THE BENEFITS OF INTERCITY PASSENGER RAIL

(110–54)

HEARING

BEFORE THE

SUBCOMMITTEE ON

RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

OF THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

JUNE 26, 2007

Printed for the use of the
Committee on Transportation and Infrastructure

U.S. GOVERNMENT PRINTING OFFICE

36–685 PDF WASHINGTON : 2007

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

JAMES L. OBERSTAR, Minnesota, *Chairman*

NICK J. RAHALL, II, West Virginia
PETER A. DEFAZIO, Oregon
JERRY F. COSTELLO, Illinois
ELEANOR HOLMES NORTON, District of Columbia
JERROLD NADLER, New York
CORRINE BROWN, Florida
BOB FILNER, California
EDDIE BERNICE JOHNSON, Texas
GENE TAYLOR, Mississippi
ELIJAH E. CUMMINGS, Maryland
ELLEN O. TAUSCHER, California
LEONARD L. BOSWELL, Iowa
TIM HOLDEN, Pennsylvania
BRIAN BAIRD, Washington
RICK LARSEN, Washington
MICHAEL E. CAPUANO, Massachusetts
JULIA CARSON, Indiana
TIMOTHY H. BISHOP, New York
MICHAEL H. MICHAUD, Maine
BRIAN HIGGINS, New York
RUSS CARNAHAN, Missouri
JOHN T. SALAZAR, Colorado
GRACE F. NAPOLITANO, California
DANIEL LIPINSKI, Illinois
DORIS O. MATSUI, California
NICK LAMPSON, Texas
ZACHARY T. SPACE, Ohio
MAZIE K. HIRONO, Hawaii
BRUCE L. BRALEY, Iowa
JASON ALTMIRE, Pennsylvania
TIMOTHY J. WALZ, Minnesota
HEATH SHULER, North Carolina
MICHAEL A. ACURI, New York
HARRY E. MITCHELL, Arizona
CHRISTOPHER P. CARNEY, Pennsylvania
JOHN J. HALL, New York
STEVE KAGEN, Wisconsin
STEVE COHEN, Tennessee
JERRY MCNERNEY, California
VACANCY

JOHN L. MICA, Florida
DON YOUNG, Alaska
THOMAS E. PETRI, Wisconsin
HOWARD COBLE, North Carolina
JOHN J. DUNCAN, JR., Tennessee
WAYNE T. GILCHREST, Maryland
VERNON J. EHLERS, Michigan
STEVEN C. LATOURETTE, Ohio
RICHARD H. BAKER, Louisiana
FRANK A. LOBIONDO, New Jersey
JERRY MORAN, Kansas
GARY G. MILLER, California
ROBIN HAYES, North Carolina
HENRY E. BROWN, JR., South Carolina
TIMOTHY V. JOHNSON, Illinois
TODD RUSSELL PLATTS, Pennsylvania
SAM GRAVES, Missouri
BILL SHUSTER, Pennsylvania
JOHN BOOZMAN, Arkansas
SHELLEY MOORE CAPITO, West Virginia
JIM GERLACH, Pennsylvania
MARIO DIAZ-BALART, Florida
CHARLES W. DENT, Pennsylvania
TED POE, Texas
DAVID G. REICHERT, Washington
CONNIE MACK, Florida
JOHN R. 'RANDY' KUHL, JR., New York
LYNN A WESTMORELAND, Georgia
CHARLES W. BOUSTANY, JR., Louisiana
JEAN SCHMIDT, Ohio
CANDICE S. MILLER, Michigan
THELMA D. DRAKE, Virginia
MARY FALLIN, Oklahoma
VERN BUCHANAN, Florida

SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

CORRINE BROWN, Florida *Chairwoman*

JERROLD NADLER, New York
LEONARD L. BOSWELL, Iowa
JULIA CARSON, Indiana
GRACE F. NAPOLITANO, California
NICK LAMPSON, Texas
ZACHARY T. SPACE, Ohio
BRUCE L. BRALEY, Iowa
TIMOTHY J. WALZ, Minnesota
NICK J. RAHALL II, West Virginia
PETER A. DEFAZIO, Oregon
JERRY F. COSTELLO, Illinois
EDDIE BERNICE JOHNSON, Texas
ELIJAH E. CUMMINGS, Maryland
MICHAEL H. MICHAUD, Maine
DANIEL LIPINSKI, Illinois
JAMES L. OBERSTAR, Minnesota
(ex officio)

BILL SHUSTER, Pennylvania
THOMAS E. PETRI, Wisconsin
WAYNE T. GILCHREST, Maryland
STEVEN C. LATOURETTE, Ohio
JERRY MORAN, Kansas
GARY G. MILLER, California
HENRY E. BROWN, JR., South Carolina
TIMOTHY V. JOHNSON, Illinois
TODD RUSSELL PLATTS, Pennsylvania
SAM GRAVES, Missouri
JIM GERLACH, Pennsylvania
MARIO DIAZ-BALART, Florida
LYNN A. WESTMORELND, Georgia
JOHN L. MICA, Florida
(ex officio)

CONTENTS

Page

Summary of Subject Matter vi

TESTIMONY

Blow, Larry, Senior Associate, United States Maglev Coalition 41
Bohlinger, Lt. Governor John, State of Montana 4
Brubaker, Kevin, Project Manager, Midwest High Speed Rail Network Project, Environmental Law and Policy Center 41
Busalacchi, Frank J., Secretary, Wisconsin Department of Transportation 27
Capon, Ross, Executive Director, National Association of Railroad Passengers 41
Glynn, Hon. Astrid C., Commissioner, New York Department of Transportation 27
Jackman, Hon. Robert N., Indiana State Senator and Chair, Midwest Interstate Passenger Rail Commission 27
Kempton, Will, Director, California Department of Transportation 27
Nekritz, Hon. Elaine, State Representative of Illinois 4
Parcells, Harriet, Executive Director, American Passenger Rail Coalition 41
Peppard, Colin, Transportation Policy Coordinator, Friends of the Earth 41
Schweiker, Mark, President and CEO, Greater Philadelphia Chamber of Commerce and Former Governor of Pennsylvania 4
Williams, Hon. Velma H., Commissioner, City of Sanford, Florida 4

PREPARED STATEMENTS SUBMITTED BY MEMBERS OF CONGRESS

Brown, Hon. Corrine, of Florida 59
Lampson, Hon. Nick, of Texas 60
Oberstar, Hon. James L., of Minnesota 61
Rahall, II, Hon. Nick J., of West Virginia 65

PREPARED STATEMENTS SUBMITTED BY WITNESSES

Blow, Laurence E. 66
Bohlinger, Lt. Governor John 70
Brubaker, Kevin 74
Busalacchi, Frank J. 80
Capon, Ross B. 89
Glynn, Astrid C. 96
Jackman, Hon. Robert N. 110
Kempton, Will 116
Nekritz, Hon. Elaine 129
Parcells, Harriet 132
Peppard, Colin F. 142
Schweiker, Gov. Mark 149
Williams, Hon. Velma H. 154

SUBMISSIONS FOR THE RECORD

Glynn, Hon. Astrid C., Commissioner, New York Department of Transportation, letter from Anne Stubbs, on behalf of the Coalition of Northeastern Governors 107

ADDITIONS TO THE RECORD

Placer County Transportation Planning Agency, Gina Garbolino, Chair, Board of Directors, written statement 165

U.S. House of Representatives
Committee on Transportation and Infrastructure

James L. Oberstar
Chairman

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

Washington, DC 20515

John L. Mica
Ranking Republican Member

James W. Coon II, Republican Chief of Staff

June 22, 2007

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Railroads, Pipelines, and Hazardous Materials

FROM: Subcommittee on Railroads, Pipelines, and Hazardous Materials Staff

SUBJECT: Hearing on the Benefits of Intercity Passenger Rail

PURPOSE OF HEARING

The Subcommittee on Railroads, Pipelines, and Hazardous Materials is scheduled to meet on Tuesday, June 26, 2007, at 10:00 a.m., in Room 2167 Rayburn House Office Building, to receive testimony on the Benefits of Intercity Passenger Rail.

BACKGROUND

The National Railroad Passenger Corporation (Amtrak) operates nearly all intercity passenger rail in the United States.[1] Most of this service is part of Amtrak's "basic system" that includes a network of about 21,000 miles of rail over which 300 trains operate per day (excluding commuter trains) serving more than 500 communities in 46 states. In addition, a number of states have contracted with Amtrak to operate state-supported intercity passenger rail services. Amtrak serves over 24.3 million passengers annually, generating ticket revenue of about $1.37 billion.

