

What Massachusetts Can Learn from Cancelled High Speed Rail Projects

*Marketing High Speed Rail
to the American Taxpayer*

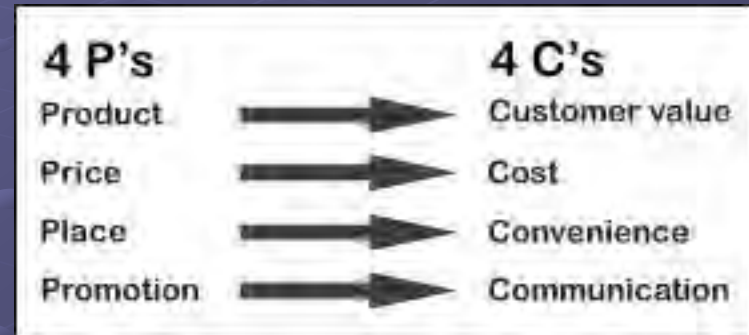


Richard J. Arena

Association for Public Transportation

8 June 2011

Marketing



What is the *Value Proposition* for **ALL** Customers?

What's the Problem?

High Speed Rail Has
An Imaging Issue.

Branding
Product Differentiation



General Motors 1970



Buick Electra



Cadillac Fleetwood



Pontiac GTO



Olds Cutlass

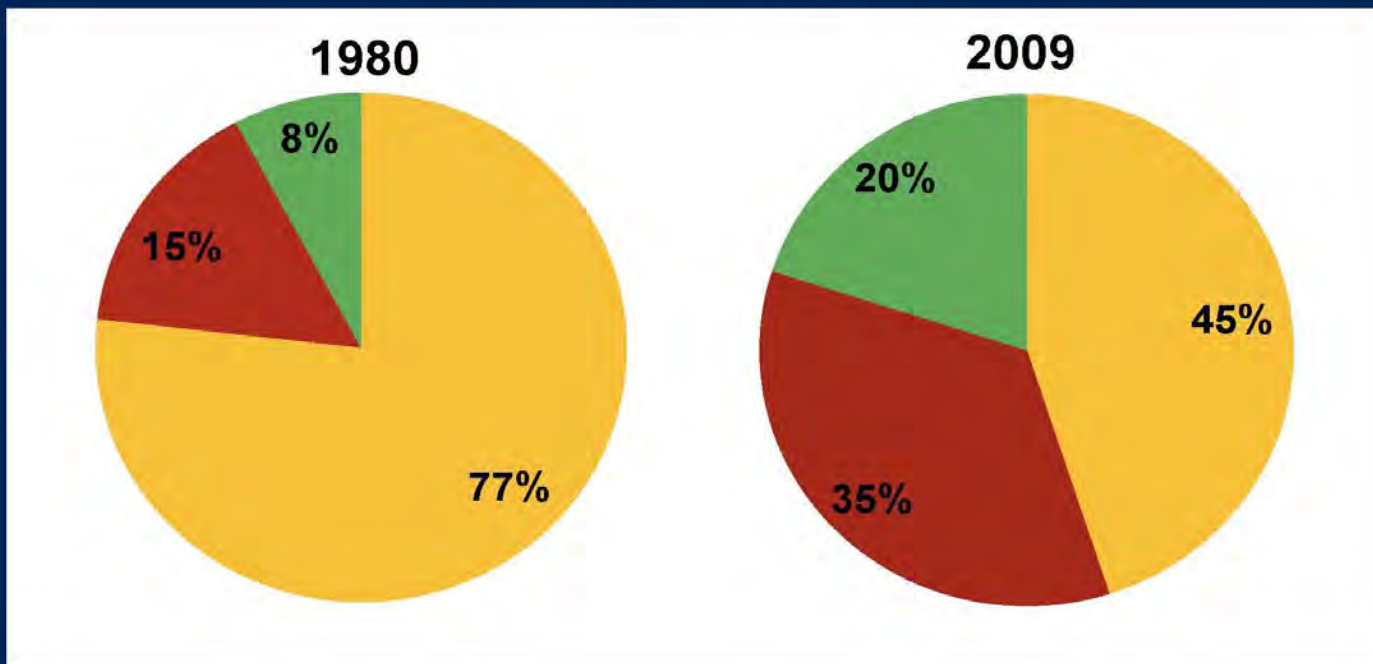


Chevy Nova



Detroit lost 1/3 of the market

Share of U.S. light vehicle sales



Detroit, Japan Three, Other

Thomas Klier, Senior Economist
Federal Reserve Bank of Chicago



Shared Platform – J Car



Olds Firenza



Cadillac Cimmaron



Pontiac Sunbird



Chevy Cavalier



Buick Skyhawk



What is the HSR Product?

Perception



Shinkansen

Reality



Downeaster



What Do These Cancelled Projects Have in Common?

● ARC (NY/NJ)



● Florida HSR



● Ohio 3C



● Wisconsin HSR



Lessons Learned: HSR Project Submissions

- Careful Use of Terminology
- Define Market / Deliverables
- Technical / Operational Constraints
- Political / Financial Considerations



“Higher” Speed vs High Speed

“Higher” Speed Rail

- 90 to 120 mph top speed
- Shared ROW
- Diesel or Electric
- “Relatively” Standard

High Speed Rail

- 200+ mph top speed
- Dedicated ROW
- Electric
- Custom / Semi-custom



“Higher” Speed vs High Speed

Higher Speed Competition

High Speed Competition



“Higher” Speed Rail Requirements

● Speed

- 70 to 80 mph average speed (Class 4, 5)
- 110 to 125 mph top speed (Class 6, 7)
- Faster than car or bus

● Frequency = Convenience

