

Driving the Illinois Economy



In this fourth annual report documenting the Department's accomplishments to the people of the state of Illinois, I again am proud to highlight the work results of thousands of employees and private contractors.

But first, I am retiring from state service at the end of 2002 after more than 34 years at IDOT and nearly 12 years as the Secretary. I would like to thank Governor Ryan, legislators, contractors and Department employees for working with me to modernize Illinois' transportation system, one of the busiest in the nation. We have met many challenges over the years in all modes of transportation. There are new challenges to face, including the retirement of more than 1,100 Department employees under the state's early retirement plan. However, we have worked hard to ensure a smooth transition into the new year.

Now back to the accomplishments for Fiscal Year 2002. Here are just a few of them:

- Improved more than 1,550 miles of road and 333 bridge projects statewide;
- Rehabilitated a portion of I-57 in Cook County to improve highway safety;
- Sustained high-speed rail development in the Chicago-St. Louis corridor;
- Supported 14 major transit and 38 major airport projects;
- Maintained a low traffic fatality rate on Illinois highways;
- Reduced deaths in construction work zones with the help of Department public service announcements featuring the children of highway workers; and
- Continued a major administrative program to improve Departmental operations through strategic initiatives.

The Department was able to develop many more multi-modal transportation projects through the Governor's Illinois FIRST program, which provides additional billions of dollars to all transportation modes from FY 2000 through FY 2004.

As partners with private industry, all levels of government, and citizens who use and pay for the system, we work hard to maintain and improve one of the nation's best transportation systems and to invest the taxpayers' money in the state's transportation infrastructure effectively and efficiently.

Thanks once again to all those in this state who have made me proud to have served as a leader in this important industry.

A handwritten signature in black ink, appearing to read 'Kirk Brown', written over a horizontal line.

Kirk Brown
Secretary, Illinois Department of Transportation



I am honored Governor Blagojevich has chosen me to head the Illinois Department of Transportation at this critical time of transition and promise of new opportunities. This is a time of new beginnings for the state as a whole, and for our entire Department.

The Early Retirement Incentive and the states' precarious financial position has presented us with a new challenge, as more than 1,200 of our colleagues move on, and those that remain are faced with the positive legacy of the past and the challenges of rebuilding the capacity of the Department.

I credit my predecessor, Kirk Brown, who left a Department where professionalism is the cornerstone and challenges are looked upon as opportunities for improvements, not impediments to the future.

Perhaps the biggest challenge we face is funding. Increased funding for infrastructure improvements through Illinois FIRST will run out as the program comes to an end in Fiscal Year 2004, and we look to our federal partners to shoulder a greater burden. We will work with our Congressional delegation as new federal transportation funding programs are enacted so that Illinois is no longer a donor state, but instead sees a positive return on our investment to the Federal Highway Trust Fund. No bill that comes before Congress this session will be as important to the people of Illinois than the reauthorization of TEA-21, and we must work to improve Illinois' share of available federal transportation dollars.

I believe IDOT's success depends upon the relationships we have with the communities within which we serve. Diversity is a competitive advantage in the global marketplace and one of my priorities for the Department is to establish an Office of Business Diversity that will work to create mutually beneficial relationships with Minority and Women-Owned Business Enterprises(M/WBEs). The goal of this office will be to provide M/WBEs with equal access to business opportunities at IDOT, technical assistance and mentoring. It will serve as an arm of the Secretary's Office and will therefore have the executive support and resources needed to accomplish our priority of strengthening relationships in all of the communities we serve.

My goal, as Secretary of the Illinois Department of Transportation, is to make this the premier transportation department in America, and it's a goal that I believe is within reach.

A handwritten signature in black ink that reads 'Timothy W. Martin'.

