

Chicago Rail Improvement Plan

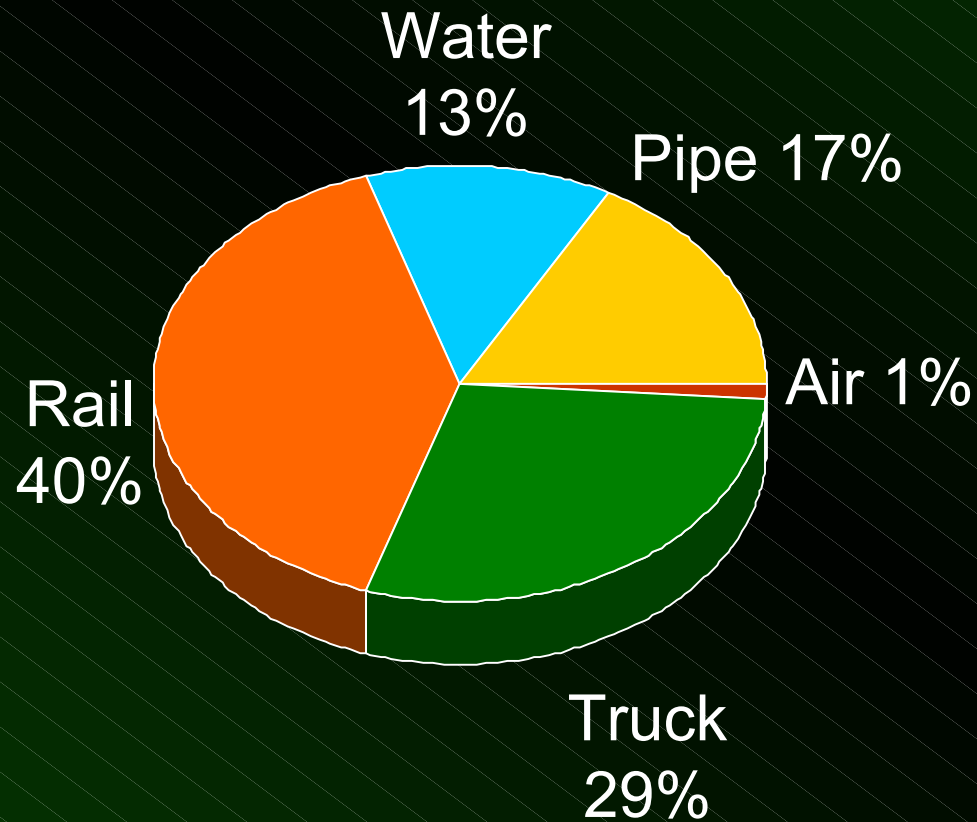
“CREATE”