There are two types of intercity passenger rail transportation services:

1. "Corridor" services, which focus on shorter distance markets where intercity passenger rail can offer a reasonable travel time transportation option; and

2. "Long-distance" services, which focus on longer-distance markets.

These two services are generally distinguished based on length and frequency. Corridor services are generally less than 500 miles in length while long-distance services are generally over 500

[1] The state of Alaska also provides intercity passenger rail service on the Alaska Railroad.

miles. Corridor services generally serve major business and urban areas with frequent service while long-distance service may occur daily or less and is geared towards the end point user.

Long-distance ridership makes up about 16 percent of Amtrak's total. However, these long-distance passengers travel about 50 percent of Amtrak's total passenger miles and serve three unique roles:[2]

- *National connectivity*—Collectively, long-distance trains form most of the national network that links different intercity passenger rail services and markets throughout the United States. The preservation of a national network of intercity passenger train service was one of the key reasons for Amtrak's creation. Unfortunately, service elimination/reductions and declining on-time performance outside the Northeast Corridor have reduced the effectiveness of this national network in recent years;

- *Essential services*—Many long-distances trains serve small communities with limited or no significant air or bus service, especially in remote or isolated areas such as northern Montana and central West Virginia. As a result, rail transportation may provide the only affordable public transportation in such communities; and

- *Redundancy within the multimodal transportation system*—Long-distance trains provide an alternative form of travel during periods of severe weather conditions or emergencies that affect other modes of transportation.

Approximately 81 percent of all intercity passenger rail trips occur on corridor routes. The American Association of State Highway and Transportation Officials (AASHTO) characterize corridor trips as (1) short distances/travel times; (2) frequent/regular travel; (3) significant business market; and (4) many single-day round trips.

Intercity passenger rail offers several advantages for corridor markets, including:

- Direct service to and from densely developed central cities, which may otherwise involve travel on congested highways and parking challenges or long, unreliable trips to and from airports located in suburban areas;

- Service to and from communities not served by air;

- Use of existing rail rights-of-way; and

- Scalable capacity that can more quickly respond to growth and better match seasonal and day-of-week fluctuations in demand when equipment is available to provide additional service.

One of intercity passenger rail's most obvious advantages is providing an alternative to highway and air travel. Over the past few years, intercity passenger rail use has increased dramatically while congestion along freeways and in the air continues to grow. According to Amtrak's March 2007 Monthly Report, year to date (YTD) ridership of 2.17 million trips is a 7%

[2] A passenger mile is one passenger traveling one mile.

increase over FY06 ridership levels and 2% better than budget projection. Ticket revenues of $126.6 million are nearly 14% over FY06's YTD ticket revenues and 6% better than budget projections.

The Texas Transportation Institute states that traffic congestion in American cities is worsening at a rate that grows faster each year. What was once a "big city problem" typically associated with million-plus population areas such as Los Angeles, CA; Houston, TX; and Washington, D.C. is now a rapidly growing dilemma in places like Austin, TX; Louisville, KY; and Charlotte, NC. Gridlock costs the average driver more than 40 hours a year in travel delay, and costs the United States more than $63 billion each year while wasting 2.3 billion gallons of gas.

AASHTO attributes the increased congestion to population growth, rising incomes, and lack of transportation alternatives. Even in fast-growing states, highway traffic is increasing at a rate greater than population growth.

The Government Accountability Office (GAO) reported in 2002 that this trend will continue for at least 10 years. AASHTO reports that interstate highways have become increasingly expensive to build, especially in urban areas and many congested corridors simply lack the physical space to build more capacity.

Further, higher gas prices are hurting drivers' ability to utilize highway travel. Global consumption of gasoline and other refined petroleum products continue to increase, due to rapidly growing demand in China and other developing economies as well as continued demand in the U.S. As a result, gas prices continue to climb with no end in sight. According to the Department of Energy, the average price of a gallon of gasoline has risen from $1.85 in December 2004 to $3.01 in June 2007, a 62% increase.

According to a Pew Research Center poll conducted in August 2006, 55 percent of American households have scaled back their driving due to high gasoline costs. The poll also found that lower-income drivers and rural residents are even more likely to scale back on driving. Many Americans have found that train travel provides a good alternative to driving and flying.

Amtrak's speed and reliability will have to be improved to attract significant new ridership. For the current fiscal year through April 2007, only 42% of Amtrak long distance trains arrived on time. The California Zephyr has never arrived on time, while the Capitol Limited has managed to arrive on schedule only 15.9% of the time. This is primarily the result of growing congestion on the freight rail lines, which host Amtrak's long distance trains.

While air travel ridership has returned to its pre-9/11 levels, new security requirements have increased the amount of time associated with air travel. The impact of 9/11 on airlines has also forced the paring back of service between cities and especially to smaller communities. Congestion is also a growing problem associated with air travel. AASHTO reports that in 1993, 23 commercial airports in the United States experienced at least 20,000 annual hours of air carrier delays. In 2003, 32 commercial airports had over 20,000 annual hours of air carrier delays, a one-third increase.

As discussed above, intercity passenger rail has experienced strong growth over the past few years. This growth reflects a combination of market growth and increased service and investment in selected intercity passenger rail corridors throughout the United States.

Corridor travel can also compliment existing transportation modes. For example, when bad weather affects Continental Airlines' flights at its Newark, NJ hub, it transfers passengers from short-distance flights to Amtrak. The success of this program has encouraged Amtrak to expand this service to other locations.

Amtrak also has an intermodal project at the Burbank Airport in California and provides connecting bus service between the San Francisco International Airport and it *Capitol* Corridor. These arrangements benefit the public by enhancing private sector efficiency, and improving time, price, and reliability, but more work remains.

T.F. Green Airport in Providence is constructing new facilities to allow air travelers to access Northeast Corridor trains, but additional funding is needed for track infrastructure, rail equipment, and train operations to provide frequent service to downtown Boston. A rail connection into BWI Airport in Baltimore is also needed.

Further, corridor service also helps the economies of the regions they serve. Dependable, efficient, and safe movement of people is essential for an economy to operate. Most parts of the U.S. economy have already built up a significant stock of transportation capital through decades of investment. As a result, the economic goal of additional investment has broadened from strictly development objectives to include concerns regarding regional competitiveness and connecting local producers with larger national markets.

Many states are actively involved in the planning and development of intercity rail corridors throughout the United States. These intercity passenger rail corridors are nationwide in scope, providing service to and benefiting from the participation of 36 states.

The states and Amtrak have identified capital investment needs for most of these corridors, focusing on incremental improvements in the near term (next six years) and long-term (through the next 14 years). In 2002, AASHTO reported that this need was a total of $59.9 billion, with annual capital expenditures estimated at about $3.0 billion.

Increasing investment in passenger rail can reduce travel time, travel costs, decrease congestion, and improve local economies.

The travel-time savings due to service upgrades can be significant. Introduction of *Acela* service on the Northeast Corridor has reduced travel time from New York to Boston by one hour and 25 minutes. Elsewhere in the United States, the travel-time savings can be even greater. For example, the Midwest Regional Rail Initiative expects to cut the current train travel time from 5 hours, 46 minutes to 3 hours, 41 minutes on the Chicago-Detroit route.

By reducing the cost of a trip, rail investment increases accessibility and encourages people to either switch from another mode to rail or to make a trip when they otherwise would have stayed home. This, in turn, increases tourism to the corridor markets, generating purchases of tourism-related goods and services, and increases demand for labor and materials.

Rail investment helps local economies in a number of ways. First, it helps create new jobs. Amtrak employs nearly 19,000 people, and an expansion of existing rail service requires more

employees, increasing the amount of income earned and spent in the local economy. Often times, the improved access will also help bring more tourists to that location, further bolstering the local economy and job creation.

Second, rail stations themselves are often engines for economic growth. Union Station in Washington, DC is perhaps the most obvious example. The station attracts over 23.5 million visitors a year and ranks as the most visited site in Washington, DC. The station houses Amtrak, Maryland Area Railway Commuter, the Virginia Railway Express, and Metro, which links commuters to Reagan National Airport and the rest of DC. Stations like Union Station have helped build up the economy in surrounding areas. Restaurants, shops, and local businesses have moved in, and residential real estate has thrived, all of which have created more jobs.