Tim Martin

Secretary, Illinois Department of Transportation

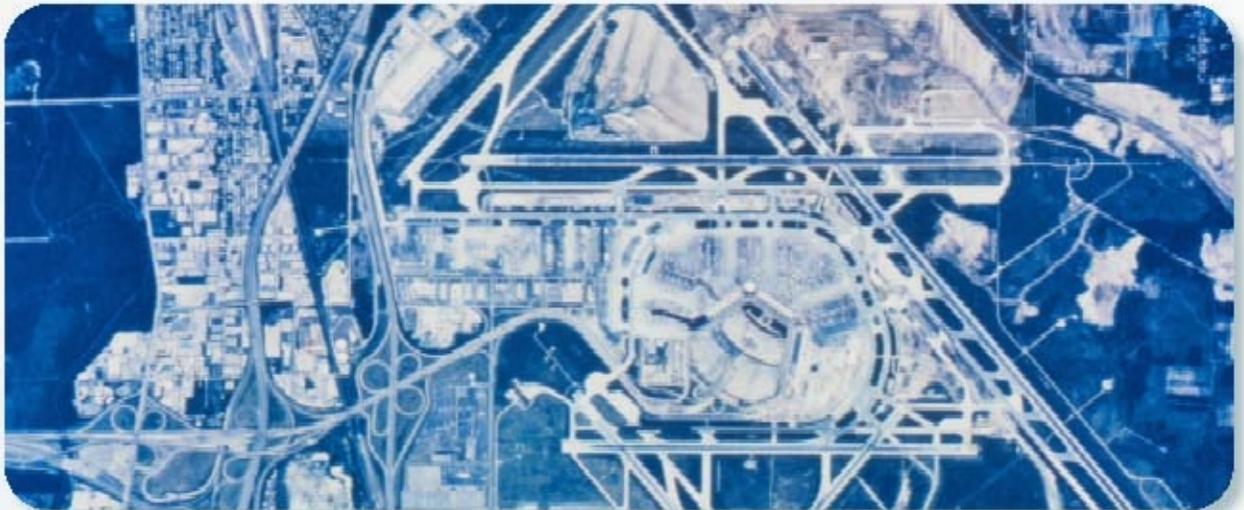
A well-maintained, safe and efficient transportation system is fundamental to economic development and growth. The Illinois Department of Transportation works to sustain a strong economy and meet the basic transportation needs of all of our citizens by maintaining our current transportation systems and planning for the needs of our state's future.

Creating Jobs

- 86,000 private sector jobs were created in Illinois by the Department's FY 2002 program.
- 55,000 jobs were created in highway construction
- 27,000 jobs in public transportation
- 3,800 jobs in aviation

Keeping Commerce on the Move

- Illinois' interstate system accounts for only 2% of all road miles, but carries 28% of all traffic and 50% of all goods shipped on state highways.
- The state highway system accounts for only 12% of the total road miles, yet carries two-thirds of all traffic.
- Chicago is the world's 3rd largest intermodal port.
- Illinois' airport system is the 2nd largest in the nation and includes the world's busiest airport, Chicago's O'Hare.
- Two of the nation's top rail freight gateways are located in Chicago and Metro East St. Louis.
- The Department works to reduce congestion and damage to the environment by supporting public transportation, which included more than a half-billion rides in FY 2002, and developing bike/hike trails throughout the state.



The Illinois Department of Transportation's Annual Report is taking on a new look and being published at a later date this year. The publication of the Fiscal Year 2002 Annual Report was delayed in part due to the loss of a number of key personnel who left the Department as a result of the Early Retirement Incentive passed by the General Assembly. It was also delayed so that it could better reflect the new philosophy of the incoming administration.

You will notice that this year's annual report is shorter and more concise. It focuses on what we've done, what we mean to the Illinois economy and, in particular, what needs to be done to maintain and improve our state's transportation systems for the future.

The Illinois Department of Transportation (IDOT) is responsible for the planning, coordination and maintenance of highways, transit systems, airports, inter-city passenger and rail freight systems and traffic safety.

In a time when the economy is fragile, an investment in transportation benefits industry and consumers. Annually, Illinois' transportation systems provide the means for the distribution of billions of dollars in products and jobs for hundreds of thousands of workers. Investment in transportation must not only preserve our systems, but also make sure they operate efficiently, effectively and safely.

