



Legislative Fiscal Bureau

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February 16, 2010

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Governor's Section 13.10 Request for Approval of Federal Economic Stimulus Funding for Passenger Rail Service Improvements -- Agenda Item II

REQUEST

The Governor requests approval of \$12,000,000 received under the high-speed, inter-city passenger rail program component of the American Recovery and Reinvestment Act of 2009, for the installation of rail crossovers near the City of Kenosha (Truesdell crossovers) and for the extension of the passenger platform at the Milwaukee Airport Rail Station.

The Wisconsin Department of Transportation (DOT) applied for federal funds for both passenger rail projects to improve service on the current Hiawatha service route between Chicago and Milwaukee. The Truesdell crossovers involve the installation of track structures to improve the flow of freight and passenger rail traffic, while the airport station platform improvements are intended to accommodate the longer trains currently in use for the service.

The Truesdell crossover project would allow freight and passenger trains to move between tracks to avoid conflicts. Currently, some freight traffic must move against the normal flow of traffic to reach the nearest crossover, which occasionally results in the delay of passenger trains. Installing additional crossovers is expected to improve the on-time performance of the Hiawatha service. The Department estimates the cost of the Truesdell crossover project at \$13,261,290 in 2010 dollars, or \$13,377,417 in year-of-construction dollars. If approved, work on the project would begin in 2010 and be completed in the summer of 2011.

The proposed airport station platform work would extend the current passenger loading area from 400 feet to 800 feet. When the station was originally constructed, the Hiawatha service trains typically had four coach cars. However, to accommodate increased ridership, the train now uses

five cars and will soon be upgraded to six cars. The longer platform will allow all passenger cars and the locomotive to stop along the platform. The Department estimates the cost of the airport station platform improvements at \$678,022. If approved, the work would be completed in late 2010.

Although the Department submitted two separate applications for the two projects, totaling \$14,055,439, the state was awarded \$12,000,000, with no specific restrictions on how to allocate the funding between the two. The Department indicates that, if approved, work would proceed on both projects, with the goal of completing them at a cost not exceeding the amount of federal funds available. The Department notes that it may be possible to negotiate with Canadian Pacific Railroad, which owns the tracks where the Truesdell crossovers would be built, to share some of the costs of that project, or to scale back the project, if necessary, to reduce the total cost.

SUMMARY

The Governor's request for the use of \$12,000,000 in federal economic stimulus funds for the passenger rail projects satisfies a requirement in 2009 Wisconsin Act 2 that a plan be submitted to the Committee for the expenditure of such funds. The federal funding may be used only for the projects for which the funding was applied, although the Department may need to modify the projects to complete them within the limits of the funding provided.

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