EXPECTED WITNESSES

Mr. Larry Blow
US Maglev Coalition

The Honorable John Bohlinger
Lt. Governor
Montana

Mr. Kevin Brubaker
Project Manager for the Midwest High Speed Rail Network Project
Environmental Law and Policy Center

The Honorable Frank J. Busalacchi
Secretary
Wisconsin Department of Transportation

Mr. Ross Capon
Executive Director
National Association of Railroad Passengers

Ms. Astrid C. Glynn
Commissioner
New York Department of Transportation

The Honorable Robert N. Jackman
State Senator
Chair, Midwest Interstate Passenger Rail Commission
Indiana

Mr. Will Kempton
Director
California Department of Transportation

The Honorable Elaine Nekritz
State Representative
Illinois

Ms. Harriet Parcells
Executive Director
American Passenger Rail Coalition

Mr. Colin Peppard
Friends of the Earth

Mr. Mark Schweiker
President
Greater Philadelphia Chamber of Commerce

The Honorable Velma Williams
Commissioner
City of Sanford, FL

BENEFITS OF INTERCITY PASSENGER RAIL

Tuesday, June 26, 2007

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS,
Washington, DC.

The Subcommittee met, pursuant to call, at 11:06 a.m., in Room 2167, Rayburn House Office Building, Hon. Corrine Brown [Chairwoman of the Subcommittee] Presiding.

Ms. BROWN OF FLORIDA. Will the Subcommittee for Railroads, Pipelines and Hazardous Materials come to order?

The Subcommittee is meeting today to hear testimony on the benefits of intercity passenger rail.

More and more States and localities across America are turning to passenger rail to meet the transportation needs of their citizens. With gridlocked highways and skyrocketing gas prices, it is easy to see why passenger rail is becoming so popular.

Passenger rail's ability to reduce congestion is well-known. For example, one full passenger train can take 250 to 350 cars off the road, and passenger rail can compete as a viable alternative to airplanes under 500 miles, and some of our visitors can attest to that.

Passenger rail also consumes less energy than automobiles and commercial airlines, but before we can fully realize those benefits, we need to ensure passenger rail is a priority in the United States. We were once the premier country in passenger rail service, and now we are dead last behind every other industrialized country in the world.

We need to start with reauthorizing Amtrak. Amtrak provides a majority of intercity passenger rail services in the United States. Amtrak's authorization started over 4 years ago. Yet it has continued to make impressive gains in attracting new ownership and increasing its annual revenue.

Amtrak also encourages economic development in communities it serves. One of our witnesses today is my dear friend Ms. Williams, who represents the City of Sanford, Florida. I want you to know she is supposed to have been here yesterday at 1 o'clock, and she didn't get on the plane until I think about 8 o'clock last night. So remember when we had the hearing from the different countries, one train indicated that their record was only 6 seconds late, period, 6 seconds.

So the Amtrak station in Sanford is important to the city's prosperity and its residents. Amtrak plans to redevelop and expand the

Sanford station, which in turn will provide economic benefits to the local area and residents as well as to the Amtrak passengers.

I welcome Commissioner Williams and all of our distinguished guests, and we really have a wonderful panel of distinguished guests. I look forward to hearing from today's panelists with their experience with intercity passenger rail and how we can make the system better.

I will yield to Mr. Shuster, and I ask by unanimous consent you have 14 days to revise and extend the remarks and to permit the submission of additional statements and material by witnesses. Without objection, so ordered.

Also. Due to the length of the hearing and the scheduled markup at 2 o'clock, I ask that Members either submit their opening statements for the record or make them during the question and answer period.

I yield to Mr. Shuster for his opening remarks.

Mr. SHUSTER. I thank you for holding this hearing today. I appreciate you holding this hearing today. As you know, those of us on the Committee know the importance of intercity rail, especially the Amtrak in this country and the importance to the future.

I would like to take this opportunity to welcome all panelists. I appreciate you taking the time being here and discussing this issue today and helping to shed some light on it.

I especially want to welcome former Governor of Pennsylvania, Mark Schweiker, for being here today. Many of you may remember Governor Schweiker's great leadership in Somerset, Pennsylvania. He has now taken his leadership to the Philadelphia Chamber of Commerce. It is not just Philadelphia, it is a regional operation that goes from Trenton, New Jersey, down to Wilmington, Delaware. It is a great example of regionalism in action, and we appreciate you being here today.

I know, Governor, you have to leave at about 11:30. You have another great program you have put together in Philadelphia. I wrote the name down here, and I can't even read my writing. Is it Working Solutions?

Mr. BOHLINGER. Yes, it is.

Mr. SHUSTER. Working Solutions. The governor told me it will provide a thousand paid internships in that region for kids, young people to go to work this summer and to stay in school and away from some of the temptations that are out there. So we commend you for that and really appreciate you taking the time to be here. We'll be sure that you get back to make that big announcement today.

It is clear that passenger rail done right can be a major benefit to our economy. Also, our existing Amtrak system needs serious help. In the current fiscal year, through April, only 42 percent of Amtrak's intercity trains managed to arrive on time. The California Zephyr has never arrived on time, while the Capital Limited arrived on schedule only about 16 percent of the time.

The reason for this is simple. Amtrak runs its trains on freight rail tracks, which are becoming just as congested as our highways. If Amtrak trains are running late, in many cases so are freight trains. We need to find a way to reduce freight congestion and permit the efficient operation of Amtrak routes.

Today, we will hear from a variety of organizations we need a new infrastructure program, and public-private cooperation is essential to doing this. I think that there are some in this body in Congress that believe that Amtrak can be a profit-making entity. I, for one, my goal would be for Amtrak to some day be a break-even operation. I think it is very, very difficult for a passenger rail system. If you look around the world, to get it to break even is a difficult thing. That is something we need to look at.

In Pennsylvania, though, Amtrak finished rehabbing the Keystone Corridor, which is running at rates of 110 miles per hour. This was done under a 50/50 cost share arrangement between the State of Pennsylvania and Amtrak. Ridership and performance are way up, and it serves as a model for other corridors around the country.

We also have to think about replacing antiquated intercity trains. One idea would be to develop a national railway equipment pool which will allow States to buy new DMU trains. DMUs consume far less fuel, generate fewer pollutants than regular trains; and I believe they are much more flexible for runs that run across central Pennsylvania, which is essential to my part of the country. I think this technology is ideal for expanding rail service in Pennsylvania and other States.

I am glad to see so many organizations here to help guide us through this process. Again, Governor Schweiker, thanks for being here today.

Madame Chairwoman, thank you for holding this hearing; and I yield back my time.

Ms. BROWN OF FLORIDA. Thank you.

I would like to welcome our distinguished witnesses here this morning.

Our first witness is Lieutenant Governor John Bohlinger from the State of Montana, welcome, welcome.

Our second witness—and you ably introduced him—is the former Governor Mark Schweiker, who is the President and CEO of the Greater Philadelphia Chamber of Commerce and the former Governor of Pennsylvania. Welcome.

Our third witness is Illinois State Representative Elaine Nekritz. She is Chair of the Rail Committee in the Illinois Statehouse, which is newly formed. I can see already she has a lot to talk about, including her plane was late this morning.

And our final witness for the panel, my dear friend, Commissioner Velma Williams. She represents the City of Sanford, which Ranking Member Mica and I have the privilege of serving in Congress.

Let me remind the witnesses that they are under Committee rules. They will submit their oral statements, but their entire statement will appear in the record. We will also allow the entire panel to testify before questioning the witness.

We are very pleased to have you here this morning.

TESTIMONY OF LT. GOVERNOR JOHN BOHLINGER, STATE OF MONTANA; MARK SCHWEIKER, PRESIDENT AND CEO, GREATER PHILADELPHIA CHAMBER OF COMMERCE AND FORMER GOVERNOR OF PENNSYLVANIA; HONORABLE ELAINE NEKRITZ, STATE REPRESENTATIVE OF ILLINOIS; AND HONORABLE VELMA H. WILLIAMS, COMMISSIONER, CITY OF SANFORD, FLORIDA

Ms. BROWN OF FLORIDA. We will begin with Lieutenant Governor. Thank you.

Mr. BOHLINGER. Good morning, Madame Chair and Subcommittee Members. My name is John Bohlinger. I am Montana's Lieutenant Governor. I greatly appreciate the opportunity to appear before you today to discuss this critical issue of Amtrak's intercity service to Montana and other rural States.

I'm here to speak in support of Amtrak's long-distance intercity service and the need for continued Federal support for Amtrak in general and the need for long-distance routes specifically.

Mr. SHUSTER. Can you pull the mike closer?

Mr. BOHLINGER. Surely. How is that?

Many people assume that long-distance travelers on Amtrak are primarily vacationers or leisure travelers. In reality, the long-distance routes such as the Empire Builder provide essential transportation to residents in large areas of the United States, including Montana.