GOALS

IDOT has developed the following objectives for fulfilling its mission to provide safe, cost-effective transportation for Illinois that will sustain a strong economy:

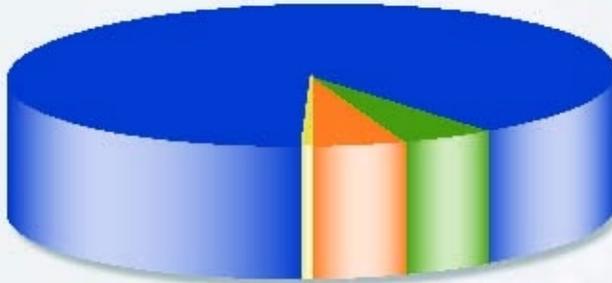
- Highways** Provide cost effective, quality highways and services;
- Airports** Improve Illinois' airport system and preserve the nation's top hub in north-eastern Illinois;
- Transit** Ensure public transportation is available through a stable base of operating and capital funding to provide transit options for commuters, reduce traffic congestion and improve air quality;
- Rail** Reduce rail freight congestion and continue to develop a high-speed rail system;
- Planning** Integrate environmental and quality of life concerns in the transportation planning program;
- Safety** Reduce highway vehicle fatalities and injuries; and
- Technology** Apply innovative technological solutions that improve the efficiency and safety of the transportation system, reduce congestion and enhance highway construction materials and designs.

FY2002 Program Appropriations - \$4,200.6 Million



Illinois FIRST Program Supports More Transportation Projects

In its third year, the infrastructure funding program, Illinois FIRST, allowed IDOT to continue to turn proposed transportation improvements into reality:



- **\$2.3 billion** for improving 1,554 highway miles and 333 bridges
- **\$361.9 million** for 84 public transportation projects
- **\$19.8 million** for more than 100 airport projects
- **\$20 million** for high speed rail, including work to upgrade 120 miles of track and grade crossings and to develop the Positive Train Control system (remote train tracking system)

Reducing the Backlog

The infusion of capital brought by the Illinois FIRST program has allowed the state to reduce the backlog of roads needing repair to an historic low in FY 2002. The number of roads rated as being in poor condition or needing repair was 1,462, less than half the number in 1983, 3,050.

