

**Statement of Kevin Artl  
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**Before the House Transportation & Infrastructure Committee  
House Subcommittee on Railroads, Pipelines, and Hazardous Materials  
hearing on “Funding a Robust Freight and Passenger Rail Network.”**

**Wednesday, March 4, 2020**

Chairman DeFazio, Ranking Member Graves, Chairman Lipinski, and Ranking Member Crawford, thank you for inviting me here today to discuss infrastructure improvements to the nation’s rail network.

I’d like to especially thank Chairman Lipinski for all of his work and engagement on Illinois infrastructure issues. As Illinois’ senior member on the Transportation and Infrastructure Committee, our state benefits greatly from both your leadership and your deep understanding of the issues, especially on the transportation side. In addition, the Congressman’s staff has always been knowledgeable and responsive to agency and local concerns.

I’d also like to thank and recognize Congressman Garcia and Congressman Davis, both of whom have been strong and reliable advocates for infrastructure improvements in Illinois. Congressman Davis’ district encompasses one of the most critical rail projects in our state and his support of the 10th street corridor project has been instrumental in its advancement.

As Chairman Lipinski mentioned, I’m the President and CEO of the American Council of Engineering Companies of Illinois—we are the voice of the engineering industry in Illinois, representing over 200 engineering firms and affiliates and their over 11,000 employees. Our primary mission is to strengthen the business environment for our member firms through government advocacy, political action, and business education. In addition, Illinois is a member of the national ACEC, where we join with 51 other state and regional councils representing more than 600,000 engineers, architects, land surveyors and other specialists.

ACEC member firms in Illinois and nationally are engaged in a wide array of engineering and related professional services for public and private sector rail clients, including Amtrak, Class I and short line railroads, and state and local governments overseeing passenger rail programs and facilities. Our members perform track design, bridge and tunnel inspections, right-of-way and surveying, and grade separations, as

well as planning and design for intermodal facilities, terminals, and yards, just to name a few.

I find it only fitting that Illinois is represented at this table given our state's deep roots in the development of the national rail network. By signing the Pacific Railway Act of 1862, President Lincoln began the process of bringing planning and design to this critical industry.

Let me briefly outline why this conversation and discussion of funding is so critical for Illinois and probably for every other state in the Union.

At the beginning of 2019, Illinois' road and transit system was facing nearly \$30 billion in deferred maintenance. Our infrastructure was graded at a C-.

Illinois had not had a multi-year capital plan since 2009—and that plan had many serious shortcomings.

In May of 2019, during the waning days of the state legislative session, the Rebuild Illinois Capital Plan was approved by the legislature and signed into law by Governor Pritzker.

The plan is a \$45 billion infrastructure investment with over \$33 billion going into Illinois' transportation system. It was critical, it was necessary, it is historic in its size and scope and it would not have been possible without the bi-partisan leadership of Governor Pritzker, and both Democrat and Republican leaders in the House and Senate.

But, after decades of neglect, it doesn't solve the entirety of Illinois's transportation challenges and that is why it is so critical that a national infrastructure funding program be approved. With the State of Illinois having now stepped up and done its share to improve infrastructure, I urge Congress to do the same.

At ACEC-IL, we see everyday in Illinois the need for more infrastructure investment, including in our passenger and freight rail system. Currently, Illinois has the second largest rail system in the nation with 41 railroads, including all seven class I railroads, providing service throughout the state, and from Illinois to every part of the nation. About 500 freight trains and 700 passenger trains including commuter lines, pass through Chicago every day. Overall, 25% of all US rail traffic touches Chicago, making Chicago the undisputed rail-hub of the United States.

However, given the age of the infrastructure, the high level of rail congestion, and the desire for more passenger and freight rail service throughout the State, more funding is needed. Projects like the 75th Street Corridor project in Chicago or the 10th Street

Corridor project in Springfield are critical to the future of the States' rail system, but currently lack the funding to be completed.

Therefore, the proposed investment from the House Transportation and Infrastructure Committee in rail of \$55 billion over five years is necessary to complete these critical projects and address the state of good repair backlog in Illinois's and our nation's rail system.

