negotiation going on, but we're going to see the stations built by the cities.

Contract packaging. I've mentioned that a little bit to us. It hasn't been decided yet for sure.

That gives you some pretty pictures of our project. I hope I didn't take too much time away from the other folks in terms of questions and answers. Thank you for your attention. Please be involved in this largest construction project in our nation's history. I know that we can deliver it with your help.



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## QUESTIONS & ANSWERS: SESSION TWO

### LAUNCHING HIGH-SPEED RAIL IN THE U.S.

#### JOLENE MOLITORIS

Ladies and gentlemen, thank you for your wonderful attention during a really fact-filled, exciting panel. I'd like to invite any of you who do have questions to approach the microphone. I think it's just on this side. Please come on the side aisles, and if you would please, if you have a question, announce your name and your affiliation so that can be recorded on our film version. Yes, sir?

#### UNNAMED PARTICIPANT

Thank you. Very exciting. I'm with the Regional Transportation Commission in Reno, Nevada. Exciting projects. One common thread, except perhaps in California, is substantial federal funding. What happens if it doesn't happen? Or it can wait another 10 or 20 years? Or is there a plan B?

#### JOLENE MOLITORIS

If all of you would flip on your microphones, then you can answer from there. Did you want to respond?

#### ROD DIRIDON

Absolutely! It's going to happen. Forget about "if it doesn't happen." We'll not hear that word ever again! We're building rail in California, and it's going to be high-speed rail. If you don't believe it, get out of the way! You're going to get run over!

#### JOLENE MOLITORIS

Anybody else want to respond?

#### NAZIH HADDAD

Would I dare?

#### RICHARD HARNISH

I echo what Rod is saying. Part of the message that I've had for years is that even if the feds don't do it, this is so critical to the future of the Midwest economy that we have to figure out how to do it on the state level, even if the feds don't do it.

#### WILLIAM JONES

We've been working on it in Texas and it wasn't with the hope or the thought of ever getting any significant federal funding. We think we've got a model in Texas that will allow for private-public partnerships, and the public side being Texas-based, local-based. Again, as Rod said, local entities are going to build their stations. If they want a station in their community, we're hoping to proceed. Our objective is 2020, and that's real aggressive with or without federal funding.

#### NAZIH HADDAD

I agree with everything said here, particularly what Rod has said, so, yes, we are going to have this built, and we will have more federal funds, also, to help us move forward. Not just Orlando-Tampa in our case, but also Orlando-Miami.

### **JOLENE MOLITORIS**

Well, and I think it's really incumbent upon all of us to be sure that *you* do what you and your network, your city, your state, can do, to let those who lead us in Washington understand the importance of the federal role, understand the economic development. This is a business decision. You can then add on many, many other benefits, but this is about planning for our future, our growth, our ability to compete in this world of ours. The people in Washington were elected to represent us, and we need to be sure they hear our voice.

### **AL ENGEL**

Al Engel at AECOM. I agree with Rod. It's going to happen, but Rod and California certainly have set a great example on how to do it. They have a very strong application with a major state funding commitment. They had a statewide referendum, nearly \$10 billion for high-speed rail. I would like Nazih and William—I know that Rick can't comment on this; he has eight states, ten states, to deal with—but there are two states that basically have a rail program here. Is that model applicable to Florida or Texas? Do you see the possibility for a statewide referendum to authorize a general-obligation bond for the state match or any possibility of that?

### **NAZIH HADDAD**

Well, who am I to say—anything is possible in the future. Currently, we do not have that. I believe we have made a major investment in this corridor, and we have been investing in getting to where we are today for years and years. We have invested in the I-4 corridor. Other government agencies, would be that the Orlando Airport and others have put a lot of money into this. The stations are going to be built, hopefully, in some kind of a partnership with other entities, locals, the intermodal stations in Tampa, in Orlando, at the International Drive convention area, as well as the one in Polk County. So no one is saying we're going to get a hundred percent federal funding for this. We have already a lot of skin in the game.

### **WILLIAM JONES**

I would be surprised if Texas did statewide bonding for this. It's just not our nature to do that, but having been overseas, and seen the high-speed rail systems in Spain and France and Korea, they are so illustrative for us, as to what economic-development potential comes from. The implementation of an ultra-high-speed rail system that, once our leadership in our state sees this, more at the legislative and the administrative level than at the Tex-DOT level, if they can see what kind of economic-development opportunities there are—job creation and development, as well—I would then not be surprised to see them take a different role. But right now, I don't see that happening in the near term.