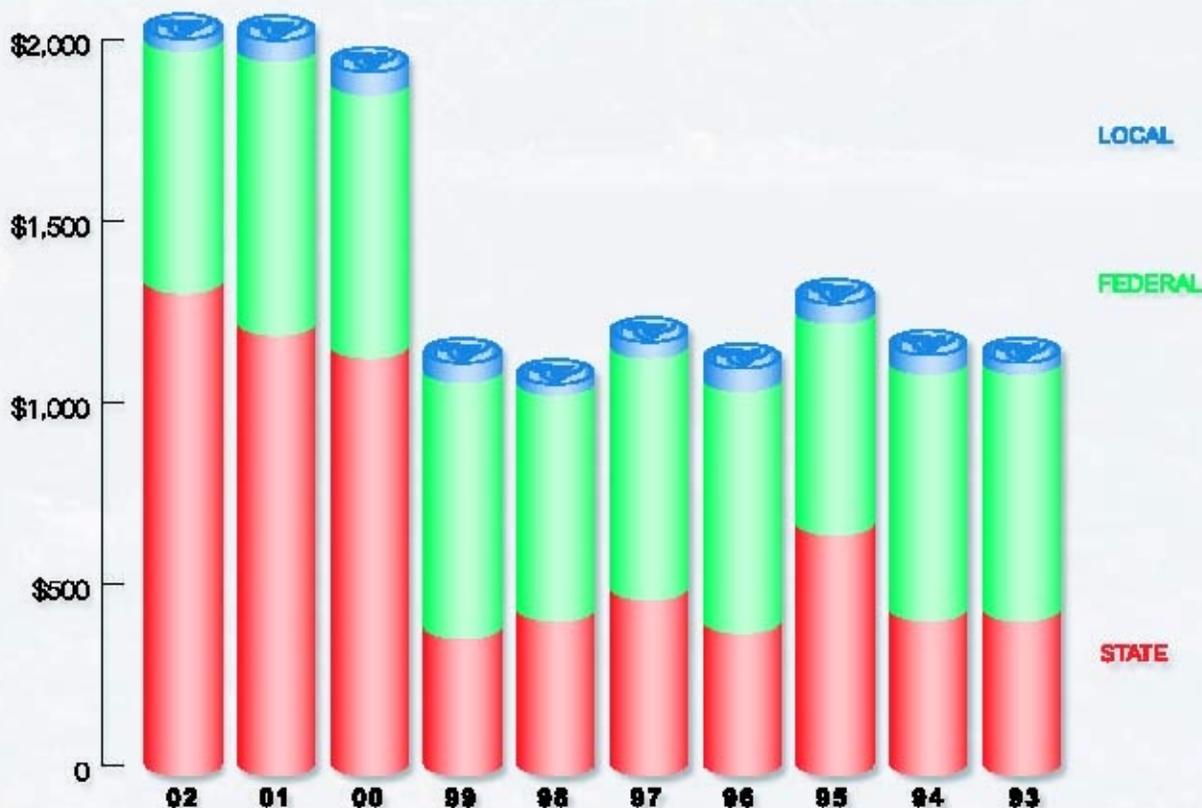
IDOT Backlog History



CHALLENGES

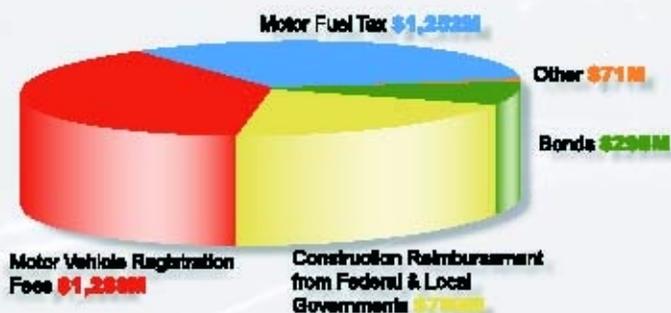
- *Illinois FIRST, the state program which allows IDOT to continue investing in major transportation infrastructure needs, will end in Fiscal Year 2004.*
- *The Transportation Equity Act for the 21st Century (TEA-21), which provides federal funds for transportation, is also expiring. It is currently being considered for funding reauthorization over the next six years. Ensuring that Illinois receives its fair share of federal funding is a priority for IDOT.*

HIGHWAY CONSTRUCTION PROGRAM FUNDING SOURCES OVER THE PAST 10 FISCAL YEARS, IN MILLIONS OF DOLLARS



The increase in highway construction funds provided by the Illinois FIRST program in FY 2000-2002 is reflected in the chart that traces the past 10 years in the highway program

FY2002 Illinois Highway Revenues - \$3,705 Million



Illinois has the third largest state highway and interstate systems in the nation. While these systems only make up a fraction of all total roadways, they are the most heavily used, carrying a majority of all traffic in the state.

In FY 2002, the highway program included \$2.3 billion in federal, state and local matching funds, with the majority of funds allocated to preserve and modernize the existing system of highways and bridges.

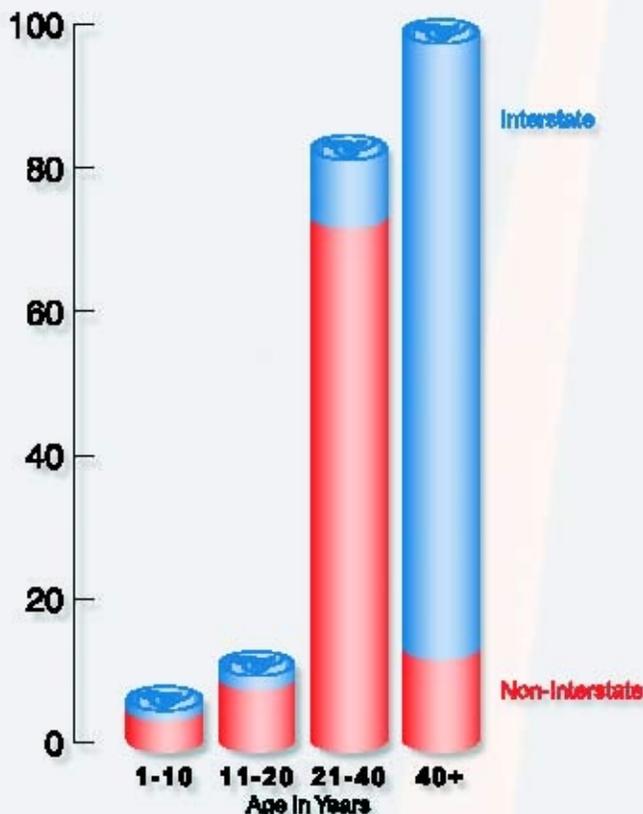
2002 Highway Program at a Glance

- 55,000 jobs created
- 1,554 miles of road improvements
- 333 bridge improvements
- Reconstructed I-57 southbound in Cook County
- Reconstructed I-70 and U.S. 40 in Clark County
- Completed reconstruction of Lake Springfield bridge, adding lanes to improve vehicle flow and safety
- Continued major work zone safety media campaign to inform motorists of the dangers involved in highway construction zones