● Competitive Pricing – Subsidized?



High Speed Rail Requirements

● Speed

- 150 to 200 mph average speed (Class 7,8)
- 200+ mph top speed (Class 9)
- Competitive with air (city center to city center)

● Frequency = Convenience

● Competitive Pricing – No subsidy required



High Speed Rail Parameters

- Distance:
 - 200 to 600 mile “sweet spot”
- City Pairs with Population Density
- Business & Commercial Interests
- Infrastructure to Feed Passengers to HSR
 - Commuter Rail, Subway, Light Rail, Trolley
 - Higher Speed Rail
- Financial Resources & Political Will



Analysis of Cancelled HSR Projects

● ARC (NY/NJ)

Financial, Convenience



● Florida HSR

Distance, Political



● Ohio 3C

Speed



● Wisconsin HSR

Political



Coast to Coast HSR



Designated HSR Corridors



Strategic Issues – Rail Advocacy

● Transportation Funding

- Must be apolitical and agnostic

● Build a wider coalition

- Democrats & Republicans
- Business & Labor
- Private & Public Sectors
- Progressives & Tea Party
- Public Transportation & Auto/Plane Users

● How unwavering are current rail allies?



Rail Support Query 1

Pick 2 of 3



Rail Supporter Query 2

Pick 2 of 3



Recommendations

- Make the Business Case for HSR
- Broaden Marketing
 - Push Benefits, not Features
 - Explain Direct Benefits to non-HSR Users
 - Decouple HSR from Environmental Strategy
 - De-emphasize Price of Oil
- Fix the Name → “True” HSR
- Which Leads to.....



HSR – Air Travel Linkage

● HSR Litmus Test

- Competitive with Air Shuttle Travel

● FAA & HSR from Same Funding “Pot”

● Establish HSR “Trust Fund”

- User Fee added to every airline ticket
- ~800 million/yr @ \$10/ticket = \$6 - 8 BILLION/yr

● Start Building!!!