**Chicago Regional Environmental and
Transportation Efficiency Program**

December 16, 2003

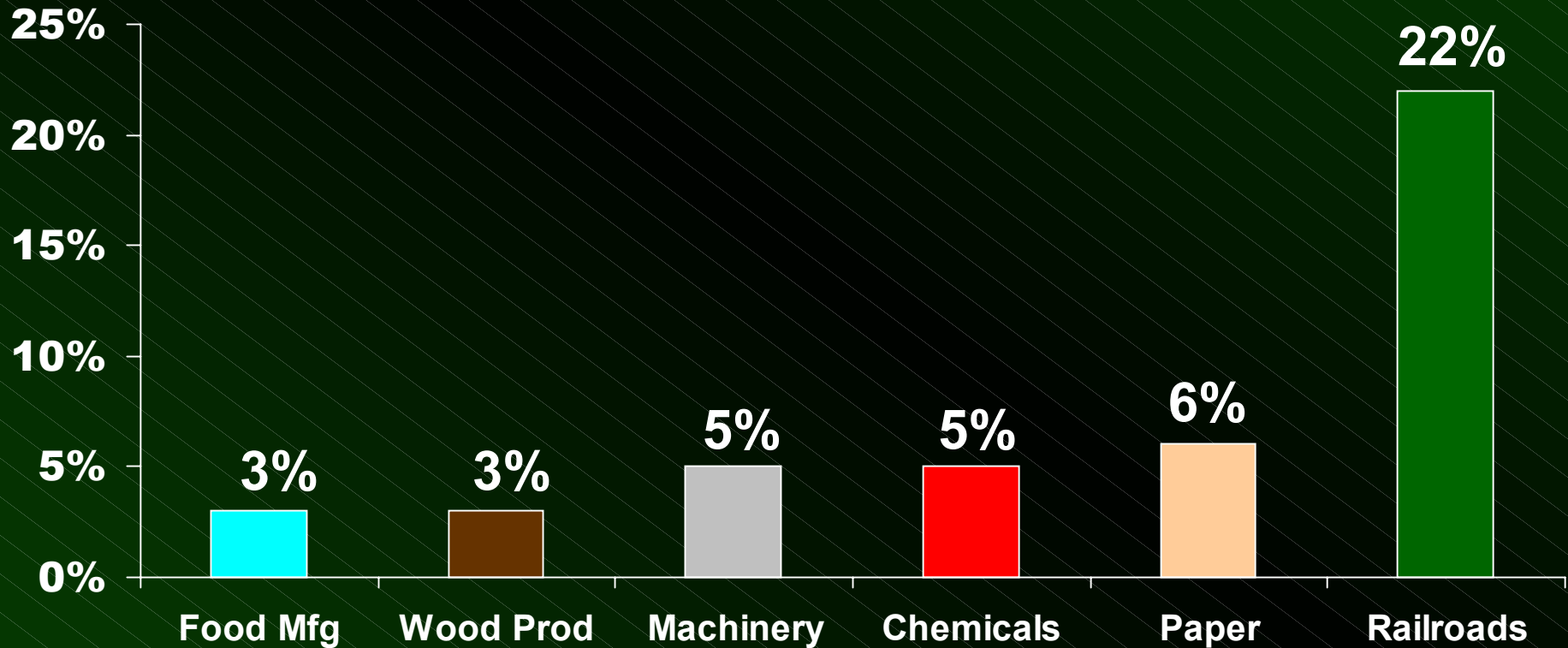
U.S. Freight Transportation

Ton-Miles