It is critical that the federal government be a reliable partner for the rehabilitation and replacement of public infrastructure assets. Federal funds are typically the catalyst that brings together state, local, and private sources of additional funding to address major projects.

That is certainly the case in my home state of Illinois, where federal funds for the CREATE project help drive additional investment from state and local partners. In the state infrastructure funding package that we enacted last year, we made sure to include transit and rail funding in addition to the increases for highways. In fact, passage of that bill would not have been politically possible if we had not included rail programs. And the need to match federal funds with state dollars was a driving factor.

Larger rail projects, including those in Chicago in particular, are tough to advance because of the magnitude of funding required and the partnerships needed to accomplish the project. For these projects in particular, the federal government plays an important role in helping bring the projects to fruition. From an engineering and business perspective, having the funding and project certainty provide by the federal government is critically important. It's hard for one of ACEC's members to complete a project, or keep it on time and budget for that matter, if it is not clear how the project will be funded or if the right partners are not part of the project. The federal government has long been a vital part of funding and partnering on infrastructure projects and needs to continue to be.

I want to touch on one notable example in the Chicago region that I believe could be a model for the Subcommittee, the Chicago Region Environmental and Transportation Efficiency or CREATE Program, which was launched in 2003.

And let me outline, from an Illinois perspective, just how critical that investment is

Currently, Illinois has the second largest rail system in the nation. In all, 41 railroads provide service throughout the state, and from Illinois to every part of the nation. About 500 freight trains (totaling about 37,500 freight cars) and 700 passenger trains including commuter lines, pass through Chicago every day.

### **The role Chicago plays in the national rail network is substantial:**

1. 25% of all US rail traffic touches Chicago
2. 46% of all intermodal units in the US touch Chicago
3. 54% of intermodal units to/from the ports of Seattle touch Chicago
4. 26% of intermodal units to/from Los Angeles/Long Beach touch Chicago

Freight rail trade (by value) within Chicago will more than double from 2012 to 2045. Region must improve freight movement and minimize passenger, motorist delays, and mitigate negative impacts.

Freight movement is a national and international issue, hence the CREATE Program was formed in 2003.

**A \$4.6B Public Private Partnership (PPP) designed to improve transportation flow through Chicago.** Partnership includes the following: USDOT (FHWA & FRA); IDOT; CDOT; Cook County: 6 Major North American Freight Railroads and 2 Switching Railroads; 2 Passenger Railroads (Amtrak and Metra).

The Program consists of **70 freight and passenger projects** focusing on:

- a. Increase capacity, speed, and reliability for freight train traffic
- b. Separation of freight and commuter trains at six key junctions
- c. Elimination of 25 roadway/rail grade crossings (grade separations)

The CREATE program is a leading example of the progress we can make on infrastructure if freight railroads, passenger railroads, local communities and state and the federal government all work together. Since 2003, over \$1.6 billion has been spent and 30 projects have been completed through the CREATE program including projects that required creative engineering solutions from ACEC members like the Englewood flyover and the ongoing 75th CIP project. Just this last year, Illinois committed an additional \$400 million for the CREATE program as a result of its newly enacted capital bill.

### **Key Program Benefits (Full Implementation of CREATE program)**

- ***Economic Development*** –
  - 30-year benefits (2015\$) at \$31.5 Billion
  - Generate an estimated 44,000 job years\*
- ***Mobility*** –
  - Passenger train delay will be reduced by over 1.3 million passenger hours annually by 2051
  - Average 92,000 hours of truck delay and 230,000 hours of motorist and bus passenger delay will be avoided due to elimination of at-grade crossings.

- **Safety** - Avoid estimated 200 vehicle crashes with trains over 30 years
- **Environmental** - 2,800 metric tons per year of avoided emissions from idling vehicles waiting for trains to pass
- **Transportation** - Improve rail system capacity will enable an extra 50,000 freight trains to travel through Chicago rail network annually in 2051 compared to no improvements.

As successful and data-driven as the CREATE program is, it still needs to be fully-funded to achieve the efficiencies and advantages outlined above. Not just mobility and economic—but safety. In particular, most of the 25 grade separations have not been completed yet, with many of those projects not started at all.