Amtrak Next-Gen High Speed Rail in the NEC



Al Engel
Vice President - High Speed Rail, Amtrak
A P T - M A R P
Boston, MA - March 26, 2011

The Northeast Corridor Infrastructure Master Plan



MAY 2010



Prepared by
The NEC Master Plan Working Group
Including representatives of twelve states,
District of Columbia, Amtrak, FRA, eight
commuter and three freight railroads
operating on the NEC.



**States and railroads working together to define and implement
a vision for the future of rail transportation in the Northeast**

version 1.0



New York to Washington



Challenges

- Utilize existing NEC corridor where possible
- Providing service to built-up downtown areas in key cities

Analyzed Alignment

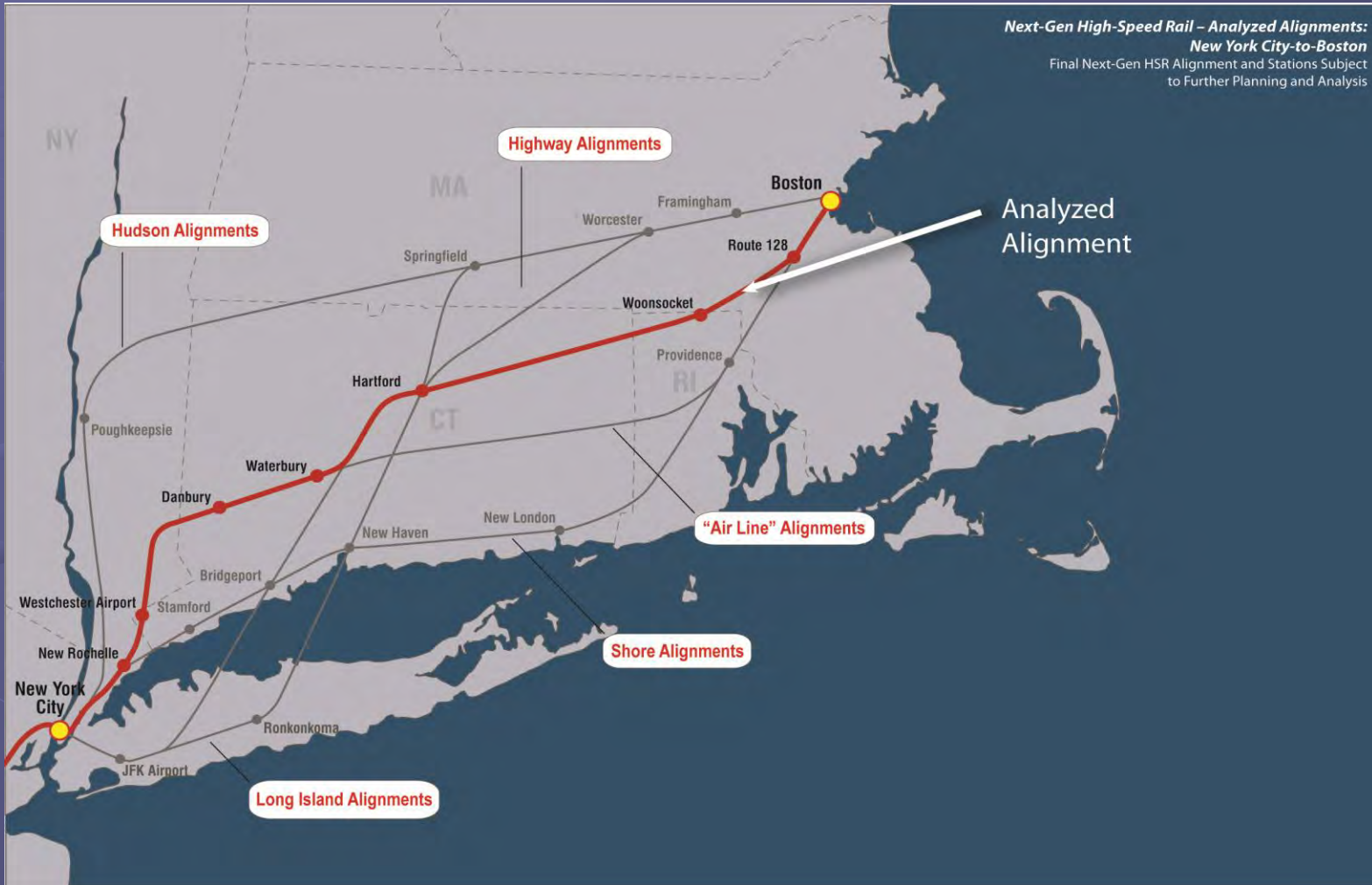
- Substantially parallels NEC
- New stations in Baltimore and Philadelphia more centrally located