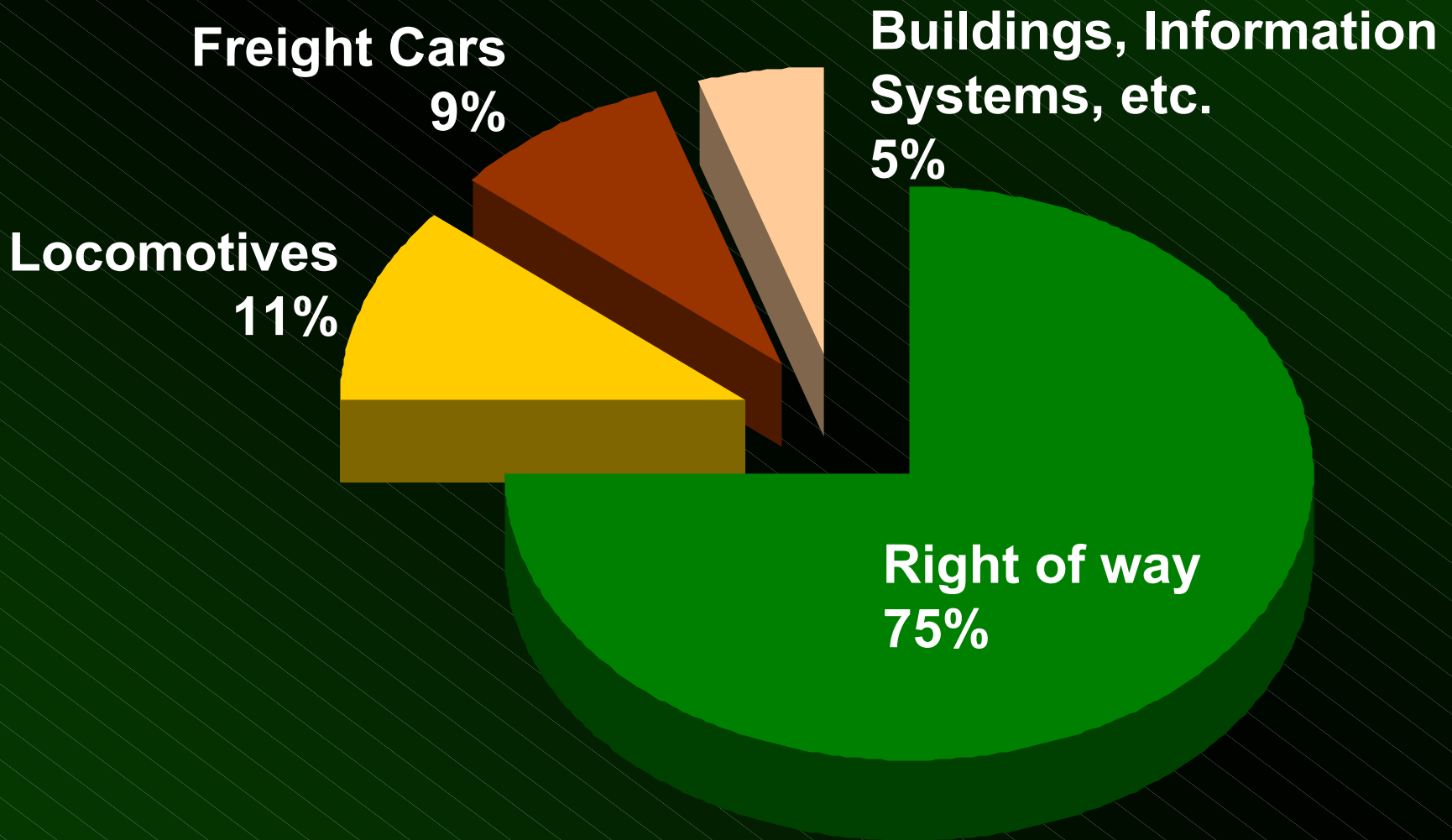


Railroading is America's Most Capital-Intensive Industry

Capital Expenditures as a % of Revenue

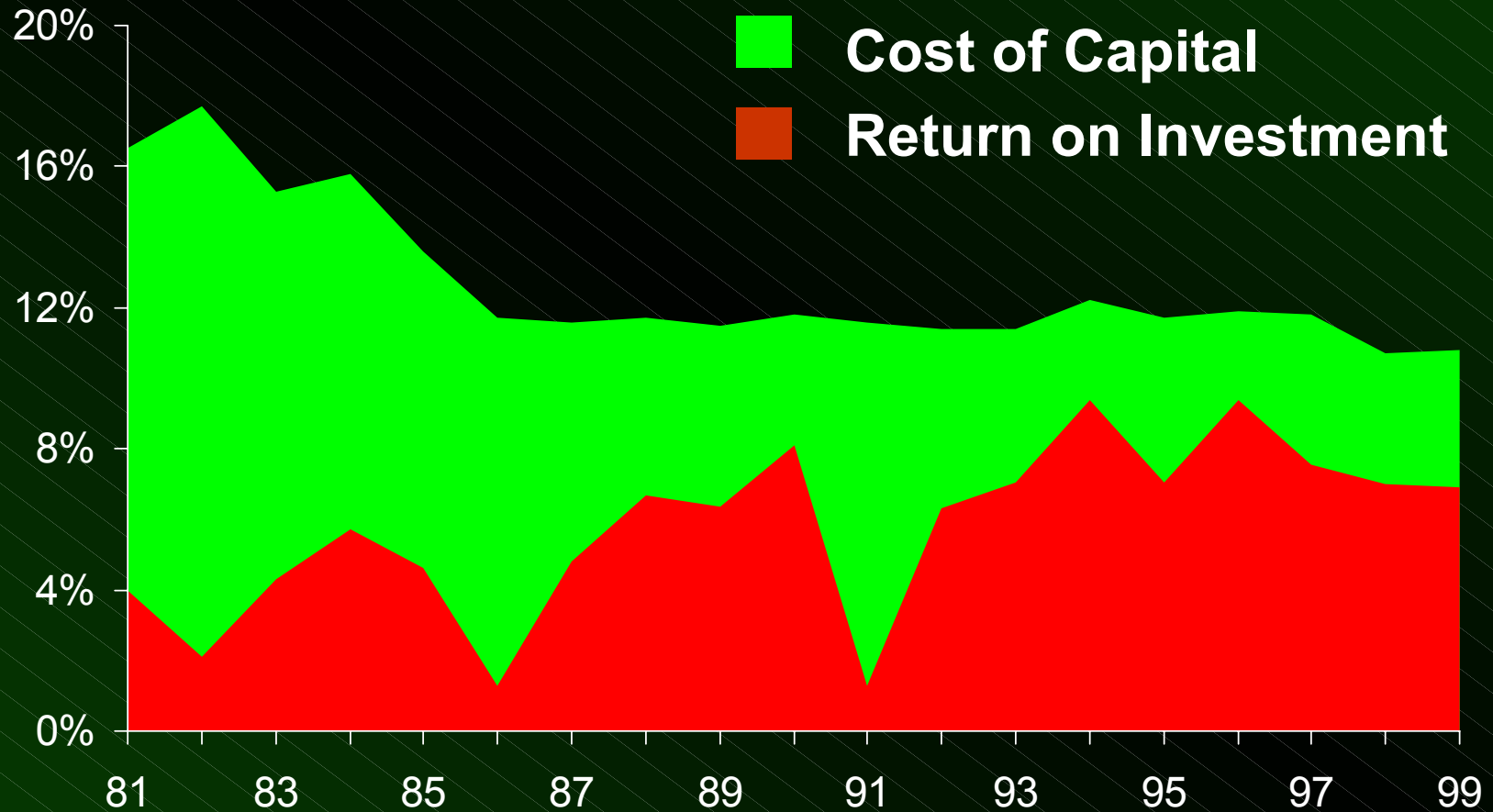


