

Statement of Mark Yagelski

LaPorte County Councilman and Chairman of the Northern Indiana
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Hearing on H.R. 6707, the "Taking Responsible Action for Community
Safety Act" before the House Transportation and Infrastructure
Committee

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Good Morning Chairman Oberstar, Ranking Member Mica, Members of the Committee. My name is Mark Yagelski and I am a LaPorte County Councilman and Chairman of the Northern Indiana Commuter Transportation District Board of Trustees. I am honored to appear before you today and I appreciate the opportunity to offer NICTD's strong support of H.R. 6707, the Taking Responsible Action for Community Safety Act.

On behalf of NICTD, we applaud the Chairman's common sense approach to reforming the Surface Transportation Board's (STB) approval process of proposed mergers and acquisitions. Thank you for making these reforms a priority by holding this hearing today. NICTD would also like to thank Congressman Visclosky for his co-sponsorship of this important legislation and for being our constant and ardent champion here in Washington.

This year NICTD is celebrating the 100th anniversary of the South Shore passenger service and I am pleased to share with you that the line is experiencing another record year of increasing ridership. Even before gas prices reached a whopping \$4 a gallon, more and more Hoosiers were turning to NICTD in search of a non-automobile transportation alternative. This is an exciting time for commuter rail; however we are deeply concerned that the STB's current process will literally derail our efforts to provide even greater service to our communities.

When most people think of commuter rail and transit systems, big cities like Boston and New York come to mind. But let me tell you, transit is alive and well in northwest Indiana. The demand for increased service is at a fever pitch with the promise of new service south to Lowell and east Valparaiso. Known as the West Lake Corridor, this proposed expansion has sparked a groundswell of support that we cannot afford to lose. Simply put, NICTD is a critical piece of Indiana's transportation infrastructure and we represent the future of northwest Indiana. I would like to take this opportunity to tell you a little about NICTD so that you can fully appreciate what transit means to us.

NICTD owns and operates the South Shore Commuter Train Line which serves communities from South Bend, IN to Chicago, IL. NICTD was established in 1977 by an act of the Indiana General Assembly in response to the threatened abandonment of South Shore passenger service which has been in service since the early 1900's. The South Shore Line is a major contributor to the economic engine of northern Indiana and southeast Chicago, operating more than 12,800 trains annually carrying more than 4.2 million passengers to high paying Chicago jobs. South Shore riders return an excess of \$225 million in salaries and wages to northwest Indiana. Since the mid-70's ridership has grown from 1.5 million to over 4.2 million passengers in 2007. This is the highest ridership level in 50 years. The South Shore is uniquely positioned in the heart of Chicago's Loop within easy access to approximately 500,000 jobs, nearly doubling the job base of Lake and Porter counties, Indiana.

Positioned against this backdrop of economic necessity is the potential to unlock even greater opportunity for northwest Indiana. The benefits of the West Lake Corridor are numerous and cannot be overstated. This type of transportation investment would spur local economic development, reduce vehicle miles traveled (VMT) thereby limiting the harmful production of greenhouse gases and open up thousands of good paying jobs. It's good for the economy, good

for the environment and good for our pocket books. There are too many facts that we cannot ignore, specifically:

