

Appendix 10-A: Long-Range Rail Investment Program

Introduction

Wisconsin Rail Plan 2030 is the state's first rail plan being developed under the Passenger Rail Improvement and Investment Act of 2008 (PRIIA). PRIIA requires that all state rail plans include a long-range rail investment program. The long-range rail investment program must, at a minimum, include a list of any capital projects expected to be undertaken or supported in whole or in part by the state, and a detailed funding plan for those projects. This marks the first time that states have been required to show all anticipated rail capital projects in one place. Furthermore, the project list must contain a description of the anticipated public and private benefits of each project, and a statement of correlation between public funding contributions for the projects and the public benefits.

The *Wisconsin Rail Plan 2030* long-range rail investment program lists anticipated capital projects. It does not include operating expenses such as maintenance and salaries of railroad employees. Operating expenses of freight railroads are paid by the railroads themselves, while passenger rail operating assistance is established by the legislature through the biennial budget process. In addition, the program list does not include costs associated with corridor studies.

Assumptions and methodology

As noted in Chapter 10, Funding Wisconsin's Rail System Investments, rail capital funding comes from a variety of federal, state, local and private sources; and is used for constructing or acquiring infrastructure, equipment and real estate. The items contained in the long-range rail investment program depict the information available at the time of writing, and is subject to change. Therefore, due to changing priorities, funding levels or legislation, projects contained in the long-range rail investment program might not be implemented as planned and projects may be implemented in the future that are not listed in this version of the long-range rail investment program. Cost estimates and funding breakdowns may also change over time.

Federal regulation and guidance will also affect the content of the program. At the time of plan development, the federal transportation authorization bill, SAFETEA-LU, was still in effect, with an extension approved through December 31, 2010. When Congress passes a new surface transportation authorization bill, it is likely that the federal programs will change. This may lead to changing program levels at the state level, which in turn, could change the way the long-range rail investment program looks. Furthermore, the Federal Rail Administration (FRA) has not issued guidance on state rail plans under the PRIIA legislation. In order to ensure compliance without guidance, WisDOT reviewed other state rail plans completed since PRIIA and analyzed the PRIIA legislation itself. It is possible that subsequent federal agency guidance may result in changes to the long-range rail investment program.

The anticipated projects for the years 2010 through 2015 have more information available regarding project scope, estimated costs and funding breakdowns. Conversely, the anticipated projects for the years 2016 through 2030 are less defined, with more uncertainty regarding the timing, costs and relative priority among these longer-term projects.

In order to make the long-range rail investment program accessible and understandable, four lists were developed according to the type of projects. The four project lists are:

- Freight rail projects
- Intercity passenger rail projects
- Commuter rail projects
- Rail-highway interface projects

The **passenger rail** project list includes capital investments necessary to support the Wisconsin components of the Midwest Regional Rail Initiative, as detailed in Chapter 6, Passenger Rail. Data for the short-term projects in this list included cost estimates and funding breakdowns. Two projects were funded through the American Recovery and Reinvestment Act of 2009 (ARRA). Although ARRA grants provided 100 percent federal funding, it is expected that there will be no more 100 percent federal funding in the future, and that the customary 80 percent federal, 20 percent non-federal (state, local or other) funding breakdown will be applied to future passenger rail capital projects. For some of the anticipated projects in the long-term, the Wisconsin Department of Transportation (WisDOT) used the 2004 Midwest Regional Rail Initiative (MWRRI) business plan as the source for project information. In general, the federal funds in this project list would come from the Federal Railroad Administration (FRA).

As noted in the plan, once WisDOT completes the Wisconsin component of MWRRI, efforts will shift to studying the feasibility of expanding passenger rail service to other parts of the state. If additional routes are identified for capital expenditure at that time, the long-range rail investment program would be updated to include any such additions as part of the overall rail plan update process.