Rail Industry Investments



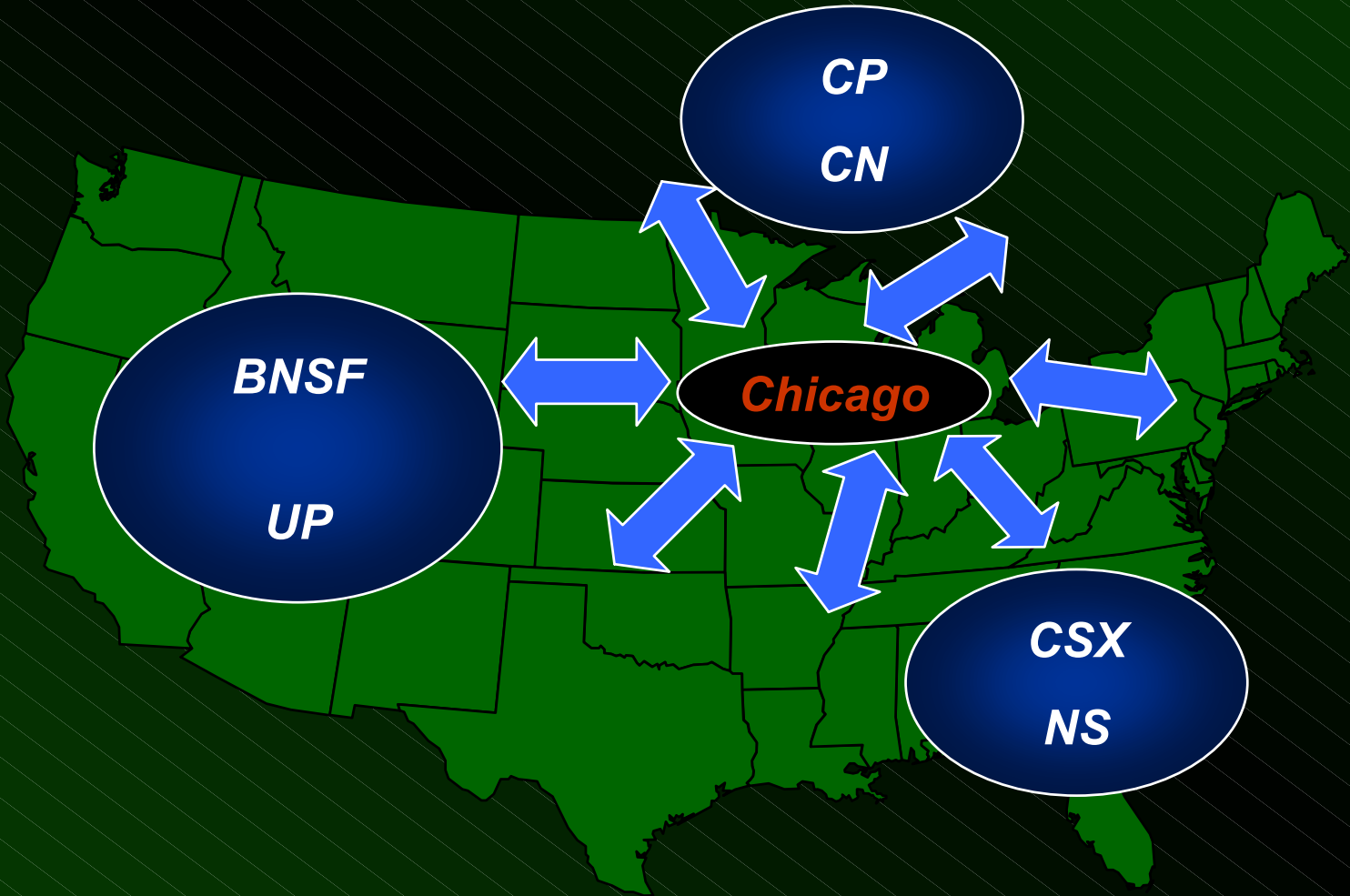
Source: Transmatch Consulting

Railroad Cost of Capital vs. Return on Investment



Source: Surface Transportation Board