- **JOBS:** There is an overwhelming need to provide efficient access from northwest Indiana to the Chicago job market. In 2004, the average job in Cook County, IL paid almost 40% more than the average job in northwest Indiana. Chicago jobs paid higher wages than jobs in northwest Indiana in every industry except manufacturing, and significantly higher wages in white collar industries (Northwest Indiana Regional Development Authority Comprehensive Economic Development Plan, January 9, 2007, page 31).
- **CONGESTION:** A study commissioned by NICTD found that by the year 2030, Interstate 90/94 in Cook County, the Borman Expressway, Interstate 65 in Lake County, and many portions of U.S. and State highways will be operating at or above their traffic capacity. The same study found that the north/south roads linking southern Lake and Porter counties to the East/West Interstate highway system into Chicago cannot support expected transportation demand. Congested interstates add up to more time wasted for commuters and lost productivity for businesses.
- **COST SAVINGS:** A report by the Victoria Transport Policy Institute states that public transit in cities with large rail systems provides \$279 per capita in congestion cost savings, while transit in bus-only cities provides only \$41 per capita.
- **ECONOMIC DEVELOPMENT:** Transit lines and economic development go hand in hand. Munster, Gary, Dyer, Cedar Lake, Portage and Valparaiso are beginning to include transit-oriented development in their city planning, underpinned by NICTD's West Lake corridor expansion. Developers and industries are attracted to areas that invest in rail transit and through smart land-use and outside investments we can create sustainable communities.
- **LOCAL ECONOMY:** An analysis by the Northwest Indiana Regional Development Authority indicates that by year 2030, the rail line's operation will bring more than \$1.8 billion (as measured in today's dollars) to the region from workers who hold jobs in Chicago.
- **RETURN ON INVESTMENT:** It is estimated that over the seven years it will take to construct the West Lake Corridor, this investment will return \$36.8 billion [NPV] in personal income during the period, and produce 26,480 jobs. At the same time, this investment returns \$81.9 billion in total economic activity (Northwest Indiana Regional Development Authority Comprehensive Economic Development Plan. January 9, 2007, page 36).

I recognize that the focus of today's hearing is not to espouse the benefits of transit, however, it is important for the committee to appreciate exactly what is at stake. Even more so, it is essential that I highlight the tremendous benefits of the West Lake Corridor in my testimony as you will find all of this critical information absent from the STB's Draft Environmental Impact Statement

(EIS) concerning the proposed the acquisition of the Elgin, Joilet & Eastern Railway (EJ&E) by Canadian National (CN). In fact, the draft EIS dismisses the future of transportation in northwest Indiana as "not reasonably foreseeable." Draft Environmental Impact Statement, Finance Docket No. 35087, pages ES-12. This statement is factually inaccurate and could not be further from the truth.

Let me set the record straight; the West Lake Corridor is alive and well. The project, which has been at the forefront of planning efforts for the past two decades, has strong support at the local, state and federal levels and is moving ahead. We are about to complete an Alternatives Analysis for Phase I which is a critical step in determining eligibility in the Federal Transit Administration's New Start Process. As you are aware, this is a highly competitive process and statements like those made by the STB only serve to undercut the project. In addition, earlier this year state legislation to help finance the project was approved by one House of the Indiana Legislature. We expect the Legislature to continue these efforts during the next session.

Most troubling, the draft EIS severely limits our ability to negotiate a right of way agreement with CN. Obtaining such an agreement is the linchpin of the expansion towards Valparaiso. Moving both goods and people is essential to the economy, however STB's draft EIS is incredibly shortsighted and fails to recognize the need for increased transit capacity in this corridor. This is a significant shortfall and it will cripple our economy should it become final. There is simply too much at risk, too much potential that will not be realized, too much previous work and planning that will be lost.

While the acquisition of the EJ&E may be just one of the many that STB will review this year, our situation brings to light an urgent need for reform. In particular, NICTD supports the Chairman's legislation which would give STB the authority to consider the effects of the proposed transactions on intercity passenger rail and commuter rail. Such authority is necessary to prevent worthwhile projects like the West Lake Corridor from being derailed by harmful and inaccurate conclusions and to ensure that STB's assessments accurately account for public interest and long-term transportation improvements. Already we are feeling the negative effects of the draft EIS and we will be working tirelessly to correct them and recover from the unnecessary setback. It is a shame to see, that for the time being, our limited resources will be spent on clearing the West Lake Corridor's good name and reputation, rather than bolstering the project in preparation for the return of the Indiana Legislature.

Thank you for the opportunity to testify before you today. I look forward to your questions.