The Empire Builder has been a presence in Montana for some 78 years. The nearly 700-mile segment of the Empire Builder that crosses Montana's Hi-Line accounts for almost one-third of the total route. To put this in perspective, the Empire Builder crosses Montana at a greater distance than it would be to travel from the District of Columbia to Atlanta, Georgia.

The Empire Builder's annual ridership is about 500,000. This is not large in terms of a national perspective. However, with our rural highway and transit systems, traffic volumes do not always tell the whole story.

When you come to understand the importance of—national importance of long-distance passenger service, to understand this I think it is important for you to see or have some understanding of Montana's transportation system.

In northern Montana, the area served by the Empire Builder, we have one north-south interstate highway system; and we have a two-lane highway system that goes east and west. There are no intercity buses services. There is limited access to air transportation. During the winter months, when storms can often close highways, the Empire Builder provides a lifeline of transportation to residences and businesses that have no other options.

The Empire Builder draws riders from many other areas of Montana. People who live in Billings, Bozeman, Butte and Missoula will often drive hundreds of miles to take the train.

Now if you were to visit the Montana train depot before the train arrives, it would be interesting for you to see just who is queuing up for that ride. We would see the following: We would see Montana residents who would be traveling to major hospitals in Seattle or to the Mayo Clinic in Minnesota for medical treatments. You would find military personnel at the Great Falls Malmstrom Air

Force Base who are traveling. You would find Native Americans who are going to work or visiting families and friends out of State. You would find students who would be traveling to school outside of the State of Montana. You would see Homeland Security personnel that guard our border between the United States and Canada, our neighbors to the north. You would also come to understand that the economy of the Hi-Line northern part of our State and its success is closely tied to the presence of Amtrak and rail service.

From Montana's perspective, the greatest need is a national passenger rail policy that includes long-distance routes with multi-year Federal funding packages that would support it. Without such a policy, Amtrak is doomed to forever struggle to survive and provide basic services.

We believe that Congress must consider establishing a policy that preserves existing passenger routes. Some recent Amtrak funding proposals include recommendations that States pick up more of the financial responsibility for the services they receive. Because the population density in Montana is very low, the cost of the State match or contribution per capita, we hope, would be proportional and fair. We pay our fair share—in fact, perhaps more than our fair share—in the sense that we have the ninth highest tax on gasoline and the tenth highest tax on diesel in this entire country.

Montana has 69,000 miles of roads that are open for public travel, with 1,191 miles of interstate highway systems and 10,572 miles of State and Federal highways. Because of this vast roadway system, Montana struggled to provide matching funds for highway maintenance. The State has a population of 940,000 people that are spread over 145,000 square miles. We are the fourth largest State. We have about 6.51 persons per square mile. We have more deer, elk, antelope, cattle and sheep than we have people. If we could figure out how to tax them, we would might be able to kick in a little more from the State side, but we haven't been able to do that. So I would help when we develop funding formulas there would be a sense of fairness and portionality.

Long-distance passenger routes such as the Empire Builder provide national benefits, including reduced emissions compared to car travel and travel that will become more costly when we look at $3, $4 and $5 a gallon gasoline. Furthermore, it is an alternative to crowded airports and highways. For Montana citizens who have few transportation options, Amtrak provides essential connectivity between this State and the rest of our great country.

We in Montana are hopeful that Congress will continue to support Amtrak's long-distance service and will not require financial contributions towards long-distance service from low-population-density States. A national passenger rail system without long-distance routes is not a national passenger rail system. We are the United States. We are not separate, independent nations.

This concludes my statement. Thank you again for the opportunity to participate in this important discussion. I will be glad to respond to any of your questions.

Thank you, Madame Chair.

Ms. BROWN OF FLORIDA. Thank you.

Ms. BROWN OF FLORIDA. Governor.

Mr. SCHWEIKER. I represent a large business advocacy organization with members across three States—southeastern Pennsylvania, southern New Jersey and northern Delaware.

Today, in my role as chairman of the CEO Council for Growth, it is my pleasure to provide some perspective and recommendations which I will outline briefly in a moment. As you know, the Growth operation is found in the written statement that was provided days ago.

Just to mention, the CEO Council's mission is to enhance the competitiveness in the region in the global economy. A key to this mission is an enhanced Federal commitment to Amtrak's Northeast Corridor, which is central to the future economic growth of our region.

I should mention that greater Philadelphia has some distinctions as relates to Amtrak. It is the only region in the country with three big stations: Trenton, Philadelphia and Wilmington. Certainly you are aware to the usage of those particular stations. In fact, 3.5 million Amtrak passengers used Philadelphia's 30th Street Station in 2006, with a top destination being New York City, followed by this city, District of Columbia. In a highly skilled workforce, our regions easy access by train to the Nation's financial capital and political capital in Washington is one of our primary advantages.

Let me mention as far as the magnetism of Amtrak and what it means. Someday perhaps you will be able to visit. There is a large new high-rise literally next to Amtrak's 30th Street Station. It took about 3 years to fill up this high-rise. I think it is a concrete example of the economic impact of and the attraction of good intercity rail service.

Finally, as we talk about perspective, let me mention that Amtrak's infrastructure is critical for the operation of our regional transit systems. Fifty percent of the local in the Pennsylvania realm SEPTA trains rely on Amtrak's rail and 60 percent of New Jersey transit trains are dependent on Amtrak's tracks and signal systems.

As one considers the operation of Amtrak, I cannot overstate the absolute vital nature of Amtrak to smooth operation of commuter rail and the economic performance of the greater Philadelphia region, which I just mentioned falls into three States.

Also, Congressman Shuster did mention the Keystone Corridor which connects out to Lancaster and the State capital. That is a key part of the region's suburban commuter rail network. It is something that Tom Ridge and I had began. I want to acknowledge that Governor Rendell, our current Governor, has continued that between the Commonwealth and Amtrak.

So important connections and a sense that the partnership already exists, I want to make that historical note.

When I talk about our region, let me mention that I focused my comments in the first minute or two in our region. Interstate 95, another region, is congested from Boston to Washington, with the most delays in the New York, New Jersey, Philadelphia area. Obviously, Amtrak can be a great source and network for moving people more efficiently.

Finally, the Northeast region will add nearly 20 million new residents by 2050. If our transportation system is going to continue to function, we will need significant new capacity in all modes of transportation, air, road networks, as well as intercity rail. Hopefully, our opportunity to visit today does lead to a brighter future for Amtrak and not necessarily the moments we experienced in the last couple of years where we were defending its essential nature.

Finally, let me mention our recommendations:

One, to find a secure source of funding for intercity passenger rail. The Northeast Corridor is too important to be a hostage to yearly crises where Amtrak is threatened with bankruptcy by the administration or Congress.

Hopefully, you will see a way in the reauthorization proposal to define what is ″state of good repair″ and provide the associated funding to achieve it.

Number three, reduce the trip time of both north and south ends of the corridor.

And, fourth, in our estimation—I speak for the business community, 5,000 strong—require Amtrak to work with the States and the commuter railroads to develop a plan to increase the capacity of the corridor through these partnerships.

And rest assured, Madame Chair, we appreciate the opportunity to provide comments today, and with the business community and also working in tandem with similar interests in Boston all the way down to Richmond, we would like to work in alignment with this Committee to fashion the reauthorization proposal.

Ms. BROWN OF FLORIDA. Thank you, Governor.

Ms. BROWN OF FLORIDA. Ms. Nekritz.

Ms. NEKRITZ. Thank you, Chairman Brown, Members of the Rail Subcommittee.

As Chair of the newly created Illinois House Rail Committee and a commissioner from Illinois to the Midwest Interstate Passenger Rail Commission, I am honored to share with you some of Illinois' exciting news about passenger railing as well as the challenges we face and the future for passenger rail in Illinois and throughout the Midwest.

I also want to thank Congressman Lipinski for making sure that I got here today and for his very strong leadership in Illinois.

For many years, Illinois has made an investment in passenger rail by purchasing Amtrak service along four corridors. The schedule, however, wasn't so great and didn't necessarily allow for easy round-trip travel between Chicago and down-State communities. Despite these difficulties, Illinois saw a 40 percent increase in ridership between 2003 and 2006.

Responding to this demand, the State doubled its spending, for a total of $24 million for State-sponsored Amtrak service. Starting October 30th, 2006, we purchased additional daily round trips on three of the four corridors.

When the new service was announced, it was widely applauded by the media and local elected officials and citizens, but I don't think anyone could have anticipated the response from riders. In the first 6 months, ridership was up dramatically, from 60 percent growth on the Chicago/Quincy line to over 100 percent growth on the Chicago/St. Louis line; and that growth continues despite prob-

lems with performance and equipment breakdowns. These results clearly demonstrate the significant demand for passenger rail service in Illinois and the Midwest.