FY2002 Illinois Highway Expenditures - \$3,839 Million



Age of Illinois Highways and Interstates

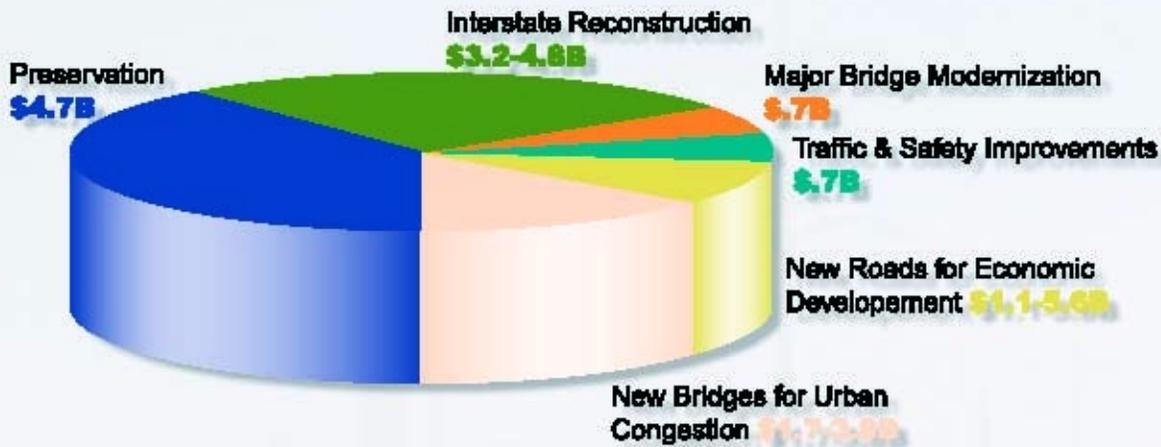


The Need Illinois Highways and Interstates Need to be Rehabilitated

- 85% of Interstate system is past the 20-year design cycle
- 96% of Highway system is past the 20-year design cycle



