

Northeast Corridor Capital Investment Plan

Fiscal Years 2017 - 2021

Executive Summary



From the Chair

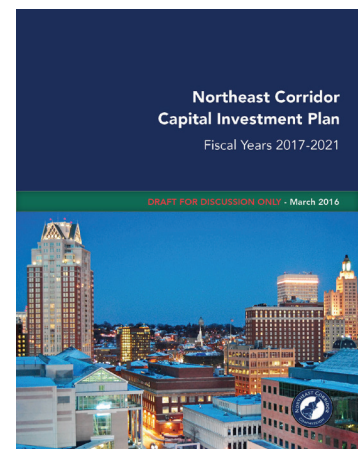
The Northeast Corridor (NEC) is a vital asset for businesses, workers, residents, and visitors in the Northeast and beyond. Its eight commuter rail operators deliver hundreds of thousands of workers to some of the most productive economic centers in the country each day. Amtrak carries more intercity passengers within the Northeast than all airlines combined. The demand for NEC rail services is growing year after year, reflecting an increasing preference for rail service and urban living. As these trends accelerate, the NEC is playing an increasingly critical role in the economy. This poses a strategic vulnerability for the region and the nation as the infrastructure is failing to keep pace with the demands we place on it.

Fortunately, Congress and NEC stakeholders have been engaging in a productive, multi-year dialogue to begin working on this problem. Congress created the Northeast Corridor Commission (the Commission) in the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). In 2015, the Commission delivered to Congress the NEC Commuter and Intercity Rail Cost Allocation Policy (the Policy), including both a formula for fully allocating over \$1 billion in annual operating and baseline capital (not backlog) costs as well as a variety of policy recommendations to increase cross-agency collaboration, transparency, and accountability. Congress then passed the Fixing America's Surface Transportation (FAST) Act in 2015 which memorialized many of the Policy's recommendations in law.

The Commission is pleased to continue this constructive dialogue by quickly delivering on a key requirement of the FAST Act, the development of an NEC Capital Investment Plan (the Plan). The Plan documents the investment needs of the NEC and provides a roadmap for the policy and funding priorities to get the job done. The Commission now looks to Congress to use other provisions of the FAST Act, such as the Federal-State Partnership for State-of-Good-Repair Program, to tackle the backlog needs which are not funded through the Policy.

We hope the results of our collective effort will serve as an informative resource for Congress as we work together to initiate an era of reinvestment in America's most important passenger railroad.

James Redeker, Commissioner, Connecticut DOT
Chair, Northeast Corridor Commission



Read the full Letter from the Chair and
NEC Capital Investment Plan report at:
<http://nec-commission.com/five-year-capital-plan>

Northeast Corridor Capital Investment Plan

This Plan is the product of a cross-agency effort to identify and integrate the infrastructure investments required over the next five years to reverse decades of deterioration and build a foundation for growth on the nation's most important passenger railroad. Overall funding proposed over five years would support as many as 360,000 jobs,* including direct jobs rebuilding the NEC and manufacturing components in as many as 22 states, and indirect jobs supported by those earnings.

Service disruptions on the NEC caused by infrastructure failures, rail traffic congestion, and other factors already cost the economy \$500 million per year in lost productivity. Without higher levels of capital investment, those losses are likely to grow. A loss of all NEC services for just one day would cost the economy an estimated \$100 million.

Goals

The Plan has four strategic goals: **Strengthen Safety and Security** by meeting or exceeding all relevant standards and regulations; **Modernize our Infrastructure** by kicking off a decades-long effort to restore a state of good repair; **Prepare for our Future** by building to accommodate ridership growth and withstand future challenges; and **Grow our Economy** by retaining and attracting businesses, workers, and residents with more livable communities.