### **JOLENE MOLITORIS**

I think this whole panel has been so illustrative of the fact that there are so many ways to approach the development of this national system, depending on the status in any location, any state, any region; and I do think it's interesting to note that, in the last five

years, 83 percent of issues on the ballot at the local level have passed. That's why I said early I think the people of the country are really the leading edge of this initiative, and so the better we deliver the message of what the return on the investment can be, and why it's a good business decision, the more potential there is for using some sort of a referendum. There are also so many other tools. In California, Rod, I think you're using them all, and we need to be more expert at the way to involve the private sector, where everybody wins, involving the freights, city centers. There are so many ways to bring people together around the return on investment for these systems.

### **ROD DIRIDON**

Jolene, may I make another comment? I didn't mean to be rude to the gentleman that asked the question. I just want to let you to know our enthusiasm. And also, if you plan for a fallback position, your fallback position becomes your position. So we will not talk about a fallback position. We have \$9 billion in the bank in bonds voted by the people of California *before* the stimulus bill was passed, and if you think the enthusiasm was there before, the enthusiasm is boiling in California now. We have great rapport with our local partners, like Mike Scanlon, with the Caltrain system. Mike has developed a joint-powers agreement with the California High-Speed Rail Authority, so we're jointly planning now not only the high-speed train project from San Francisco to San José, but a major upgrade to the Caltrain system, which can be done if you join together and you share the funding and you share the construction ideas.

The enthusiasm in California for this project now is overwhelming. The only time we have any dissension is, "Why are you putting it here? And why didn't you put it over there? And why didn't you build it 20 years ago?" And so it's going to happen, especially with Chair Oberstar's \$50 billion looking at us over the transom. If we can help him to have that passed through the authorization process, we're all going to be able to move ahead.

### **JOLENE MOLITORIS**

And I recall, at that moment in history, when the president was announcing the vision, he said high-speed rail will be the legacy of the Obama administration. I think taht acontinued focus and leadership at the very highest levels will help us, really, make this a reality. Thank you so much for being here. I think our speakers will be here at the front if any of you have individual questions. We so appreciate your support, your enrhusiasm, and your interest. Thank you very much.



## ABBREVIATIONS AND ACRONYMS

ARRA	American Recovery and Reinvestment Act
AASHTO	American Association of State Highway and Transportation Officials
AECOM	Global provider of design, engineering, program management, construction management, and operations and maintenance support
APTA	American Public Transportation Association
ARRA	American Recovery and Reinvestment Act
BNSF	Burlington Northern Santa Fe
CN	Canadian National [Railroad]
CREATE	Chicago Region Environmental and Transportation Efficiency Project
DART	Dallas Area Rapid Transit
DOT	Department of Transportation
FAA	Federal Aviation Administration
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FTIS	Florida Transit Information System
FEIS	Final environmental impact statement
GOAA	Greater Orlando Aviation Authority
IDOT	Indiana Department of Transportation
MOU	Memorandum of understanding
MTC	Materials Transportation Company
MTI	Mineta Transportation Institute
NEPA	National Environmental Policy Act
PBS&J	Post, Buckley, Schuh & Jernigan, Inc.
PRIIA	Passenger Rail Investment and Improvement Act
PTC	Positive train control
PUC	Public Utilities Commission
RSIA	Rail Safety Improvement Act
SCORT	Standing Committee on Rail Transportation
TGV	Train à Grande Vitesse (France's high-speed rail system)
TIGER Grants	Transportation Investment Generating Economic Recovery Grants
THSRTC	Texas High Speed Rail and Transportation Corporation
TRE	Trinity Railway Express
UTU	United Transportation Union



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## SPEAKER BIOGRAPHIES

### **FRANK J. BUSALACCHI**

Frank Busalacchi was appointed secretary of the Wisconsin Department of Transportation by Governor Jim Doyle in January, 2003. He heads an agency that employs 3,300 people and has an annual budget of nearly \$3 billion. Wisconsin's DOT provides support for all modes of transportation, including state highways, local roads, railroads, public transit systems, airports, harbors and bicycle and pedestrian facilities

Busalacchi was named chair of the States for Passenger Rail Coalition in 2003. The Coalition is an alliance with representation from over 30 states calling for expanded federal support of intercity passenger rail. He has testified before Congress advocating passenger rail, Amtrak, and the need for a high-speed rail corridor in Wisconsin. Busalacchi also served on the National Surface Transportation Policy and Revenue Study Commission, which studied the current condition of the surface transportation system, identified future needs and developed financing recommendations.



**Figure 13 Frank J. Busalacchi**

### **EUGENE CONTI, JR.**

Eugene Conti, Jr., North Carolina DOT's secretary of transportation is the current chair for American Association of State Highway and Transportation Officials (AASHTO) Standing Committee on Rail Transportation (SCORT). He has 30 years of public service and private business management experience.

Conti has previously served as chief deputy secretary for the North Carolina Department of Transportation and as assistant secretary for Transportation Policy at the United States Department of Transportation, where he was a principal advisor to U.S. DOT Secretary Rodney Slater on infrastructure, finance, transportation safety, environmental impacts,

economic growth, technology and mobility, and strategic planning. He has also held the position of secretary of the Maryland Department of Labor, Licensing and Regulation, and in the private sector, was employed as director for PBS&J's mid-South district.