Chicago is North America's Rail Hub



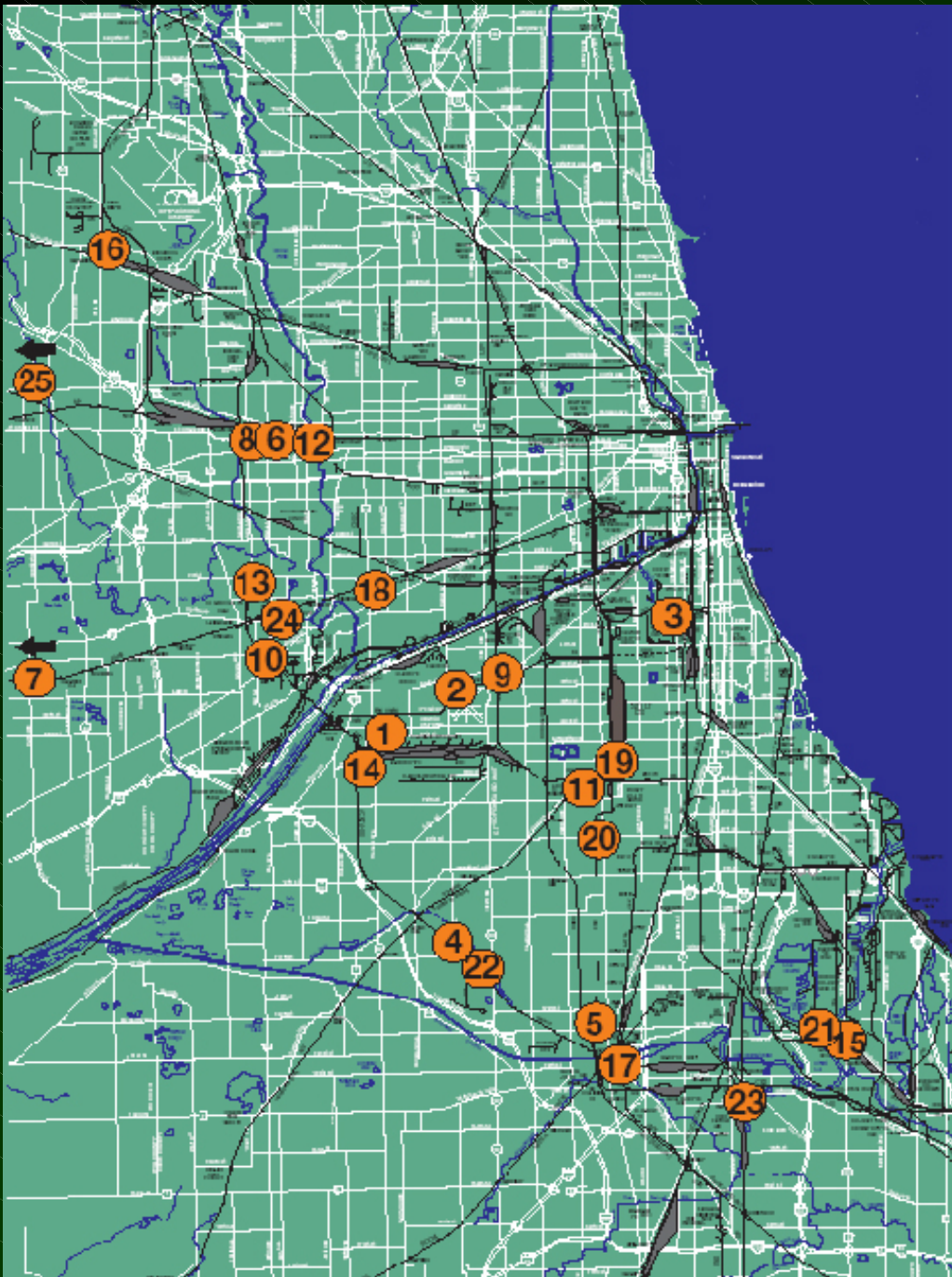
Chicago's Rail Operations and Infrastructure are Complex

- 1,200 daily trains
- 12 commuter rail routes
- 18 intermodal hubs
- 70 yards and terminals
- 2,800 track miles (excluding yards)
- 900 highway-rail grade crossings
- 132 rail-rail grade crossings

