
Advancing High-Performance Rail Corridors: Making the Business Case

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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)

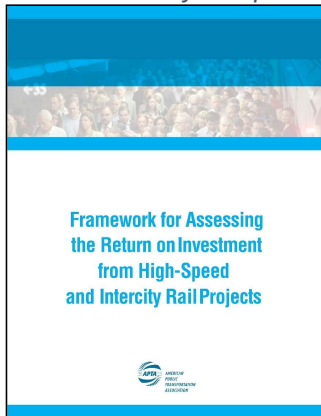
→ Redefine Public Return on Investment (ROI) to recognize full benefits and provide a framework for cooperation among levels of government



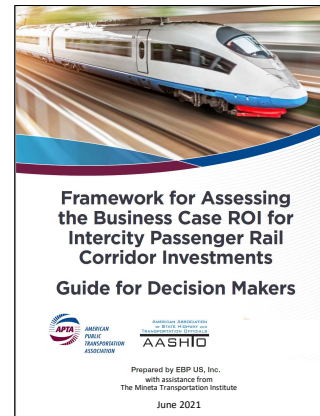
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APTA SPONSORED EFFORTS

*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.



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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

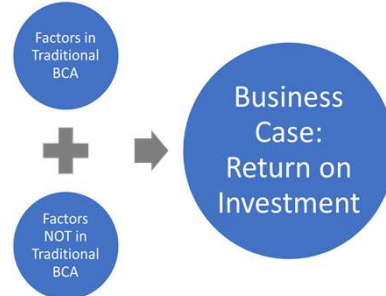
- Resilience/Redundancy (Backup Options)
- Sustainable Economic Future (incl. Jobs-Housing Balance)

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

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

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.

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ISSUES FOR GOING FORWARD

- 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

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