**Figure 14 Eugene Conti, Jr.**

### **ROD DIRIDON, SR.**

Rod Diridon, Sr., the “father” of modern transit service in the Silicon Valley, is the executive director of the Mineta Transportation Institute and a passionate advocate of all things rail. The son of an immigrant Italian railroad brakeman, Diridon worked his way through San José State University as a brakeman and fireman on the railroad. He began his political career in 1971 as the youngest person to be elected to the Saratoga City Council, and he continued in public service after serving 20 years and six terms as chair of both the Santa Clara County Board of Supervisors and Transit Board.

Diridon is the only person to have chaired the San Francisco Bay area’s (nine counties, 119 cities, 27 transit agencies) three regional governments: the Metropolitan Transportation Commission, the Bay Area Air Quality Management District, and the Association of Bay Area Governments. He has served as chair for APTA, for the National Research Council’s Transportation Research Board’s Transit Oversight and Project Selection Committee, and for APTA’s High Speed and Intercity Rail Committee and National High Speed Rail Corridors’ Coalition, and is the president and founder of the California Trolley and Railroad Corporation.

### **NAZIH K. HADDAD**

Nazih Haddad is the manager of the Passenger and High-Speed Rail program for the Florida DOT in Tallahassee, which oversees all work activities dealing with high-speed rail. He has been involved in the development of plans for implementing high-speed rail service in Florida for the past 19 years. He previously served as the executive director for the Florida High-Speed Rail Authority.





**Figure 15 Rod Diridon, Sr.**

### **RICHARD HARNISH**

Richard Harnish is the Executive Director of the Midwest High Speed Rail Association, a membership-based non-profit organization established to advocate for fast, frequent and dependable trains linking Midwestern hub cities, making travel between the cities between one and three hours.

Harnish helped establish the Midwest High Speed Rail Association in 1993, and became its executive director in 2001 following a successful fundraising campaign. The Association has grown from 20 members in 1993 to nearly 1,700. He has lead several grassroots campaigns, the most important of which is winning a doubling of Amtrak service linking downstate Illinois to Chicago.

Prior to his employment at the Midwest High Speed Rail Association, Harnish was a logistic manager at American President Lines, which is the world's fifth-largest container transportation and shipping company, and held that same position at JB Hunt, a Arkansas-based trucking and transportation company. He has also managed industrial real estate on Chicago's west side.

### **WILLIAM A. JONES, III**

William A. Jones, III is the CEO of Materials Transportation Company (MTC), a steel fabrication firm that manufactures food processing equipment and industrial battery handling equipment. He is also the president of Temple, Texas-based BJ3 Industries, and was elected mayor of the city of Temple in May, 2002.

Jones was instrumental in Temple's membership in the Texas High Speed Rail and Transportation Corporation (THSRTC), and he is currently the corporation's vice chair. He is active in many local and regional organizations.



**Figure 16 Richard Harnish**

### **JOLENE MOLITORIS**

Jolene Molitoris is the first female director of Ohio’s Department of Transportation (ODOT), which was established in 1905 as the Ohio Department of Highways. She was appointed to the position by Governor Ted Strickland in January 2009.

She began her career with the Ohio Rail Transportation Authority (ORTA), where she became its executive director. She then moved on to ODOT, where she was appointed deputy director for rail, where she worked with port authorities to create 13 new short line railroads. She was recognized for her passion for rail by being named one of the 16 “Most Respected and Admired Railroaders of the 21<sup>st</sup> Century” by *Railway Age* magazine.

Molitoris became the first woman to head FRA, having been appointed to the post by President Bill Clinton in 1993. While in Washington, she implemented agency-wide changes to make significant improvements in safety and customer service, resulting in the seven safest years in U.S. railroad history. She was appointed to the Ohio Rail Development Commission (ORDC) in 2007—the first woman to lead that organization.

### **KAREN RAE**

Karen Rae is the deputy administrator of the Federal Railroad Administration. She is responsible for assisting operations for the nearly 700-person organization, and her duties include managing comprehensive safety programs and regulatory initiatives, enforcement of FRA safety regulations, development and implementation of national freight and passenger rail policy, and oversight of wide ranging research and development activities in support of improved railroad safety.



**Figure 17 Jolene Molitoris**

Prior to her appointment to FRA, Ms. Rae served as deputy commissioner of Policy and Planning at the New York State Department of Transportation. In her 30-year career, she has held positions at the Pennsylvania Department of Transportation, Virginia Department of Rail and Public Transportation, and as director or general manager of transit systems in the cities of Austin, Texas, and Glens Falls and Buffalo, New York.



**Figure 18 Karen Rae**



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