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

<table>
<thead>
<tr>
<th>Programs/Projects</th>
<th>FY17-21 Plan</th>
<th>Funding Available</th>
<th>Funding Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Infrastructure</td>
<td>$5,286M</td>
<td>$2,860M</td>
<td>$2,426M</td>
</tr>
<tr>
<td>Track</td>
<td>$1,717M</td>
<td>$1,017M</td>
<td>$700M</td>
</tr>
<tr>
<td>Electric Traction</td>
<td>$348M</td>
<td>$245M</td>
<td>$103M</td>
</tr>
<tr>
<td>Stations and Structures</td>
<td>$1,971M</td>
<td>$882M</td>
<td>$1,089M</td>
</tr>
<tr>
<td>Communication and Signals</td>
<td>$544M</td>
<td>$292M</td>
<td>$252M</td>
</tr>
<tr>
<td>Multi-discipline/System</td>
<td>$706M</td>
<td>$424M</td>
<td>$282M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Special Projects</th>
<th>$18,494M</th>
<th>$2,430M</th>
<th>$16,064M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Backlog</td>
<td>$3,419M</td>
<td>$498M</td>
<td>$2,922M</td>
</tr>
<tr>
<td>Service Preservation &amp; Improvement</td>
<td>$6,722M</td>
<td>$1,933M</td>
<td>$4,789M</td>
</tr>
<tr>
<td>Gateway Program**</td>
<td>$8,353M</td>
<td>$0</td>
<td>$8,353M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>FY17-21 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Available</td>
<td>$5,290M</td>
</tr>
<tr>
<td>Baseline Capital Contributions***</td>
<td>$2,365M</td>
</tr>
<tr>
<td>Special Federal Grants</td>
<td>$923M</td>
</tr>
<tr>
<td>State/Local Funds</td>
<td>$2,003M</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$18,490M</td>
</tr>
<tr>
<td>Total</td>
<td>$23,780M</td>
</tr>
</tbody>
</table>


**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

New Haven, CT - Boston, MA

Basic Infrastructure Programs
Boston South Station
Providence Station
CT River Bridge Replacement

Priority Special Projects

- $244M
- $151M
- $8M
- TBD
- $0M
- $22M
- $0M
- $656M

New Rochelle, NY - New Haven, CT

Basic Infrastructure Programs
Devon Bridge Replacement
Saugatuck River Bridge Replacement
Norwalk Bridge Replacement

Priority Special Projects

- $779M
- $195M
- $25M
- $1,000M
- $15M
- TBD
- $386M
- $314-514M

Philadelphia, PA - New Rochelle, NY

Basic Infrastructure Programs
East River Tunnel
Hudson Tunnel Project
Portal North Bridge

Priority Special Projects

- $639M
- $359M
- $27M
- TBD
- $0M
- $1,269M
- $0M
- $1,159M

Washington, DC - Philadelphia, PA

Basic Infrastructure
Susquehanna River Bridge
B&P Tunnel Replacement
Hanson Interlocking

Priority Special Projects

- $639M
- $511M
- $5M
- $340M
- $20M
- $340M
- $5M
- $24M

Funding Available FY17-21
Funding Gap FY17-21

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

- Special Projects
- Priority Special Projects
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

<table>
<thead>
<tr>
<th>Basic Infrastructure Backlog</th>
<th>$11 Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Backlog Projects</td>
<td>$17 Billion</td>
</tr>
<tr>
<td>State-of-Good-Repair Backlog Elimination Needs Over 20+ Years</td>
<td>$28 Billion</td>
</tr>
</tbody>
</table>

In Addition to $500 Million Annual Asset Replacement Costs Covered by Cost Allocation Policy