New York to Boston



Next-Gen High-Speed Rail – Analyzed Alignments:
New York City-to-Boston
Final Next-Gen HSR Alignment and Stations Subject
to Further Planning and Analysis



Stations & Facilities



Stations

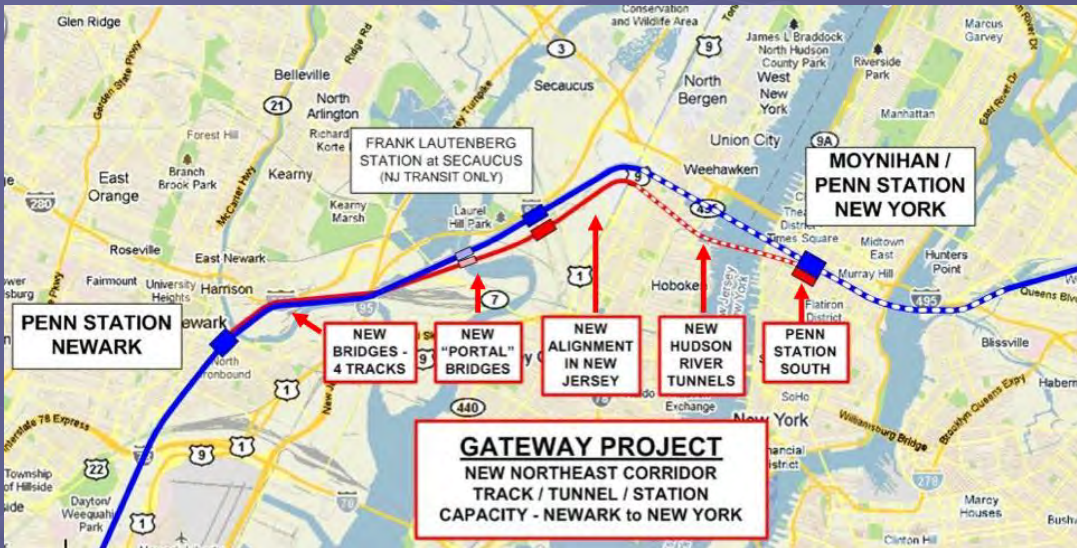
- Modern, spacious designs
- Safety & security features
- Convenient multi-modal connections
- Energy-efficient, green Design coordinated with local community
- Public/private partnerships, commercial and residential development possibilities