Illinois ranks in the top 5 of grade crossing accidents and fatalities. New incentives, greater flexibility and increases in funding for grade crossing separations, should be considered a priority need in the new Federal bill. ACEC IL members have been working on innovative approaches to grade separations and are ready for the challenge. Funding these grade crossing separations, and similar projects across the country, will provide not just mobility and economic benefits—but save lives.

Grade separation is a local issue with national implications. Locally, it's a quality of life and safety issue for communities. The lack of grade separations creates longer commutes and poses safety risks for commuters, pedestrians as well as threatening access for first responders.

A focus on grade separation will not only increase safety, but also mobility on a global scale. More efficient truck movement means getting goods and services to markets across the nation and the world quicker.

The Illinois Department of Transportation, under Acting Secretary Omer Osman, operates one of the most substantial, efficient and effective passenger rail programs in the United States, but implementing multi-year freight and passenger programs that can meet rising consumer demand is a challenge for the industry with future funding remains inconsistent or unknown. Tackling real infrastructure needs in a timely and efficient manner requires a high level of consistent and plannable investment.

As the amount of competitive grant program applicant submittals to USDOT over the last decade or so indicate, the capital need in our rail industry is large, and we certainly struggle to meet that demand, for both freight and passenger rail. The entire mode of transportation would truly benefit from robust, sustained and dedicated annual funding, similar to other modes of transportation.

In addition, Congress should look at the need for new rolling stock equipment for passenger rail in this country, and do what they can to support both Amtrak and the states' ongoing efforts to revitalize the passenger rail experience with new fleet replacements. This support shouldn't be limited to just initial capital procurement, but also carry through the life cycle capital overhauls of that equipment as it ages in service.

### **Other Project Delivery and Procurement Recommendations**

Finally, allow me to bring three policy recommendations to your attention that impact the rail programs that are the subject of today's hearing, but also have broader implications for all transportation agencies and clients.

I would urge you to oppose policies that restrict the ability of public agencies to contract with private sector firms. From my experience working for a public agency, I viewed consultants and engineers as a trusted advisor and they played an essential role in every aspect of our work—from planning to design to inspection to quality control. From my experience, the access to private sector experts allowed my public agency to become more innovative, more efficient and more forward-thinking.

Second, I would encourage you to promote contracting and selection policies that ensure qualified engineering services. Federal statutes and most state laws require procurement of engineering services through Qualifications-Based Selection (QBS), a competitive procurement process that puts emphasis on identifying the most experienced and technically qualified firms at a fair and reasonable cost. This has been the law of the land for nearly 50 years, and it is the gold standard for professional services procurement.

The surface transportation reauthorization should maintain and expand public procurement rules that require the use of QBS to emphasize innovation and qualifications to facilitate successful project delivery.

Third, ACEC would like to promote the utilization of more lump sum contracting by federal, state, and local agencies. Lump sum is a negotiated payment method that provides for a fixed price not subject to adjustment because of changes encountered in the performance of the work. The consultant assumes responsibility for costs over or under the negotiated price assuming there is no change in the scope of the project. This payment method increases the firm's flexibility to manage the project (relative to a traditional cost-plus-fixed-fee contract using hourly rates), including the assignment of staff and utilization of advanced technologies. During my term as COO of the Illinois

Tollway, we executed a pilot lump sum contract program that was immensely successful. Overall, we found lump sum contracting to be incredibly more efficient—reducing the amount of paperwork and staff time while also reducing the payment cycle.

There are no statutory barriers to lump sum; it is an authorized payment method under federal regulations. However, ACEC would support efforts inside the reauthorization bill that might include provisions to encourage its use on federally funded projects for state and local transportation agencies when utilizing federal-aid funds.

In conclusion, I want to thank Congressman Lipinski and the Subcommittee again for the opportunity to testify. At ACEC-IL, we see the need for greater infrastructure investment every day across our state, including in our freight and passenger rail systems. It was a momentous achievement last year when the State of Illinois passed a capital bill for the first time in 10 years and I'm hopeful this will be the year Congress steps up to the plate as well. Our nation deserves nothing less than a world-class transportation system and ACEC-IL and its member companies stand ready to help and figure out how to get there. We just need your partnership.