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Indiana High Speed Rail: "LINK" to the Future

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INTRODUCTION

In today's economy, with gasoline prices steadily increasing to around $4.00+ (more than $1/gallon increase compared to pre-2010/2011gas prices), it may be time for all stakeholders in Indiana and the Midwest to seriously consider other alternatives to supplement travel by road. According to the Department of Energy, retail prices for a gallon of regular-grade gasoline will average $3.86 from April through September, up from $2.76 for the comparable period last year (Energy Information Administration, 2011). Hence, one attractive option to consider for citizens and residents of Indiana and the neighboring states is high speed rail. The Times of Northwest Indiana recently described a strong momentum toward implementing high speed rail in Indiana and the Midwest, which was enhanced by the recent $71.4 million funding received for the Gateway Project (http://www.nwitimes.com/business/transportation/key-nwi-rail-project-back-in-fast-lane/article_c1571fb9-8351-514d-812d-2987e2b29cc5.html). Eight rail improvement projects related to junctions, stations, tracks, and signals would be completed using these federal funds which would significantly cut the delay in Amtrak trains from Chicago through Indiana to other cities in the Midwest.

The High Speed Rail vision, including the Midwest regional rail system that is being considered, would generate a $2.3–$3.5 billion user benefit for Indiana (Indiana High Speed Rail Association, 2012). User benefits of the high speed rail would include reduction in travel times from using high speed rail; lower costs and travel times that other modes of travel would receive due to lower road travel congestions; and reduction in emissions from high volume vehicle travel. Also, the rail system would improve the access between Indiana and the other Midwest communities (see Appendix for the MWRRI), lead to more support for existing industries, and encourage growth of small businesses and larger corporations to expand their operations more widely across Indiana. Further, the rail system will add a critical component to Indiana's energy conservation programs, improve the quality of life by adding another needed component to the way we travel, and complement other forms of transportation making travel more comfortable and efficient (Indiana High Speed Rail Association, 2012). On the basis of a focus group study's findings, this paper supports the need for high speed rail as a viable

option to supplement road travel in Indiana and the Midwest. Indiana High Speed Rail would certainly become the "LINK" to the future!

BACKGROUND INFORMATION

Several studies have demonstrated that rail passenger traffic has been increasing in the past few years. Amtrak ridership in Indiana and the rest of the U.S. has been increasing too (http://www.indianasnewscenter.com/news/local/131877753.html). Another study has found that more than 30 million passengers traveled by Amtrak in 2011, an unprecedented record. "Thirty million passengers is not just a statistic. That number is made up of real people who live real lives and use Amtrak for personal, business and recreational travel," said Emmett Fremaux, the head of the Amtrak Marketing and Product Development Department (http://www.news-journal.com/news/local/amtrak-sets-record-hits-million-riders/article_627379dd-bbb4-558e-b908-3312e53fcdae.html).

Interestingly, according to Amtrak officials, these gains in traffic in 2011 emerged despite service interruptions due to various weather related conditions including hurricanes, record snowfalls, and tropical storms in the busy Northeast, record flooding in the Midwest, and several construction projects that temporarily reduced train frequencies on the Chicago-St. Louis route. Another strong indication of increased train ridership is that Amtrak ridership, since 2000, is up 44 percent!

Also, the increasing popularity of high speed rail is evidenced by another innovative company, Progress Rail in Muncie, Indiana, which celebrated the opening of its first new American locomotive manufacturing plant facility in many years http://www.fastlane.dot.gov/2011/11/progress-rail.html). At a time when many other companies are shipping jobs overseas, Progress Rail is doing just the opposite by staying in the United States. And if Congress passes the transportation provisions in the American Jobs Act, hundreds of thousands of similar new jobs across the country would follow Muncie. Progress Rail invested $50 million into what the Muncie Chamber of Commerce calls, "the biggest development" in 40 years.

Further, the 3,000 mile high speed rail network centered in Chicago with three routes running through Indiana will produce a 1.8:1 (almost double) benefit to cost ratio when fully completed. This would include: creation of jobs; strong economic development; growth in business, transportation, travel, and other industries; and economic, social, and environmental benefits to millions of residents in Indiana and surrounding states http://www.dot.state.wi.us/projects/state/docs/mwrri-economic.pdf). And as the Midwest Regional Rail Initiative (MRRI)-Transportation Economics & Management Systems, Inc. (TEMS) study reported, the development of a high-speed rail network would directly generate 4,540 permanent new jobs for Indiana and $86 million in extra household income (TEMS Report, 2006).

Recently, Michigan and California, among several other states have received substantial funding for high speed rail – $100 million

(http://www.mlive.com/news/kalamazoo/index.ssf/2011/08/federal_grant_to_fund_new_ high.html) and California about $1 billion (http://www.midwesthsr.org/california- awarded-nearly-1-billion-to-begin-building-hsr), respectively.

All these studies have indicated the strong need, high popularity, and increased value of high speed rail for Indiana and the Midwest.

METHODOLOGY

To determine the awareness, need, impact and other critical factors of high speed rail in Indiana and the Midwest, a focus group session was conducted by Indiana University Northwest business professors, Raj Selladurai and Charles Hobson in October 2011. The focus group consisted of 27 business and organizational leaders from northwest Indiana and other regions in the State of Indiana.