FY2004-2009 Highways - \$12.1-20.3 Billion

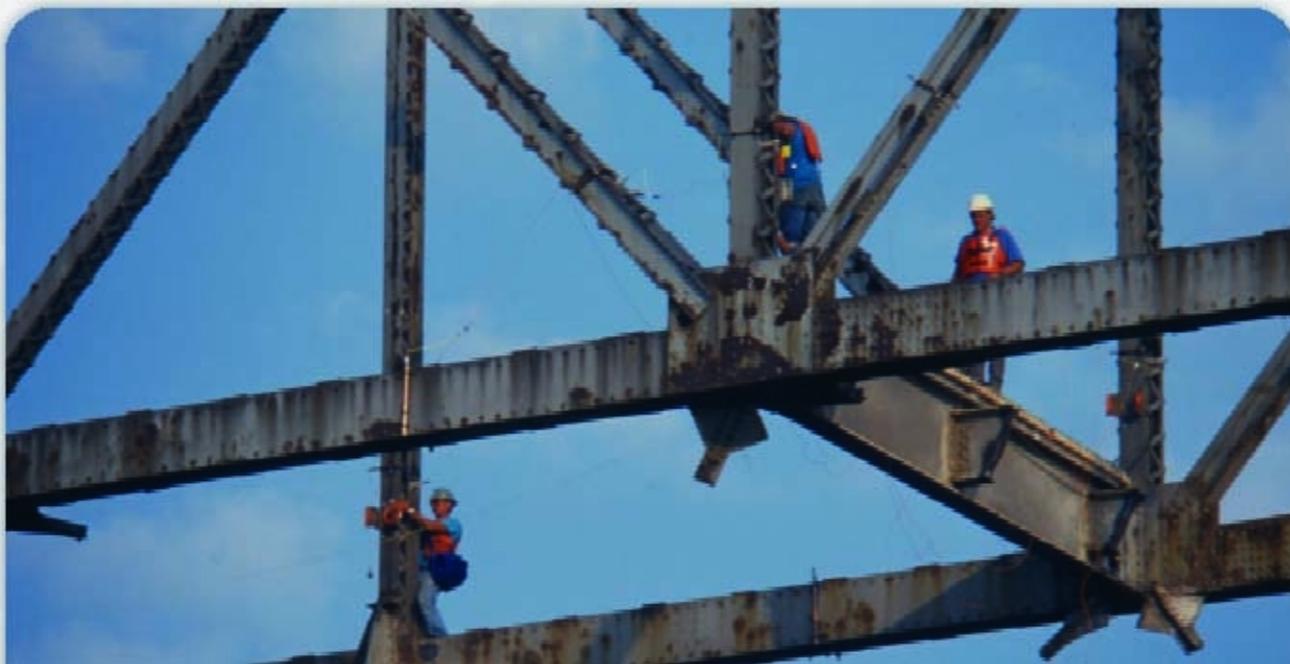


The investment Illinois residents have made in higher user fees for Illinois FIRST allows the Department to relieve congestion, maintain the current system and boost economic development. In order to maintain this level of investment in our system as the life of the state infrastructure funding program expires, more assistance is needed from our federal partner in the form of increased funding through the reauthorization of TEA-21.

Funding Needs

To be able to continue preservation, modernization, expansion and development of new roads for economic development at a pace consistent with Illinois FIRST, total funding needs would be in a range of \$12.1-20.3 billion during FY 2004-2009. The American Association of State Highway and Transportation Officials estimates nationally, \$92 billion per year is needed just to maintain the physical condition and performance of the system, and \$125.6 billion is needed annually to improve the system.

The range of \$12.1-20.3 billion, during the lifetime of the TEA-21 reauthorization, would allow the Department to maintain a backlog of roads in need of repair at approximately 1500 miles per year and bridges in need of repair at approximately 500. Nationally, the Federal Highway Administration said in 1999 that the backlog for highways is \$167 billion and \$87 billion for bridges.



Northeastern Illinois has the second largest combined transit system in the nation, while downstate urban transit systems provide service in southwestern Illinois, nine metropolitan areas, and 31 rural and small urban areas.

In FY 2002, the transit program allocated \$1.018 billion in federal, state and local funds for operating assistance. The program also allocated \$1.133 billion in capital assistance.

2002 Transit Program at a Glance

- 27,000 jobs created
- Chicago Area Transit Agencies provided 574.2 million trips for commuters; 1% increase, despite slowing economy
- Began rehabilitation of CTA Blue Line track, structure and 11 rail stations
- Completed design for two Metra line extensions to increase capacity
- 125 fully-accessible buses and 25 paratransit vehicles for Pace
- Began construction of MetroLink light rail extension in St. Clair County
- Completed inter-modal facility in Decatur and design for joint-use facility in Centralia



The Need

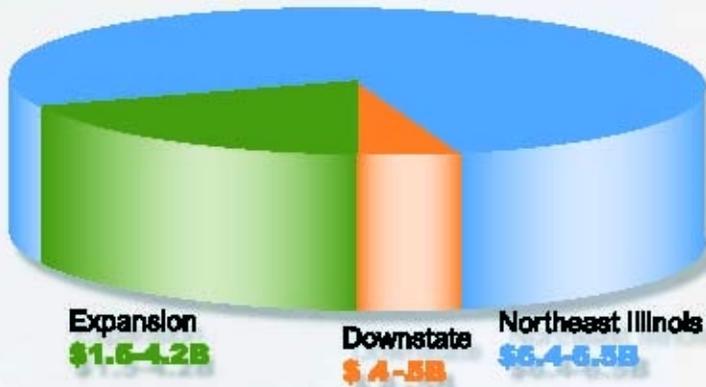
- Chicago is the third worst congested area in the nation
- Increasing public transportation ridership reduces congestion
- Increasing public transportation ridership reduces pollution
- Public transportation provides workers with affordable, reliable commuting options

FY 2002 PROGRAM FUNDING	
Operating Assistance	
Source	Amount
Federal	\$11,070,000
State	\$375,340,000
Local	\$631,740,000
Total	\$1,018,150,000
Capital Assistance	
Federal	\$633,850,000
State	\$361,900,000
Local	\$137,730,000
Total	\$1,133,480,000

