CHICAGO --

When a train screeches to a halt in Chicago, freight and passenger trains from as far away as Baltimore or Los Angeles are sometimes forced to apply their brakes as well - which can result in costly gridlock throughout the nation's 140,000-mile rail network.

But a fresh injection of cash, including a generous slice of a new $10 billion state capital plan, means a long-languishing, $1.5 billion project to ease train traffic jams in the nation's most important rail hub by building new overpasses and modernizing signals can begin in earnest.

The unofficial motto of the congestion-reduction project, widely considered one of the most vital to the long-term financial health of some of the nation's biggest railroad companies, is "Keeping the 'go' in Chicago."

As it is now, it's often no go.

The 500 freight trains that pass through Chicago each day compete for access to tracks with 700 daily commuter trains in the region. This means trains hauling everything from coal to grocery items can take more than a day to wind their way through Chicago.

The Illinois bill sets aside $320 million for the project - money that will be pooled with more than $200 million raised earlier.

"This is a very big deal - the largest single amount of money awarded to this project," Earl Wacker, a recently retired rail executive and an authority on rail congestion, said
Friday. "Earlier, I wasn't confident this would get done. Now, I'm extremely confident it will."

Six of the seven largest railroads operating in the United States run trains through or to Chicago. All have contributed money to the project, dubbed the Chicago Region Environmental and Transportation Efficiency program, or CREATE.

"There are projects of importance to different railroads, but this brings so many railroads together. That's historic," said Holly Arthur, a spokeswoman for the Association of American Railroads. She calls the money Illinois put up "a tremendous milestone."

Proponents say long-standing support from President Barack Obama should help efforts to secure the remaining costs.

At least $300 million in federal stimulus money could soon be approved for CREATE, which was first drawn up in 2003. A separate transportation reauthorization bill working its way through Congress could set aside $500 million or more.

Advocates say taking steps to solve Chicago logjams should also greatly boost Illinois' bid for a cut of $8 billion in federal stimulus money marked for high-speed rail. Illinois and neighboring states want a Midwest high-speed network with Chicago as its hub.

"CREATE and high-speed rail for the Midwest are inextricably linked," said Kevin Brubaker, deputy director of the Environmental Law & Policy Center in Chicago. "To make high-speed rail work, we need to clear up congestion in Chicago."

CREATE is comprised of nearly 80 separate projects, from 25 roadway overpasses or underpasses that would divert cars above or below busy tracks to viaduct improvements and upgrades of track switches and signals.
The project says on its Web site that its price tag is $1.5 billion. But the cost of completing all the projects by 2020 probably will be closer to $2.5 billion because of rising construction costs, said Larry Wilson, an Illinois Department of Transportation official.

The sharp economic downturn and a 20 percent dip in freight train traffic this year compared to last has eased congestion in parts of the country - with empty trains idled for months on sidetracks in some places.

But congestion in the network's main bottleneck of Chicago remains a daily headache, delaying freight as well as commuter and Amtrak passengers. And despite current slowdowns, the U.S. Department of Transportation still expects demand for rail freight to double over the next 25 years.

In recent years, about 40 percent of all U.S. rail freight has come through Chicago on more than 150,000 trains a year. Nearly all the major routes of the rail freight system come through one or more of the region's 80 rail yards. It's why a single delayed train here can force those thousands of miles away to stop or slow down.