Providing new service is only the beginning for my State. To continue the service at the current level and any chance of building on success, we have some challenges to meet.

The first is the lack of trainsets. When we bought our new service, we wiped out any remaining inventory that Amtrak had of locomotives and cars. So when there are breakdowns, we have delays. When trains are sold out, which happens more often they we could have anticipated, there are no cars to accommodate new passengers. We clearly cannot provide any new service until this problem is resolved.

Our second hurdle is the infrastructure on the host rail lines—both the quality of the maintenance and the conflicts with freight traffic. For example, the Union Pacific line between Chicago and Springfield has 20 slow orders that require Amtrak to run at reduced speeds, sometimes no more than 10 miles per hour. The conditions and lack of adequate sidings on all the lines prevent passenger and freight trains from going past each other in an orderly fashion.

While Illinois has upgraded a portion of track on the Chicago/St. Louis line to accommodate trains at 110 miles per hour—we are very jealous of Pennsylvania for that—more needs to be done to make passenger rail run fast enough to attract more riders.

Finally, we need to expand beyond our existing routes to Rockford, the Quad Cities, Decatur, Peoria and Galena. The mayors of these communities have expressed strong interest in pursuing new train service, and our Department of Transportation is currently engaged in studying the viability of such service.

To be successful, the State of Illinois needs partners. We are hoping the Federal Government will join along as a partner, as has Amtrak and the freight railroads.

First, I want to applaud the work Congress has done to keep the Amtrak contract funding at the level that it has. This year, Amtrak has requested $1.55 billion for operations and the Senate has proposed $1.78 billion. I would certainly encourage the higher level.

In addition, a Federal matching program similar to that for other modes of transportation would give States the boost they need to meet the demand for passenger rail service. An 80/20 match would give Illinois the incentive and ability to address the problems I outlined earlier. An 80/20 match would also put us much closer to realizing the vision of the Midwest Regional Rail Initiative, which I am sure you will hear more about later, to connect the entire region with high-quality, higher-passenger rail.

Finally—this may not be the right place, but I don't want to go without mentioning this—Federal support for the Chicago Region Environmental and Transportation Efficiency Project, known as CREATE, is critical for us. As you are well aware, CREATE is a ″project of national significance″ in the recent transportation reauthorization SAFETEA-LU; and while CREATE is vitally important for the transport of freight across our country, it also does have passenger rail benefits.

Illinois as a State is considering funding for CREATE as part of a capital program, but without support from the Federal the project cannot provide the full benefits that we so desperately need.

I am grateful for this opportunity. The State of Illinois is committed to continuing our work to improve passenger rail service, and it can be better for our citizens in our region with the active involvement of the Federal Government. Thank you.

Ms. BROWN OF FLORIDA. Thank you.

Ms. BROWN OF FLORIDA. Ms. Williams.

Ms. WILLIAMS. Good morning. I am Commissioner Velma Williams from the City of Sanford, Florida. I am indeed honored to be invited to testify before you today regarding the benefits of intercity rail passenger service.

I also want to you know how proud we are in my community to be represented in Washington by Congresswoman Corrine Brown, the Chair of this Subcommittee, and Congressman John Mica, the ranking Republican Member of the Committee on Transportation and Infrastructure.

The City of Sanford is about 20 miles north of downtown Orlando. We are the original ″big city″ in Central Florida. This was because our location on the St. John's River and a very early connection with the railroads. In 1880, the South Florida Railroad was completed between Sanford and Orlando to carry passengers and freight from our port to inland destinations, including a small settlement to the south named Orlando. In 1881, the railroad was extended west to Tampa.

Today, Sanford is a thriving community of 52,000 people. We are the largest city in Seminole County, and we serve as the County seat. Our economy has been based on agriculture, but, like much of Florida, the landscape changed quickly. We are fortunate to have a growing and diverse economy. Traditional cities like Sanford are being revitalized, new developments are being sited in a manner to preserve much of the natural Florida that residents cherish.

Our transportation system has played an important role in the City of Sanford's evolution. We are served by Interstate 4, the GreeneWay, which is our equivalent of a beltway, an extensive network of local roads, Orlando Sanford International Airport, Lynx, bus service and Amtrak.

Traffic congestion, especially on Interstate 4, is a chronic problem. Additional lanes have been added in recent years, interchanges have been built, and a major regional chokepoint was fixed with the construction of a new bridge built across the St. John's River. Even with these improvements, Interstate 4, which is the spine of our regional transportation system, is the road that Central Florida drivers want to avoid. This often causes problems with visitors and freight movement as well.

Our national transportation policy in recent decades has focused on highways and automobile travel. The Interstate highway system has been the centerpiece. Designed in the 1950s and completed just recently, it was an extraordinary accomplishment. It has connected metropolitan areas across our great Nation and set a standard that is the envy of most countries throughout the world. State and regional transportation policies have, for the most part, also emphasized highways and automobile travel.

Many will say that these policies have served us well, and there is a great deal of truth to this, but something happened along the way. We somehow forgot about the important role that railroads have played in our Nation's history, and we have failed to see the opportunities they hold for our future. It is time for a change, and that can begin today with this hearing.

Our national rail passenger system, Amtrak, has had a long and complex history. I am not an expert on this, but I can speak to what people see today, at least in Central Florida, and what I believe people would like to have as part of our future.

Amtrak provides an attractive and reasonably priced alternative to the automobile in the Northeast Corridor between Washington and Boston. In addition, I have heard it is popular in some areas of California. However, beyond that, Amtrak does not have the financial means to provide the type of service that most people demand today.

In Central Florida, Amtrak provides several trips a day in each direction between Miami and points north. Service for regular passenger trains are provided at three stations, one in downtown Orlando and one in Winter Park and one in Kissimmee. Amtrak's Sanford station for regular trains was closed a number of years ago to reduce operating costs and due to damage as a result of the hurricane.

I would like to have this historic station reopened by Amtrak—or we would like to have this historic station reopened by Amtrak. This would increase ridership and avoid having people travel south to Winter Park to use Amtrak, and also it would be a nice complement to start up the Central Florida commuter rail service in the year 2010.

Amtrak continues to operate the AutoTrain in the City of Sanford. This is an innovative service that has proven to be very popular. Passengers travel in comfort on overnight trips between Lorton, Virginia, and Sanford, Florida. This takes cars off of Interstate 95 and Interstate 4. When travelers arrive in the City of Sanford they can enjoy all that central Florida has to offer or continue their trip to Tampa, southwest Florida or Miami as a result of the turnpike. This service is unique in this country. It serves as a wonderful example of how the market responds to innovative ideas. I was very pleased to hear recently that Amtrak is planning to make improvements to the Sanford AutoTrain station. Please fund them so that can be possible.

Last year, nearly 400,000 passengers used the Amtrak station in central Florida. This number has fluctuated in recent years. There are a number of subsequent reasons for this, which is not really important. However, I firmly believe that if trains were more frequent and trains operated at higher speeds, there could be significant increase in Amtrak's passengers.

I also believe that the potential is great for quality, high-speed rail between Florida's major cities. At a minimum, this would include Jacksonville, Tallahassee, Orlando, Tampa, and Miami. In the year 2000, Florida voters approved an amendment to the Florida constitution to provide for construction of the intrastate high-speed rail passenger system, but something happened there, which is not important either.

Conditions in my region and throughout the State of Florida are, in my opinion, ideal for a rebirth of passenger rail service. But today I am asking the distinguished Members of this Subcommittee to consider an ambitious passenger rail program on a national scale. This will involve upgrading existing lines, establishing new routes, refurbishing existing stations, building new stations, investing in new equipment and providing new service. It will probably involve new ways of doing business.

Ms. BROWN OF FLORIDA. Ms. Williams.

Ms. WILLIAMS. Yes.

Ms. BROWN OF FLORIDA. You have about one minute to close.

Ms. WILLIAMS. Okay.

Ms. BROWN OF FLORIDA. But you can close now, and then we can ask you some questions as we move forward.

Ms. WILLIAMS. Let me say this, bottom line, that interstate intercity passenger rail is definitely needed. That is an unquestionable need, and I feel that Amtrak—we feel that Amtrak is the key. We feel that Amtrak should be funded.

So I leave you with the question, if there is no funding for Amtrak, then why? If there is no funding for Amtrak now, then when? If there is support and funding for Amtrak in these chambers, then where is the support? I say to you, be bold, be encouraged and embrace change. Thank you.

Ms. BROWN OF FLORIDA. Thank you, Ms. Williams.

Ms. BROWN OF FLORIDA. Thank you all for your testimony.

