

The Benefits of Passenger Trains: Growing America's Economy

As your constituents and as users of public transportation, including Amtrak and other rail services, we believe that our nation and its economy would be strengthened by policies that create a larger role for alternatives to current auto and air service. Investment in trains will promote greater mobility and economic development, generate new jobs, encourage energy efficiency and enhance Americans' standard of living.

Creating Jobs, Revitalizing American Manufacturing

A strong passenger train program—adding train manufacturing, construction, operation, and maintenance—will provide good-paying jobs that can't be exported. These jobs will help rebuild, modernize, and strengthen America's industrial capacity. According to the US Department of Commerce, 20,000 new jobs are created for every \$1 billion invested in rail. By that metric, implementing a high-speed and intercity rail network could create as many as 1.6 million construction and manufacturing jobs.

Long range investment in new locomotives, cars and facilities is essential. "Today [Amtrak's] fleet is the oldest we've ever had," said Amtrak President Joseph Boardman in testimony given to the House of Representatives. The U.S DOT has a commitment from 30 foreign and domestic rail manufacturers to locate or expand operations in the U.S. if selected to do high-speed-rail work—meaning good-paying jobs for American workers.

This dynamic already is playing out. Besides foreign rail manufacturers opening up plants in the U.S., the Environmental Law & Policy Center (ELPC) released a 2015 study showing that more than 750 companies in at least 39 states manufacture components for passenger rail and transit rail today. That includes 212 companies in 32 states manufacturing passenger rail cars, locomotives or major components and systems for these vehicles. And—focusing on just two rail manufacturing regions, the Midwest and the Mid-Atlantic—ELPC

found more than 540 additional companies manufacturing sub-components, materials, track and infrastructure. They further found that these manufacturers are located in virtually every state, in diverse industries, and often in communities far from the transit and rail systems themselves, with the U.S. rail manufacturing industry as a whole supporting 90,000 jobs in total.



Rail operations also play an important economic role, with passenger and freight rail currently accounting for more than 300,000 well-paid, trained jobs in America. Amtrak alone employs 24,000 men and women in the U.S.

The Benefits of Passenger Trains: Expanding America's Economy

Investing in trains also fosters real estate development around stations served by passenger rail and transit, a synergy known as Transit Oriented Development (TOD). This promotes many non-rail jobs, walkable communities, and energy-efficient lifestyles. TOD can, in turn, be used to fund passenger rail investment through the use of Business Improvement Districts (BID's) and the nationally proven concept of Tax Incremental Financing (TIF).

The Cost of Doing Nothing

\$121 billion in annual cost to the U.S. economy due to congestion

2.9 billion gallons of fuel wasted in traffic each year

20,000 jobs for every \$1 billion invested in passenger rail

The most recent Texas Transportation Institute congestion report reveals that road congestion cost the U.S. \$121 billion—or \$818 per American commuter! That's up from an inflation-adjusted \$94 billion in 2000, and \$24 billion in 1982 (the equivalent of \$342 per commuter). In 2011, congestion caused 2.9 billion gallons of fuel to be wasted—or 19 gallons of fuel per commuter, and Americans wasted 5.5 billion hours in traffic, or an average of 38 hours per commuter (up from 16 hours in 1982).

With the U.S. projected to add nearly 100 million citizens by 2050, these congestion problems will increase exponentially. The U.S. can't pave its way out of this problem. How much of Gross Domestic Product do major economies reinvest in their infrastructure: China 9 percent, India 7 percent, Europe 5 percent and the U.S. only

9% of China's GDP spent on infrastructure

7% of India's GDP spent on infrastructure

2.4% of U.S. GDP spent on infrastructure

2.4%. To remain globally competitive, America must invest in a world class infrastructure. Promotion of intercity rail passenger service and better public transit will create a more efficient transportation system, cutting travel times and costs for travelers and businesses.

Actions

- Policy makers must identify a dedicated funding source for passenger train investment. A stable, multi-year source of funding will stimulate investment in the passenger train supplier industry and permit transportation officials and Amtrak to do proper planning work.
- "Level the playing field," so rail gets full consideration when transportation investments are decided. Increase flexibility in how states can use federal funds, so that state transportation leaders can use all modes to meet regional transportation goals and objectives.
- Invest in a railroad network—including rail infrastructure and a robust fleet of equipment—that will provide adequate capacity for steadily increasing demand. Develop financing mechanisms that will encourage federal, state, and private sector involvement.