The **freight rail** project list includes capital investments that support the state's goals contained in Chapter 5, Freight Rail. The projects identified come from two sources:

- Freight Rail Infrastructure Improvement Program (FRIIP) and Freight Rail Preservation Program (FRPP) investment needs
- Potential projects identified by the state's private railroads (The privately-funded projects were identified with the understanding that they were to be used for long-range planning purposes only, and do not constitute a formal commitment to implement the project on the part of the railroads or the state)

WisDOT did not receive lists of potential projects from all of the state's Class I railroads. As a result, there may be additional capital investments made by the private sector that are not currently known and therefore not captured in the long-range rail investment program. In addition, FRIIP and FRPP project proposals are submitted by railroads, local governments and other sponsors, and grants and

funds are awarded annually. Therefore, data regarding project needs beyond the current biennium are incomplete.

The **commuter rail** project list includes the anticipated capital investments needed to implement the state's two commuter rail services that are included in Metropolitan Planning Organizations' long-range plans and that have completed several stages of planning. The two commuter rail services are the Kenosha-Racine-Milwaukee (KRM) service in southeastern Wisconsin and the commuter rail component of Transport 2020, the Madison metropolitan area's long-range transit plan. Specifically, the project information contained in the list, including cost estimates and funding breakdowns, comes from the following sources: "Kenosha-Racine-Milwaukee Request to Initiate Preliminary Engineering," from June 2010 and the "Transport 2020 Environmental Impact Statement and New Starts Application: Request to Initiate Preliminary Engineering," from June 2008.

An assumption contained in the KRM and Transport 2020 reports is that the state legislature will fund the Fixed-Guideway Capital and Operating Assistance Program to the level necessary to support these investments. In general, the federal funds in this project list would come from the Federal Transit Administration (FTA). See Chapter 7, Commuter Rail for more information. If new services are proposed and reach an advanced stage of planning, they will be added to the commuter rail projects list as part of a subsequent rail plan update.

The **rail-highway interface** project list includes items that use federal and state highway and safety funds to improve the safety and operation of rail-highway crossings, either through crossing surface improvements, signals, gates and warning devices, or by eliminating crossings through grade separations. Some of these rail-highway interface projects are planned to address deficiencies or safety needs identified by WisDOT or the Office of the Commissioner of Railroads, while others are planned as part of a highway project that will alter the alignment of a railroad or affect existing crossings. The rail-highway interface project list was developed by analyzing information from a database containing program information about all transportation projects, and separating out the projects with rail elements. The funding estimates for the rail components were then isolated from all other components. This allowed for the reporting of the estimated costs for the investments in the rail system, independent from the total cost of the project at-large.

Navigating the project lists

Taken together, the four lists comprise WisDOT's long-range rail investment program. While there are slight variations between lists, the primary pieces of information needed to properly identify each project and meet the requirements from PRIIA are consistent. The project lists are in tabular format, with one project for each row in the table. The columns contain information about the projects that are highlighted either to identify the project (name, location, program year), or to fulfill the project list content requirements from PRIIA (descriptions of public and private benefits, statement of correlation between public funding contributions and public benefits, and project cost estimates). The public and private benefits and the statements of correlation between the public funding contributions and the

public benefits are given in the form of qualitative statements. Each program is managed individually within WisDOT. At this time, the project selection criteria vary depending on the program and funding sources. Quantitative analyses of the benefits and costs of the projects will need to be fully developed in the future, but at the time of the writing of this plan, no sound methodology is available for comparing benefits and costs consistently across modes.

As noted earlier, more detailed information is typically available for projects programmed for the years 2010 through 2015 regarding project scope, estimated costs and funding breakdowns. Longer-term projects are more conceptual and less defined. In some cases, no information is available beyond 2011 because the biennial budget dictates funding levels and investment priorities.

Updating the long-range rail investment program

Wisconsin's long-range rail investment program will be updated at least once every five years. This timing aligns with the required update cycle for state rail plans prescribed by PRIIA. During this five-year update cycle, WisDOT will continue to analyze, plan and program projects that best meet the needs of the state's rail system. The update process will remove projects that have been completed, add detail to projects that were more conceptual in nature in previous versions, and add new projects that have been identified as priorities.