



# Framework for Assessing the Business Case ROI for Intercity Passenger Rail Corridor Investments



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## Executive Summary

**Objective.** This guide has been developed to assist cities, metropolitan agencies, state DOTs, and federal agencies by providing a common methodology, utilizing best practice methods, to measure public benefits and assess return on investment (ROI) for proposed high speed and intercity passenger rail (HS&IPR) projects. It is intended to assist public agencies to assess whether and how they can most appropriately participate in supporting and enabling these projects.

To accomplish this goal, the guide lays out ways to produce more robust and useful economic benefit evaluations, with results that can align widely recognized benefits and corresponding cost contributions. This broader evaluation approach is referred to as a business case ROI assessment.

The first volume, **Guide for Decision Makers**, lays out the concept of a public franchise and the factors that can be part of a public return on investment (ROI) for HS&IPR Investments. It explains three core concepts that define the business case ROI for these types of investments:

- A *more complete benefit perspective* that recognizes impacts addressing public planning and policy goals in addition to transportation efficiency goals,
- a *multiple perspective view* that can recognize the differing interests and benefit viewpoints of local, state, and federal agencies, and their private sector partners, and
- an *allocation* approach to differentially recognize benefits and the associated ROI for different levels of government, based on factors that are relevant to them.

By better aligning the interests of various public groups involved in making “go/no-go” and funding decisions, this guide enables a more comprehensive approach to business case ROI that can also provide a basis for federal-state-local-private cooperation and funding participation.

A second volume, **Methodology**, provides further information on precedence for the multiple perspective view, a description of available tools and methods that can be used, and step-by-step instructions for measuring the various elements of public benefit that can be result from HS&IPR investment. It also provides instructions for use of the accompanying ROI tool.

**The ROI tool** is a separate spreadsheet. It provides a way to allocate benefits among relevant parties and then calculate ROI for different stakeholder groups.

All of these work products build upon a foundational **Phase 1 Report**, *Framework for Assessing the Return on Investment from High Speed and Intercity Passenger Rail Projects*, prepared by the Urban Transportation Center, University of Illinois at Chicago and EDR Group (now EBP). That report lays out details of the research literature and prior studies measuring the social rate of return from intercity passenger rail investments. These reports are available on the APTA web site.

Note: The principles and methods discussed in the guide, tool, and phase 1 report may also be of some use for other transportation modes and other kinds of investment projects, though these documents are aimed at addressing issues specific to investment in intercity rail projects.