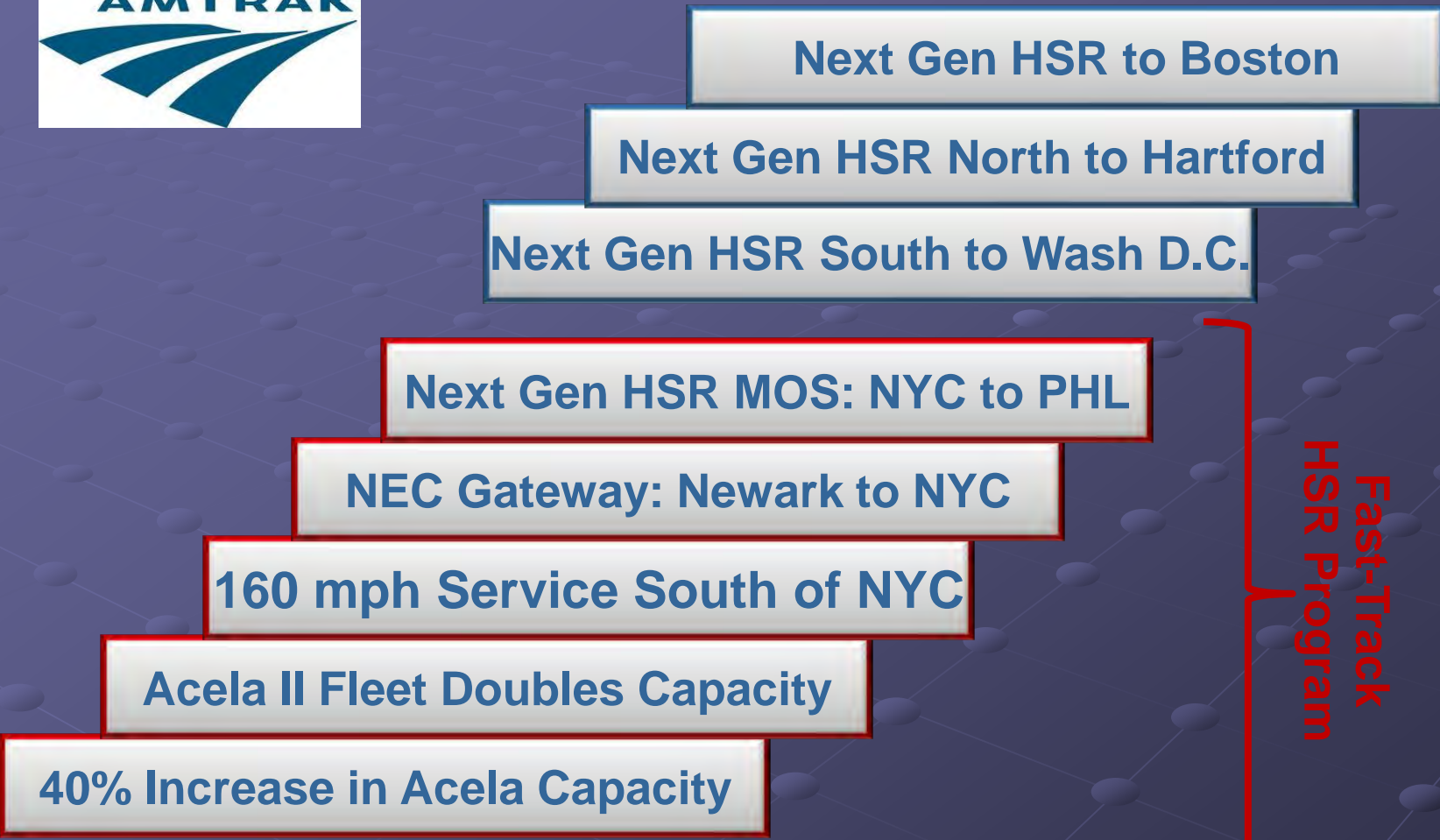
Manhattan Expansion



NYC Gateway -Penn/Moynihan



NEC Stair-Steps to Next-Gen HSR Vision

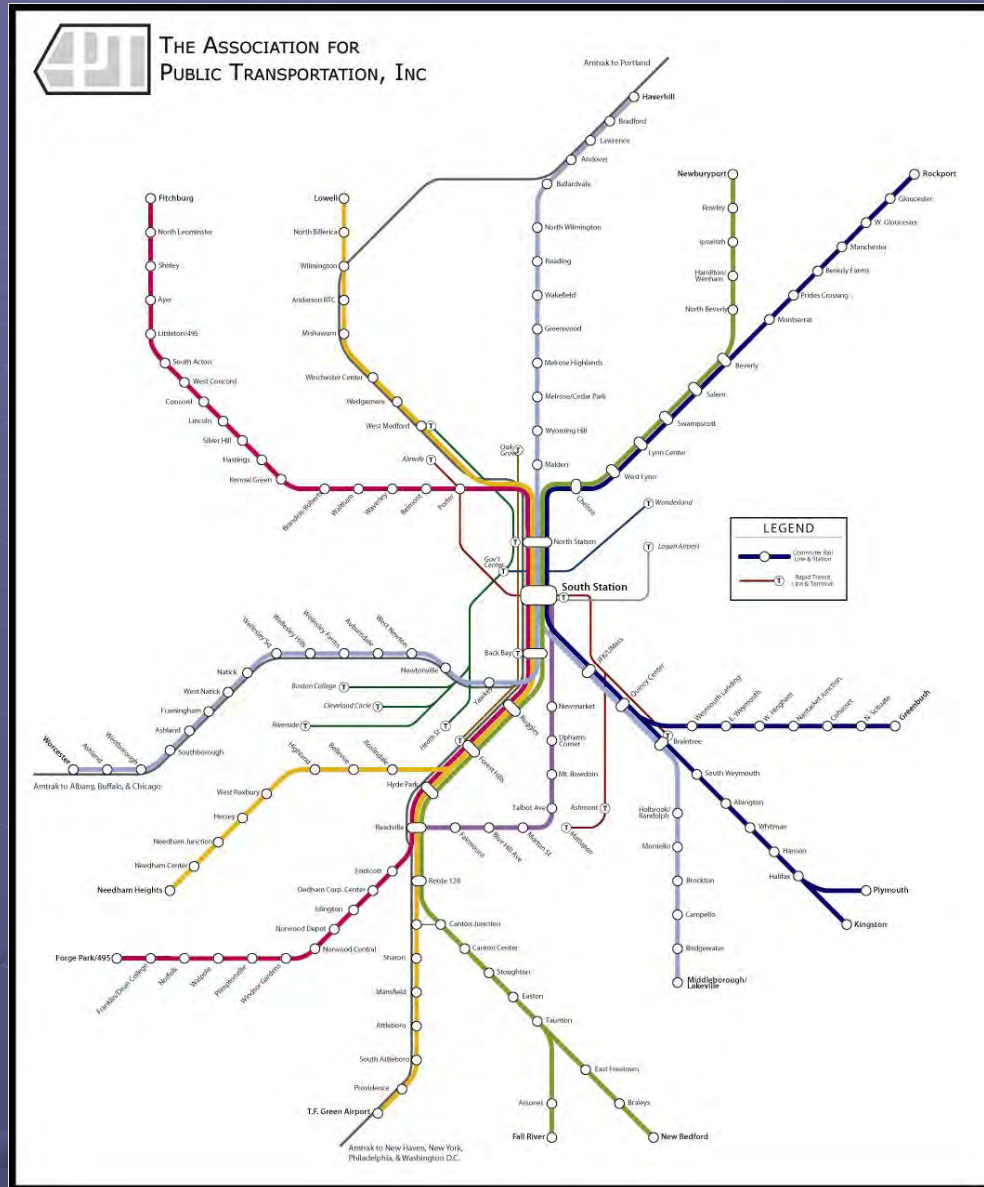


Massachusetts Conundrum

- So much to do, no money to do it
 - Costs, revenues, capital expenditures
- Commonwealth not keeping pace
- Decisions needed--transportation priorities
- Southeast Corridor (DC -- Atlanta) poised
- Stress strategic projects
 - What can revitalize the entire region?
 - Restore economic competitiveness?



North/South Rail Link



The Northern Gateway to the High Speed NEC



Competitor City Facilities



Grand Central Terminal
New York City



Union Station
Washington DC

Association for Public Transportation -- Massachusetts Association of Railroad Passengers

Thank You!!