Northeast Corridor Capital Investment Plan, FY17-21: \$23.8B

Programs/Projects	FY17-21 Plan	Funding Available	Funding Gap	Source	FY17-21 Plan
Basic Infrastructure	\$5,286M	\$2,860M	\$2,426M	Funding Available	\$5,290M
Track	\$1,717M	\$1,017M	\$700M	Baseline Capital Contributions***	\$2,365M
Electric Traction	\$348M	\$245M	\$103M	Special Federal Grants	\$923M
Stations and Structures	\$1,971M	\$882M	\$1,089M	State/Local Funds	\$2,003M
Communication and Signals	\$544M	\$292M	\$252M	Funding Gap	\$18,490M
Multi-discipline/System	\$706M	\$424M	\$282M	Total	\$23,780M
Special Projects	\$18,494M	\$2,430M	\$16,064M		
Major Backlog	\$3,419M	\$498M	\$2,922M		
Service Preservation & Improvement	\$6,722M	\$1,933M	\$4,789M		
Gateway Program**	\$8,353M	\$0	\$8,353M		
Total	\$23,780M	\$5,290M	\$18,490M		

*Estimates of jobs based on methodology provided by American Public Transportation Association: <https://www.apta.com/resources/reportsandpublications/Documents/Economic-Impact-Public-Transportation-Investment-APTA.pdf>.

**Gateway Program includes Portal North Bridge, the Hudson Tunnel Project, and other elements of the Gateway Program to increase capacity between Newark, NJ and New York, NY from two tracks to four tracks.

***Funds generated by the Cost Allocation Policy.

Priorities for Additional Funding by Region

\$ Funding Available FY17-21

\$ Funding Gap FY17-21

Full Construction Cost Higher than
FY17-21 Funding in Many Cases

- Special Projects
- Priority Special Projects

New Haven, CT - Boston, MA

Basic Infrastructure Programs

\$ 244M **\$** 151M

Priority Special Projects

Boston South Station

\$ 8M **\$** TBD

Providence Station

\$ 0M **\$** 22M

CT River Bridge Replacement

\$ 0M **\$** 656M

New Rochelle, NY - New Haven, CT

Basic Infrastructure Programs

\$ 779M **\$** 195M

Priority Special Projects

Devon Bridge Replacement

\$ 25M **\$** 1,000M

Saugatuck River Bridge Replacement

\$ 15M **\$** TBD

Norwalk Bridge Replacement

\$ 386M **\$** 314-514M

Philadelphia, PA - New Rochelle, NY

Basic Infrastructure Programs

\$ 683M **\$** 158M

Priority Special Projects

East River Tunnel

\$ 27M **\$** 359M

Hudson Tunnel Project

\$ 0M **\$** 1,269M

Portal North Bridge

\$ 0M **\$** 1,159M

Washington, DC - Philadelphia, PA

Basic Infrastructure

\$ 639M **\$** 511M

Priority Special Projects

Susquehanna River Bridge

\$ 5M **\$** 340M

B&P Tunnel Replacement

\$ 20M **\$** 340M

Hanson Interlocking

\$ 5M **\$** 24M



Challenges

The Plan identifies \$23.8 billion in funding required over the next five years for infrastructure investments to advance its goals. The primary challenge is that only an estimated \$5.3 billion in funding is available. Historic reliance on the vagaries of the annual appropriations process is another challenge, especially for the development and delivery of major multi-year projects. Implementing agencies typically cannot solicit construction bids for major projects until funds are in hand or linked to a reliable funding source. Unpredictable funding also presents a challenge for workforce development when it is unclear if positions will be available for skilled workers after multi-year training programs.

Opportunities

In 2015, the Commission adopted the NEC Commuter and Intercity Rail Cost Allocation Policy. Through this agreement, the railroads that use the NEC will invest approximately \$500 million annually in capital work. According to current estimates, this dependable funding stream would be sufficient to sustain existing NEC infrastructure, if not for the \$28 billion backlog of state-of-good-repair investment needs.

Also in 2015, the FAST Act memorialized many recommendations from the Policy in law, including authorization of a Federal-State Partnership for State-of-Good-Repair Program. While authorized levels are far below the amount required to eliminate the state-of-good-repair backlog and maintain existing service in the long term, NEC stakeholders have agreed on broad priorities for applying additional funds should they be made available. Funding the programs authorized in the FAST Act would be an important first step.

State-of-Good-Repair Backlog Needs



Congress established the Northeast Corridor Commission to develop coordinated strategies for improving the Northeast's core rail network in recognition of the inherent challenges of planning, financing, and implementing major infrastructure improvements that cross multiple jurisdictions. The Commission is governed by a board comprised of one member from each of the NEC states and the District of Columbia; four members from Amtrak; and five members from the U.S. Department of Transportation (DOT). The Commission also includes non-voting representatives from four freight railroads, states with connecting corridors, and several commuter rail operators.

To download the full NEC Capital Investment Plan or for more information about the Commission, please visit our website: www.nec-commission.com.