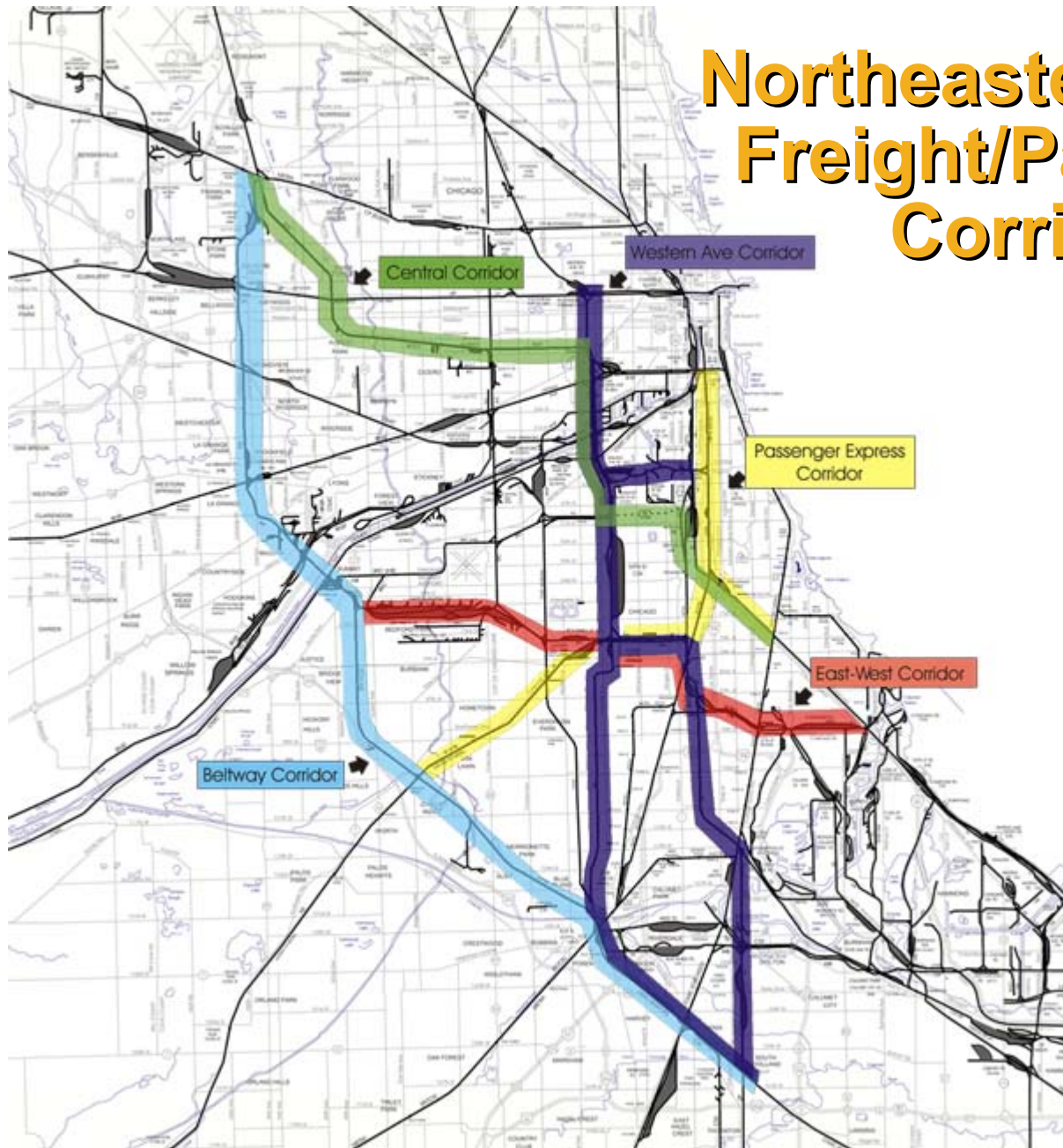
Proposed Chicago Rail Plan

- Focus operations on 5 key corridors
- Build 25 highway / rail grade crossing separations
- Build 6 rail / rail “flyovers”
- Extensive track and switch replacement
- Improve train control systems

Proposed Grade Separation Projects



Northeastern Illinois Freight/Passenger Corridors



Estimated Project Cost \$1.5 Billion

- \$406.3 MM Railroad projects
- \$397.6 MM Highway/Rail Grade Separations
- \$356.0 MM Rail/Rail Grade Separations
- \$ 60.0 MM Viaduct Improvements & Safety
- \$ 40.0 MM Technology
- \$ 23.7 MM Property, Relocation, Environmental Mitigation
- \$250.0 MM Contingencies & Inflation

Estimated Regional Public Benefits \$3.9 Billion

● Air quality improvements	\$1,120 MM
● Reduced motorist delays at grade crossings	202 MM
● Rail commuter's time saved	190 MM
● Highway accidents avoided	94 MM
● Highway construction avoided	77 MM
● Grade crossing accidents avoided	32 MM
● Construction (wages, materials, etc.)	<u>2,194 MM</u>
	\$3,909 MM

Proposed Sources of Funds

- \$212 MM Freight Railroads
- \$ 20 MM Metra
- Federal / Surface Transportation Funding Reauthorization
- State / Next Version of “Illinois First”
- Philosophy:
 - Private capital commensurate with private benefits
 - Public capital commensurate with public benefits

Next Steps

- Generate support at local, state, and national levels
- Begin engineering 2003
- Refine funding strategies
- Start construction 2005?
- Ten-year build-out
- Requires unprecedented cooperation between railroads, and among local, state and federal government agencies