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Port Authority NY/NJ



Bayonne Bridge Replacement



Greenville Yards Upgrade

Port of Norfolk VA



Major Port Upgrade



Major Rail Upgrade:
Norfolk - Chicago



Port of Savannah GA



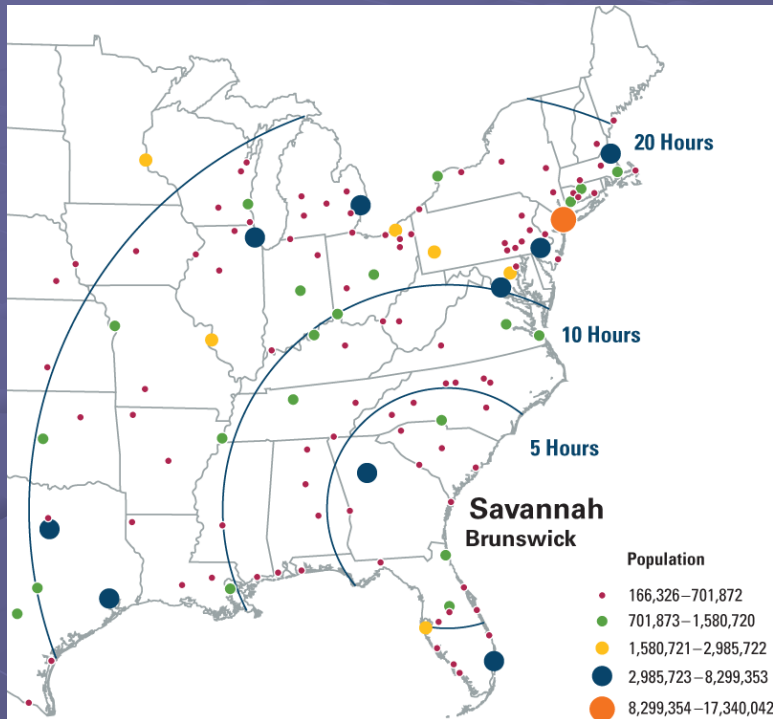
Highway Distribution Routes



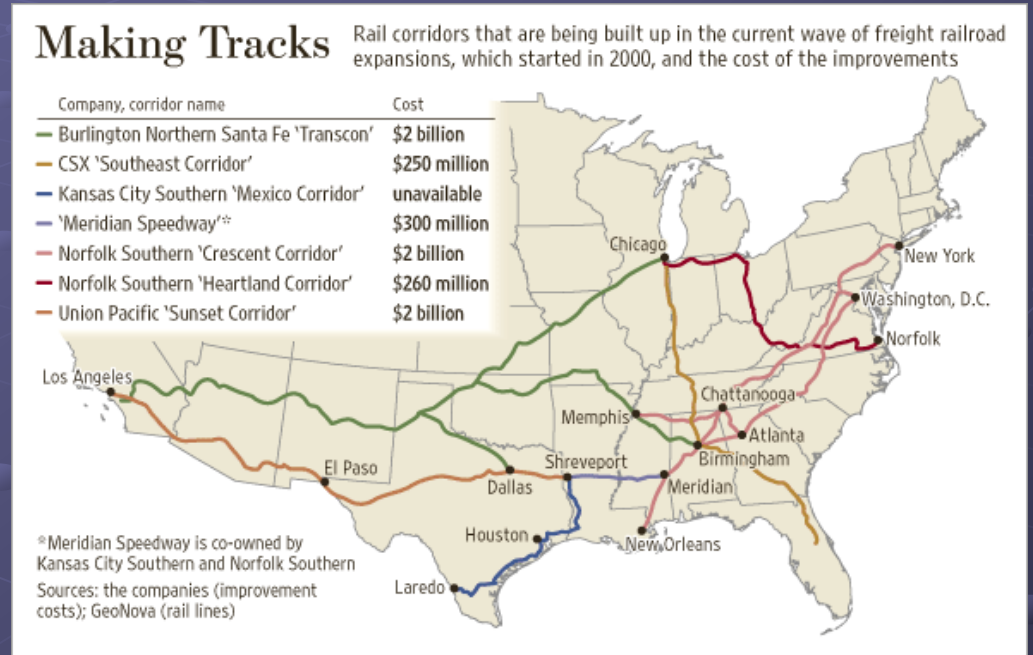
Railroad Distribution Routes