RESULTS

The results of the Focus Group Session are summarized as follow:

1. The most frequent responses to the question "What are the first words that come to your mind when I say high speed rail?" are the following:

- Connect ability/Linkage
- To where/From where
- Cost
- Japan
- Fast

2. People rated the following items on a scale of 1 – 10, with 1 being "Not Likely" and 10 being "Very Likely":

a. How likely will a high speed rail system lead to significant economic development in Indiana? 7.7

b. How likely would you choose high speed rail over airlines for business travel? 8.1

c. How likely would you choose high speed rail over airlines for personal or recreational travel? 7.3

d. How likely would you choose high speed rail over cars for 8.3

business travel?

e. How likely would you choose high speed rail over cars for personal or recreational travel? 7.1

3. The major advantages/benefits associated with high speed rail in Indiana and the Midwest are as follow, on a scale of 1 – 10, with 1 being "Not Important" and 10 being "Very Important":

Save time	8.3
Reduce highway congestion	8.3
Environment	8.3
Development of infrastructure	8.3
Commercial benefits/new businesses	8.2
Less wasted time	8.2
Time savings	8.1
Increased use of Gary Airport	8.0
Air quality improvement	7.8
Job creation	7.7
Energy savings	7.5
Necessary connectivity	7.4
Enhance NWI image	7.3
Job access	7.2
New transportation option	7.1
Safer Travel	6.9
Increase property values/transit oriented development	6.8
Interstate commerce	6.8
Alternative to air travel	6.7
Reduce travel expense	6.6
Comfort of travel	6.6
Attracting new residents	6.3
Education	5.6

4. The major disadvantages/costs associated with building a high speed rail system in Indiana and the Midwest are as follow, on a scale of 1 – 10, with 1 being "Not Important" and 10 being "Very Important":

Expensive	8.5
Politics	8.2
Sustainability	7.7
Potential tax increases	7.2
Maintenance cost	7.1
Partnership problems	6.6
Freight rail conflict	6.6
Maintenance responsibility	6.4
Shared accountability	6.1
Accessibility	6.0
Imbalance of economic development	5.7
Increased congestion	5.3
Lack of national connectivity	4.9
Emergency response	4.7
Increased job competition	4.7
Elimination of other transportation jobs	4.7
Insurance costs	4.4
Hurt Gary Airport	4.2

5. The major obstacles to high speed rail were as follow:

Funding options/lack of local funding	9.7
Political will (leadership)	9.5
Lack of political will	9.3
Public support	9.0
Competition for state/national	8.3
Adjacent state support	7.9
Lack of business support	7.8
No immediate pay out	7.4
Existing improvement needs	7.4
Lack of level playing field	7.2
Infrastructure inadequacy	7.2
Resistance from competition	7.1
A culture unfamiliar with rail travel	7.1

Construction priorities	7.1
Driving habits	7.0
Vacation habits	6.6
State/federal regulations	6.6
Public fear/opposition	6.5
Adequacy of hubs	6.4
Resistance from freight railroad	6.2
Speed limitations in “Quiet Zones”	6.0
Ticket price	6.0
Rail product development	5.4

6. The participants were then split into three groups. Each group was asked to choose one of the higher rated obstacles on the list and then brainstorm some ways to overcome each obstacle.

The three topics chosen are listed below with their corresponding level of importance listed beside each. At the end of the exercise each group summarized its advice/recommendations to overcome the obstacle.

(#1) Funding options/Lack of local funding

(#2) Political will (Leadership)

(#4) Public support

Group advice/recommendations for each of the following obstacles are as follows:

(#1) Funding options/Lack of local funding

The Group’s advice included: Identify the market; costs need to be congruent with beneficiaries; need public and private funding to make it work; and need proper accountability.

(#2) Political Will (Leadership)

The Group’s advice included: Show that it politically meets everyone’s interests; bring businesses on board; need political leaders; fund/obtain lobbyists; foreign oil dependency; and form political will committees.

(#4) Public support

The Group’s advice included: Use Gary airport as transportation hub; pick specific constituency to benefit.

RECOMMENDATIONS

Based on the recommendations from the focus group session report to develop funding, political leadership, and public support, efforts have been made to contact United States Senator/s who sat on the Senate Caucus Committee for High Speed Rail. Moreover, ongoing communication is taking place between Indiana University Northwest, Indiana High Speed Rail Association, and the Senators' offices. Also, activities and plans are being explored to conduct pilot studies/feasibility studies/survey research in collaboration with the Indiana University Survey Center at Bloomington in order to measure the economic and social impact of high speed rail on the region.

FUTURE IMPLICATIONS

The future implications for Indiana high speed rail depend on the public support, perceptions, flexibility in mindset and attitudes about road travel, political leadership, and funding. Some of the questions to be addressed in the near future include:

1. What is the status of the Midwest High Speed Rail Caucus?
2. What if any high speed rail initiatives are being proposed/examined by Congress?
3. How would information on the favorable environmental/travel safety impact of high speed rail be most effectively communicated to the public and our political officials?
4. Updated and current information would be needed on the Indiana Gateway project and the $71 million funds allocated for it; and how could the State of Indiana move forward with this project?

High Speed Rail would certainly be a "LINK" to the future for Indiana and the Midwest as we move forward. This exploratory focus group research study shows that its time has come.

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Appendix

The image below presents the current plan for the Midwest Regional Rail System as depicted by the Midwest Regional Rail Initiative (MWRRI).

Indiana High Speed Rail Association, 2011. http://www.indianahighspeedrail.org