I need to go back to the Lieutenant Governor, because one of the major debates in Congress constantly is about Amtrak not paying for itself, running services to areas that are not highly populated like your area. It doesn't seem to be a clear understanding, the importance of having rail systems in your area, and that is really one of the major disconnects I think about the system. So I would like for you to expand on that in your testimony.

As I was reading last night, you talked about there is no bus or air transportation system in your area. Has there ever been any and why is it important that we in Congress look at connecting your area with the rest of the country? Because there are many who constantly propose cutting it off because it doesn't pay for itself.

Mr. BOHLINGER. Thank you, Madame Chair. Those are good questions.

Let me first address the concern that Congress may have about someday creating a rail system that will pay for itself. There is no rail system in the world that pays for itself. You can't generate enough revenue through the sale of tickets to provide for the services. So the people of these great countries that have good rail systems are providing a subsidy to keep those systems alive. I liken it to the kind of public investment that is made in education, the kind of public investment that's made to provide human service efforts for government. There are similarities here. It's what a great nation, a great country is held together with.

Now, with respect to States like Montana, a low-population State, we only have 944,000 people, but yet we are citizens of the United States. We are not a separate and independent nation. We are part of a great nation. And we have a Federal highway system

that was built for the benefit of all citizens of this country, providing them the opportunity to travel from the east coast to the west coast.

Now, all segments of that highway system do not necessarily pay for themselves because of low traffic. But it is a federally subsidized, federally funded system that bears great value to this country.

The same sort of expression of value could be found if we were to provide sustainable funding for a rail system that would benefit all citizens of this country, among them the opportunity to travel, to go to work or to vacation. Just because we don't have—we only have a half million riders on the Amtrak system, which is not great in comparison to the kind of ridership that is generated in Pennsylvania or Illinois or Florida, but we are contributing our part.

It is interesting to note that the—I keep harkening about the highway system. The Federal highway system is supported through tax dollars on the sale of gasoline and diesel fuel. Montana has the ninth highest tax on gasoline in the country, the tenth highest tax on diesel fuel. This is a great commitment by the people of our State to the benefit of our country, and I feel that we have made our contribution. I feel that Montana, unless we can figure out how to tax the deer, elk, antelope, cattle and sheep, I don't know where the additional revenue will come from. But we try, and we are members of a great nation and would expect that the Congress of this great nation take into consideration the importance of the connectivity of bringing our nation together.

Thank you, Madame Chair.

Ms. BROWN OF FLORIDA. I hope you don't keep mentioning the cattle and the sheep, because we will figure out how to tax them.

Mr. BOHLINGER. Very good. Thank you, ma'am.

Ms. BROWN OF FLORIDA. I want to ask the Governor a question, because I understand he is going to have to leave, and then I will turn it over to Mr. Shuster.

How would the greater Philadelphia business community benefit from the increased Amtrak presence? What support would the business community—what kind of partnership can we do with the business community and with the Federal Government?

We are discussing a greater role for the States, and I guess my question, as he mentioned earlier, I don't think that should be a mandate from us. I think that should be something that we are committed to do.

We spend almost $9 million a week in Iraq; we are not willing to spend $4 million for the entire system. We are talking $1.7 billion, and we think that's great, hooray. When every single industrialized country, when they came and testified, they talked about billions of dollars that they put into the system.

Governor.

Mr. SCHWEIKER. Madame Chair, thank you.

I want to address not only the first element of your inquiry, the economic reward, the economic impact. In our experience, it is unquestionably positive.

I mentioned the Cira Centre, the high-rise building. They are now talking about development of a second large building. So it says something about the magnetic appeal of the proximity of rail

service in the intercity. When that is accented, it stands to reason that you will get more.

Let me also say it stands on the outlay of Federal funds for transit, the economic reward which I think, when handled properly, is unquestioned and positive. We often do not accent the environmental dimension. There are lots cars in the world. There is an environmental impact of a positive nature as well, so that ought to be considered.

As it relates to our interest and hunger to partner with the Federal Government in the operation of Amtrak, as Congressman Shuster mentioned moments ago about the Keystone project, every stop along that line from Philadelphia to Harrisburg is a result of that partnership. And working in tandem shows increased ridership. It is picking up.

I believe it is not just in Pennsylvania. I think California shows some pretty interesting numbers as far as increased ridership. It is a matter of promoting it.

The business leaders that I represent, as enlightened as I believe they are and certainly distressed by some of the commentary that at times comes from the White House, is interested in opening up the discussion, making it clear that it is about companies, jobs and paychecks. Your constituents, our residents, they are CJP—companies, jobs and paychecks—for residents. Partnership leads to them.

Ms. BROWN OF FLORIDA. Yes, sir.

It has been a real fight for the past few years when we have a recommendation from the White House to zero out the complete budget, which is ludicrous, and then this year $900 million, which is also ludicrous.

I turn it over to Mr. Shuster.

Mr. SHUSTER. Thank you.

I think it is important to point out if you look back over our history the major economic developments that occurred through our history were transportation projects, were the canal system through the country, the Union Pacific Railroad, the Transcontinental Railroad in the 1860s that connected east to west, the Panama Canal, the interstate highway system. What followed was economic boom times for America.

I might add as well those were all Republican initiatives. Some of my colleagues have forgotten that it was Republican initiatives; and it is in the Constitution that the Federal Government is here to provide financial security and national defense, which transportation is key to that, intercity commerce and now global commerce. So I like to remind those on my side of the aisle that those are important components of the Republican party.

My question is on the Eastern Corridor. Somebody said speed kills, but when it comes to trains, speed attracts passengers and with that comes economic development. When I look at the market on where Amtrak is, it is more the strong Northeast Corridor, Philadelphia to New York, Philadelphia to Washington, Philadelphia to everywhere. If we can get the rail service up to 110 miles per hour, how important is that going to be to the Northeast Corridor in your opinion and in the opinion of the business community that you represent?

Mr. SCHWEIKER. The obvious picture comes to mind of greater speed amounts to quicker travel, and it is fueling for a stronger economy over time. Whether it is more commercial tenants that decide to center themselves near our station, to an industry that may be nearby, all of that I think is made more likely when business executives can count on a stable system and the availability of intercity passenger rail.

So that is what brings me here. For Members of the Committee, I came down on Amtrak today, and I will soon take an Amtrak train back. I love it. Once people experience it, they are inclined to use it more. The same goes for business people. I think that explains the increased ridership. And you throw in $3.60 for a gallon of gas, people will think about using rail. So we will stand shoulder to shoulder with this Committee as they shape the reauthorization proposal.

Mr. SHUSTER. Does the chamber have a view—there has been some talk on States especially with the corridor, having a greater ownership or say in the corridor. Does the business community have a thought on that happening?

Mr. SCHWEIKER. There is a view for partnerships that has to be defined.

To mention Cira Centre again, next door, it looms up next to the 30th Street Station. That is a result of enlightened thinking and accommodation and partnership in a concrete sense. I would love to invite you to come out. You get on at Union Station, and you would never have to leave the air conditioning. Because Cira Centre is literally connected by a footbridge to the 30th Street Station.

All of that speaks of economic return and, of course, our belief that, with accommodation, public-private partnerships with Amtrak would provide that kind of payoff.

Mr. SHUSTER. Thank you.

Lieutenant Governor Bohlinger, we, of course, preparing for this heard from a number of people; and the bus companies in Montana said that Amtrak has an unfair advantage and that there is no bus service. Can you speak to that?

Mr. BOHLINGER. Thank you, Congressman.

We have no intercity bus service through much of Montana. The bus companies might say it is because of the Amtrak competition.

Mr. SHUSTER. They say unfair competition, which I am not quite sure—go ahead.

Mr. BOHLINGER. Unfair competition, I don't understand that. I mean, the Amtrak train runs east and west. It makes a trip east once a day, a trip west once a day. It is not regular passenger rail service. I don't see that as an unfair competitive advantage. The bus companies I think have abandoned these small towns in northern Montana because there are fewer riders. But our ridership on Amtrak, the numbers are increasing. I believe in the last couple of years we had a 30 percent increase in ridership.

Now, I don't think that is ridership that has come as a result of the bus companies giving up the ridership—their service to the area. Amtrak is more convenient.

Mr. SHUSTER. Thank you. My time has expired.

Ms. BROWN OF FLORIDA. Lieutenant Governor, I am going to turn it over to Mr. Michaud, but one of the things you mentioned is that

during the wintertime that is the only way that people can move around because of the snow and the conditions of your two-lane roads. So can you give us a minute response on that before I turn it over to my colleague?