□ COUNTIES WHERE TRANSIT SYSTEMS OPERATED IN FY 2002



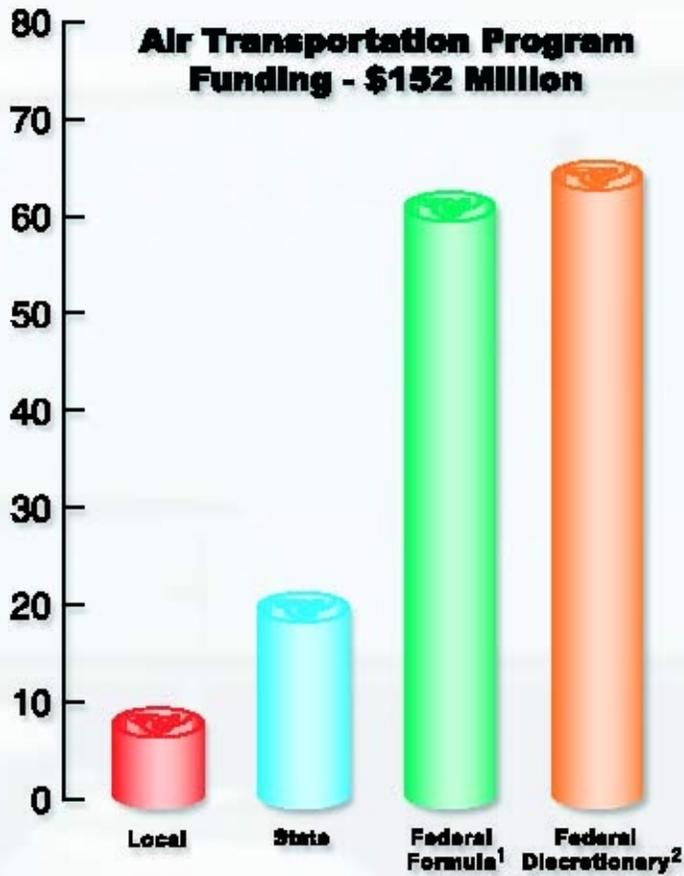
FY2004-2009 Public Transportation - \$8.3-11.2 Billion



The cost to continue the current pace of Public Transportation improvements from FY 2004-2009 is estimated to be between \$8.3-11.2 billion dollars. Under TEA-21, public transportation agencies in Illinois received \$1.5 billion to expand services. Currently, there are approximately \$2.7 billion of system expansions under discussion in the lifetime of the federal reauthorization of TEA-21. It's estimated that in order to maintain operating systems in their present form, public transportation agencies would need between \$6.8-7 billion dollars from FY 2004-2009.

To be able to meet the public transportation needs of Illinois from FY 2004-2009 between \$8.3-11.2 billion is required. At least a 50-75 percent increase in federal funding under the TEA-21 reauthorization is necessary in order to continue the momentum public transportation has received under Illinois FIRST.





Illinois' airport system is the second largest in the nation, with currently 118 airports designated for public use, including Chicago O'Hare, the world's busiest airport and 273 heliports. The FY 2002 program included more than \$152 million in federal, state and local matching funds for improvement projects at airports throughout the state. The funded projects improve the safety and efficiency of the airports and enhance opportunities for economic development in communities throughout the state.

¹ Entitlement funds for primary airports based on number of passengers enplaned apportioned funds based on land area and population
² FAA-determined funds for eligible airports.

2002 Aviation Program at a Glance

- 3,800 jobs created
- Supported major improvements to runways, taxiways and safety equipment additions at 63 airports statewide
- Continued efforts to reduce congestion in the Northeastern Illinois air corridor
- Working with Chicago to expand and modernize O'Hare
- Received Record of Decision on Tier 1 of the Environmental Impact Statement for the South Suburban Airport
- Began purchasing land for the inaugural South Suburban Airport (90% of acquisition will be completed mid-2003)



The Need

- Continue working to relieve congestion in the Northeastern Illinois aviation corridor
- Work with Federal Aviation Authority and local airports to meet future safety needs

Over the next six years, maintaining Illinois' current aviation system and bringing much needed congestion relief to the Northeastern Illinois air corridor will require significant assistance from our federal partners.