Freight Logistics



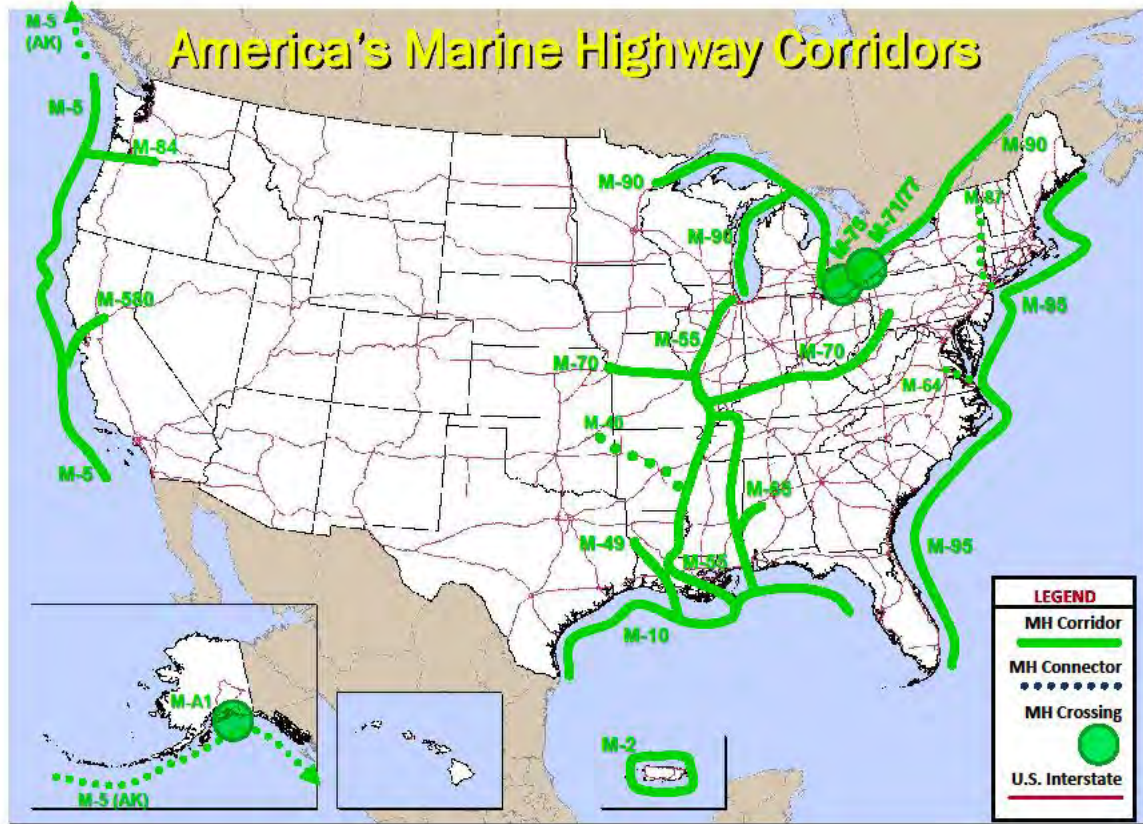
Major Eastern Cities



Major Freight Railroad Investments



Marine Highway 95 (M-95)



Seaport of Boston



LNG Facility



Seaport?

Association for Public Transportation -- Massachusetts Association of Railroad Passengers

Thank You!!



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