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# Advancing High-Performance Rail Corridors: Making the Business Case

Glen Weisbrod, EBP  
 APTA-UITP Rail Conference  
 June 9, 2021

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## Need



*To overcome factors that challenge and hold back investment in passenger rail facilities and services*

- Make a compelling business case for passenger rail : commuter/regional, intercity, and high-speed rail
- Address limitations of traditional benefit-cost analysis
- Span multiple levels of government and multiple parties that come with different perspectives (common ground)

*→ Redefine Public Return on Investment (ROI) to recognize full benefits and provide a framework for cooperation among levels of government*

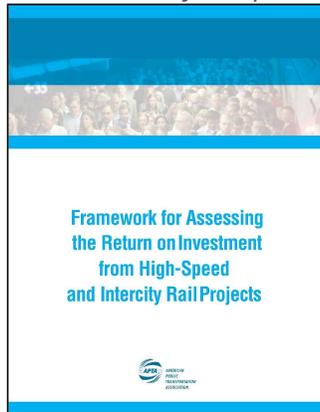
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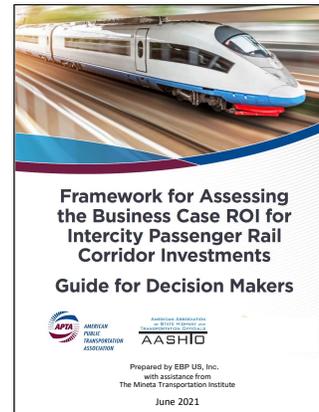
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## APTA SPONSORED EFFORTS

*Phase 1 (2017) Reviewed 47 studies of passenger rail benefits, costs, impacts.  
Framework: Elements of Comprehensive ROI*



*Phase 2 (2021): Guidebook for Making the Business Case and Applying it for Decision Makers. Includes Business Case ROI Tool.*



EBP 3

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## CORE CONCEPT

*Adapt the private sector “business case” for investment*

- Sustainable business model
- Resilient to unexpected future economic shocks
- Addresses needs for specific target markets
- Value to shareholders
- Value to customers
- Win goodwill (payback) for quality, service, fairness (equity)

*Our Public ROI should require nothing less*

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## GUIDE: (1) Recognize unique benefits of intercity linkages

### 1. User Benefits

- Travel Time & Cost Savings
- Reliability & Induced Travel Impacts

### 2. Societal Spillovers

- Emissions
- Safety

### 3. Spatial Connectivity

- Regional Economic Integration
- Intermodal Access to Broader Markets
- Regional Equity: Income Opportunities

### 4. Risk Reduction

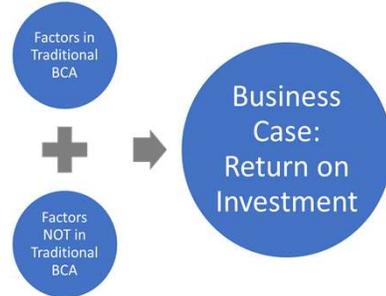
- Resilience/Redundancy (Backup Options)
- Sustainable Economic Future (incl. Jobs-Housing Balance)

### 5. Local Land Impact

- Local Development (productivity and density)

### 6. Operator Impact

- Revenues & Life Cycle Costs



*The Guide explains the importance of these factors.*

*The Appendix shows how to measure them.*

## GUIDE: (2) Recognize differences in benefit perspectives

Perspective	Constituency	HS&IPR Public Policy Talking Points (benefit issues)
National Benefit	US (taxpayers, residents, and business)	<ul style="list-style-type: none"> <li>• saves time, expense, and improves safety for travelers</li> <li>• enhances national productivity and hence GDP</li> <li>• can alleviate need for investments in aviation and highways</li> <li>• reduces greenhouse gas emissions</li> </ul>
State Benefit	State (taxpayers, residents, business)	<ul style="list-style-type: none"> <li>• enhances efficiency of state's highway, rail, aviation facilities</li> <li>• effectively enlarges labor and business markets</li> <li>• leads to more economic activity and tax base growth</li> </ul>
Local Benefit	Station area, city, or metro (taxpayers, residents, business)	<ul style="list-style-type: none"> <li>• supports growth (of jobs, income, investment) around HSR stations, adding tax revenue</li> <li>• visitors dwell longer and spend more money in the city</li> </ul>

*The Guide explains how and why these perspectives matter, and how they can be used to build support for rail investment.*

## GUIDE: (3) Apply Multi-Perspective, Benefit Allocation

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*No single perspective captures all benefits to all parties.*  
Each perspective recognizes some and ignores others.

*A multi-perspective approach can recognize all benefits*  
and allocate them to jurisdictions that value them.

*Each jurisdiction can have its own ROI* based on its  
recognized benefits and corresponding allocation of costs.

*Result is higher overall ROI and stronger case* for  
federal-state-local-private support and funding participation.

*The “ROI Tool” calculates allocated benefits for each perspective.*

## ISSUES FOR GOING FORWARD

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- 1) Engaging all relevant parties
- 2) Applying and leveraging the ROI Guide and Tool
- 3) Building a stronger case for passenger rail investment
- 4) Complementing and fitting into existing federal + state decision processes