Aviation Needs FY2004-2009



Funding Needs

It is projected that during Fiscal Years 2004-2009 Illinois' Aviation system will have more than \$2.9 billion in capital needs. The greatest need will be in the Northeast air corridor, where improvements at Midway, expanding O'Hare and constructing an inaugural South Suburban Airport are estimated to cost nearly \$2.4 billion through FY 2009, not including highway improvements necessary to provide access.

Illinois needs Congress to pass a multi-year Airport Improvement Program to continue meeting capital needs, while finding a way to fund additional security improvements as yet to be determined by the federal government.



The Rail program for FY 2002 was \$44.6 million. The program focused on economic development, developing a high-speed rail corridor between Chicago and St. Louis, and continued inter-city rail passenger service.

2002 Rail Program at a Glance

Rail Freight

- 328 jobs created or retained
- \$7.7 million in private investments leveraged on 10 freight projects
- 14,000 feet of new track constructed
- Rehabilitated 100 miles of existing track

High-Speed Rail (HSR)

- Upgraded of 120 miles of track and crossings between Dwight and Springfield
- Continued work on Chicago-St. Louis HSR corridor Environmental Impact Statement
- Jointly funded development of the Positive Train Control system (remote train tracking system)

The Need

- Relieve congestion in the state's rail freight gateways
- Complete High-Speed Rail corridor between Chicago and St. Louis

FY 2002 PROGRAM FUNDING	
RAIL PASSENGER PROGRAM	
Operating Assistance	
<i>Source</i>	<i>Amount</i>
State	\$10,314,000
Capital Assistance	
State	\$20,100,000
Federal	\$7,000,000
Total	\$37,424,000
RAIL FREIGHT PROGRAM	
State	\$6,377,000
Federal	\$830,000
Total	\$7,207,000



MAINLINE RAIL SYSTEM





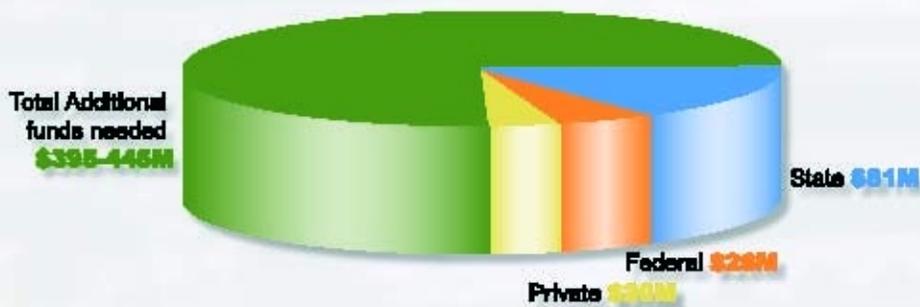
Rail Freight congestion has a ripple effect throughout the economy and must be addressed in the Reauthorization of TEA-21.

Congestion affecting the Chicago rail freight gateway is an issue that must be addressed through multiple partners because of the ripple effects rail freight congestion creates. For instance, a delay in the shipment of goods in Chicago creates more delays throughout the country, additional wear and tear on Illinois roads and lost time for area commuters. Federal funds are needed to address the growing problem of rail freight congestion.

Completing the Chicago-St. Louis High-Speed Rail corridor will continue to be a priority of the Department that over the next 6 years will require significant federal assistance. High-Speed Rail will reduce the travel time between Chicago and St. Louis by nearly 2 hours.

Meeting the challenges of rail transportation in the 21st century will require us to restructure how we address the needs freight and passenger service face. We must elevate freight and passenger rail issues in Illinois to begin to alleviate congestion that will only increase in the future. Looking at both rail passenger and freight issues from one mindset will allow us to better plan for dealing with the increased volume that is expected to come as our economy, as well as our reliance on the rail system, grows.

High Speed Rail Funding



Funding Needs

The solution for addressing congestion in Illinois' rail freight gateways will be in excess of \$1 billion. It is essential that the federal government specifically identify funds in the reauthorization of TEA-21 to deal with rail freight congestion.

To date, the State of Illinois has provided 63-percent of the funding needed for High-Speed Rail improvements through Illinois FIRST. The federal government and railroads have made up the rest.

The budget for the Chicago to St. Louis corridor is between \$525-575 million, depending on which route into Chicago is chosen. To date, \$129 million dollars has been committed, with the majority of those funds provided by Illinois FIRST. The unmet need of the project is \$395-445 million that must be funded through the state, federal and private partnership.