Mr. BOHLINGER. Yes, ma'am.

During the winter months, it is not uncommon for the northern part of our State to have what we call Alberta clippers. We blame all our bad weather to our neighbors in the north. It will close our two-lane highway, the only east-way route across the northern part of our State. It is unsafe for travel. The roads are closed. The train always goes through, so it does provide safe travel for Montanans as well as for American citizens, yes, ma'am.

Ms. BROWN OF FLORIDA. As we develop the system, I think we need to think about—all we have to do is look at Katrina, and we need to—it is not just economic development, certainly that is a major part, but also security is a part in how we move our citizens out of harm's way.

Congressman.

Mr. MICHAUD. Thank you very much, Madame Chairwoman.

I am very supportive of rail, both passenger and freight rail. In the State of Maine, we have a population of approximately 1.3 million. There is a lot of increase in passenger rail from Portland further north. However, it is a very rural State. The population might not warrant building new lines for passenger rail.

So I would like to have each of the panelists, starting with you, Lieutenant Governor, how would you envision rail, passenger rail, working with the private sector, the freight rail folks to help build their—utilize their lines to build it up to standard so you can use both, particularly in a rural State that might not warrant more lines for passenger, by using the freight, the private sector on the freight rail, which is Portland, Maine, if you look at the paper industry moving their products out on the freight lines. Comments?

Mr. BOHLINGER. Thank you, Congressman.

The rail lines are owned by private companies, maintained by private companies. Amtrak leases space to run their trains twice a day across these rail lines. As far as expansion of rail service in Montana, at one time, up until 1972, we had what was called the northern route as well as the southern route across our State. The southern route was abandoned at that time, although there was greater ridership along the southern route because it provided service to the cities of Billings, Bozeman, Butte, Missoula, our greater population centers, the quickest way to the west coast from Chicago to Seattle and Portland that Amtrak was interested in. It was a quick way of getting there.

They abandoned the southern route. I would love to see the southern route reestablished to provide travel by rail to those people who live in southern Montana. I would support the expansion of rail service in Maine to take it from Portland north.

This is the United States of America. It is the connectivity that would provide opportunity for Americans to travel. I think it is something I think Congress should be concerned about.

Ms. NEKRITZ. Congressman, if I may— I am sorry.

Mr. MICHAUD. Do you think the Federal Government should provide funding to upgrades in the private sector as well? It is one

thing—if the private sector hasn't the funds to upgrade their system to allow, you know, thoughts on that as well.

Mr. BOHLINGER. Thank you, Congressman.

I think that a Federal investment in the expansion of rail service, whether it is putting in new lines, upgrading present lines, partnerships have to be formed; and the Federal Government has deeper pockets than private sector as well as State governments. I would encourage that.

As our chairperson said, we are spending—is it—$9 million a week in Iraq. We should be investing in this country proportionally. Thank you.

Ms. NEKRITZ. Congressman, thank you.

In Illinois, all of our trains run over freight lines. There are no dedicated lines, so we face a lot of the same challenges. While they can be a good partner, they don't necessarily make an investment in infrastructure that will improve passenger rail. They will make the investment to improve their train service but not passenger rail.

The only way we can get that is with a government or a public investment. So that is—we made some of that in Illinois, but we definitely need some help from the Federal Government on that. I think that is the only way it is going to happen.

Mr. SCHWEIKER. I think public policy that exists on cooperation, the logistics can be worked out. There has to be willingness of both parties so that can happen. I do think—I am not sure about the willingness on the part of the freight moving industries. I think you know my point.

I do think as we talked about—I don't hold myself as anyone who is greatly conversant with conditions existing in Maine, but, as I see it, we need to justify attention for just such an approach to operate what we have now well, build a case for it, not just to nonmembers of Congress but for the populous among the institutions that see the reward of doing it well. I think over time the P3s, the public- private-partnership community, perhaps maybe can work it out.

So it is a matter of operating it well and then think about the expansion. I think that creates the justification for that timely maneuver. No easy answers, as you certainly suggest by the question.

Ms. WILLIAMS. I would like to say I think it is incumbent upon our government to play a major role in reaching out to develop partnerships and maybe give some type of incentive for private industry to come on board. I don't see how we are going to survive here in America without developing partnerships.

Ms. BROWN OF FLORIDA. Okay, thank you.

We are going to go now to Congressman Gerlach, but I want to correct myself. It is $9 billion a month. Even up here that is some money.

Mr. GERLACH. Thank you, Chairman.

Good morning, everybody. Thank you for testifying.

Governor Schweiker, great to see you again.

I want to offer a question to you, but it really applies to the other presenters here based on your experiences with Amtrak in your areas. My district is right outside of Philadelphia, and my constituents rely heavily on the Keystone Corridor for travel and very

much want to see more funding for Amtrak services, and so I am very much in support of that as well.

Mr. GERLACH. And we want to try to accomplish as much as we can here in this funding cycle for that. But I am also finding back in the local area there are Amtrak properties, rail stations and properties generally, that are underutilized, that have opportunities for commercial development, that could be a source of revenue for Amtrak and to the local communities; or if they are not going to be used by Amtrak just because of changes in service and changes in technology that they do not need the sizes of rail stations that they have now, it could be turned back to local communities for other economic development purposes.

So I would be curious as to your thoughts, on the one end, of how we all want to work towards getting the resources to Amtrak from the Federal level that then, in turn, help provide for better service in our localities and States. How can we also, at the same time, encourage the better utilization of Amtrak properties in the 21st century so it brings a greater return to Amtrak and a greater return to the local communities that have those properties situated in their areas?

So I will start with Governor Schweiker, if you have a thought on that. But I will also leave it open to the other presenters.

Mr. SCHWEIKER. Well, my immediate reaction is, in having been involved in the administration as governor for some time, as well, all know, in a bureaucracy, sometimes bureaucratic thinking takes over all of the ways of thinking to maintain themselves. Perhaps, as it relates to Amtrak, there are those who do not see the commercial opportunities that are associated with those structures or with those locations, and it is a matter of opening themselves up to that possibility. I mean, with public-private partnerships, we know what P-3s are all about, and they work in plenty of locales with many different applications.

Individually speaking—and I think the business community feels as I do—with some open-mindedness internally at Amtrak, given the opportunity to ponder what a P-3 could do, there could be some real positive economic development opportunities to follow, and they could be profitable. So it probably boils down to, as one contemplates the language of the reauthorization proposal, there being an encouragement to those at Amtrak to think about such maneuvers, such accommodation, and seeing what can come of it.

But it is when the marketplace can properly work its magic that there is proper accommodation by those who make public policy in an organization like Amtrak.

Mr. GERLACH. Other thoughts?

Mr. BOHLINGER. Yes, Congressman.

I certainly would encourage public-private partnerships, you know, with the collaboration of especially, say, historic buildings that had once accommodated a great rail system that might be owned by Amtrak today. As they downsize space and find they do not need these grand ballrooms, they can—they are kind of like Union Station here—develop a wonderful commercial enterprise and add to the economy.

The rail stations in Montana are not owned by Amtrak. They are owned now mostly by the municipalities, the cities and towns that

had these stations, and they are put to great public use. You know, partnerships have been formed, and you will find, when you come to Montana for a vacation, that we will be able to show you some great historic stations and how they are used.

Mr. GERLACH. Thank you.

Anybody else?

Ms. NEKRITZ. I was interested in your question because that is not an issue that we have in Illinois, and I think it is because, in many ways, our stations are owned by the municipalities as well; and to the extent that there are unused facilities, those municipalities are now clambering for Amtrak to try to come back and reopen those facilities and use them for the purposes for which they were intended.

So I am not sure that we have the same kind of issues.

Mr. GERLACH. Okay. Thank you.

Okay. Well, thank you. I appreciate that.

Thank you, Madam Chairman.

Ms. BROWN OF FLORIDA. Mr. Lipinski.

Mr. LIPINSKI. Thank you, Madam Chairman.

I wanted to thank all of you for your testimony this morning. We are all focused here on Amtrak and what we can do to help Amtrak do its job, and I want to thank and to compliment Representative Nekritz for her leadership in Illinois.

Illinois has doubled its operating assistance to Amtrak and has doubled Amtrak's service in the State, and at a time where there has been such a desire among some of the administration, among others, to cut Amtrak, it is great to see this happening in Illinois.

So my first question, Representative Nekritz is:

How did this come about that Illinois is able to make this commitment to Amtrak service, to increasing Amtrak service?

Ms. NEKRITZ. Thank you, Congressman Lipinski, and it is good to see you.

The growth in ridership was there; before we doubled the service, the numbers were increasing, and I think that the effort—it was, really, a very bipartisan statewide, multiregional effort just to recognize and to say, ″You know what? The citizens are demanding this, and it is time we start delivering on it; and if we do that, we can demonstrate, I think,″ as some of the other panelists said, ″that if you build it, they will come and start, and then we can use the numbers that result to do even more.″

So it was really a remarkable effort by, you know, people who do not normally work together in the Illinois General Assembly.

Mr. LIPINSKI. Mr. Schweiker.

Mr. SCHWEIKER. Mr. Lipinski, if I could, I do believe that regular folks, given the opportunity—I mean, they cannot come to D.C. all of the time—will tell you the same thing. They like to be heard. They think it makes sense. And for some reason, it does not always manifest in the response of public policy, but I think it is just growing. Especially as people spend more time stuck on highways and dealing with security at airports and that kind of thing, it is growing.

Mr. LIPINSKI. Does either the commissioner or governor want to respond?

Ms. WILLIAMS. I would just like to say, in terms of commitment from the officials, in addition to the businesspeople, that I think that a commitment would be there. For an example, I work very closely with the Chamber organizations—the Sanford International Airport and what have you—but I would need to be able to say to those groups that there is commitment from the top.

So I need to ask someone here, if it is appropriate, Congresswoman Brown, is there a commitment from the top? Because you will find that people are willing to develop partnerships if there is a demonstrated commitment.

So is there a commitment to Amtrak from the top?

Ms. BROWN OF FLORIDA. It depends on what ″top″ you are talking about. From this ″top,″ yes, but I am not the only ″top″ in town.

Ms. WILLIAMS. Well, you will understand what I am saying, which is that there needs to be a demonstrated commitment from all levels, at all levels, from all groups.

Ms. BROWN OF FLORIDA. I agree, and I think, as we move forward, that is a question that we need to put on the table. When people parade through your churches, through your community groups, through the different forms that we have throughout the country, this is a debate that needs to be on the table, I mean, because when we started out, we were number one as far as rail passenger was concerned, with the caboose—and we do not use cabooses anymore.

I am going to take you up; I am going to come to Philadelphia, sir. I have been there several times on the train, and I think every Member of Congress needs to do a little homework and try the train, and I am going to encourage everybody on our Committee to do that so that we can see the system and get a feel for the system.

You know, I love to take the train from here to Philadelphia and go shopping. I will take everybody with me. You know, they have economic development and everything else.

Mr. BOHLINGER. I would love to accompany you on that.

Ms. BROWN OF FLORIDA. Mr. Lipinski, have you finished?

Mr. LIPINSKI. Thank you, Madam Chairman.

We were talking a little bit about this earlier, and Congressman Michaud had brought it up, but I want to focus again on the problems with the infrastructure.

In Illinois, with the increased service, we are now running about 60 percent on time because of the bottlenecks in Illinois. Congresswoman Nekritz talked about CREATE, and it is a project that I have been championing—well, you know what I am saying; we are now working on it. It is going to take a while to get this done and to bring back the Federal money, $100 million, but these public-private partnerships are difficult to put together.

In Illinois, in CREATE, we have the Federal money. We are working on the State money. We also have the city of Chicago; we have the passenger rail in the Chicago area also. We are putting in funding there, but it is difficult to do these things. In addition, we have the railroads, so we do have that private funding there.

I just wanted to give Representative Nekritz an opportunity to comment some more on that and how CREATE is coming together and how important this is for Amtrak in addition to, you know, the

freight railroads' being able to get their freight into and through Chicago, and also the commuter railroads.

Ms. NEKRITZ. There are a couple of things I would say.

The first is that we all have a vision—I think I heard that on the Committee—of having high-speed passenger rail. That is sort of the ideal.

Right now, in Illinois, we can go 110 miles an hour, but it is not going to do us any good because we are going to go 10 on longer stretches, and then we are going to be able to go 110. So, until we get those conflicts with the freight straightened out and get the infrastructure to where we can accommodate those fast trains, we are wasting our time investing in 110-mile-an-hour trains.

We have got to get the infrastructure where we can at least go 40. That would be a big improvement in a lot of our areas.

Secondly, with regard to the importance of CREATE, you know, CREATE is an $8 billion economic engine in the Chicago region, and if we do not invest in that, it does impact the entire country because two-thirds of all of the freight in this country, as you well know, goes through the Chicago region.

So decongesting the freight system in our region is critically important not only because it helps our region, but because it does help goods move throughout the entire country; and as we become more and more dependent on imports and things getting transported across the country, that is the most important piece that we can straighten out right now, the congestion right in your district.

Mr. LIPINSKI. There is one other thing I wanted to add.

Positive train control is something that could be very helpful, and we are discussing that right now and working on that in the Committee. But that could be very helpful for all rail traffic in order to be able to run the trains safely, and it will help with congestion also.

Thank you.

Ms. BROWN OF FLORIDA. Congressman Brown.

Mr. BROWN OF SOUTH CAROLINA. Thank you, Madam Chair.

I am just thinking. As we talk about the high-speed, did you go to the ball game last night?

Ms. BROWN OF FLORIDA. No, sir, I did not.

Mr. BROWN OF SOUTH CAROLINA. Your Ranking Member hit a triple, and to see him go around those bases to third base was pretty phenomenal.

Mr. SHUSTER. No. It was ugly. It was the first lay-down triple in the history of baseball. When I got to third, I had to lie down in the dugout.

Mr. LIPINSKI. And I can tell you that he hit one of those a couple of years ago, too, one of those lay-down triples, so——

Mr. SHUSTER. That is the second one I have hit, I guess I should say.

Mr. BROWN OF SOUTH CAROLINA. Anyway, you would have been impressed.

Let me just say, Madam Chairman, that there seems to be a great connectivity between the economic centers in the Northeast through Amtrak, and there is little or no connectivity between the economic centers in the Southeast; and I think my friend Ms. Williams might have alluded to that. Rail service is available between

Atlanta and Charlotte. There is none between Charleston and Atlanta or Atlanta and Miami unless you want to go through Washington, DC.

In addition to representing a growing district, I also represent a district that depends upon tourism for a large portion of its economy. I notice that, within the Amtrak route map, all of the routes that run through South Carolina are listed as long-haul routes. As the Southeast continues to grow both in population and in tourist traffic, I wonder if having all Amtrak routes into the region based this way is the best approach.

And I know we talked about the interstate system, which was formed in 1954, and we do not seem to have expanded much on that. It seems like we are still stuck in that same time zone for the railroad system.

And I am glad to have the members of the panel with us this morning. Would you like to elaborate on my situation and see how it might fit into your situation? I know that a lot of our folks might not come from Montana, but we would like for them to. A lot of them do come from the Northeast, coming down through my district to get down to Ms. Williams' district.

Anyway, would you all care to expand on that?

Ms. NEKRITZ. Well, I will take a stab at it.

We, in Illinois, have invested State money in purchasing service, and that has laid the groundwork for us to come here, I think, and ask for some assistance to grow that system. I do not know, you know, what the situation is like in your States, but when we expanded the service last year, our governor, who was really not too much on board with this initially, stood on the back of the Amtrak train and with the bunting, and he waved at everybody at every town along the way; and it has been a phenomenal success.

So it is, I think, a perfect melding of, you know, what the citizenry wants; and it is a really solid investment, I think.

Mr. BROWN OF SOUTH CAROLINA. Do you have some kind of a shared arrangement between the Federal Government and the State government and the local government to help fund some of these initiatives; or can you still depend upon Amtrak, which basically is the Federal, plus, you know, whatever ridership it might receive?

Ms. NEKRITZ. Right.

Well, certainly, as to the Amtrak lines that we as the State purchase, those are strictly funded by State dollars, the service itself. We get a benefit from the fact that Amtrak owns equipment and can negotiate with the freight railroads as a result of the Federal laws and so forth. So there are certainly perks that come to Amtrak and, through that, to Illinois, but the service we purchase is—the operating line on that is funded by the State of Illinois.

Mr. BOHLINGER. Congressman Brown, I would like to offer some comment on the question that you pose; and I would first reference the opening remarks by Congressman Shuster when he discussed how this great country of ours prospered when we provided transportation opportunities for its citizens. Whether it was the canal system or our first railroad, it caused this country to prosper and to come together in a new and wonderful way.

As to the expansion, that same opportunity exists today if we were to expand rail service to the cities that you referenced. The same opportunity would exist today if we were to expand the system out my way if we would, once again, open the southern route. It becomes, you know, a driving force in the economy.

So I would encourage Congress to take into consideration any opportunity to expand service, and that becomes critical especially in the day of $3-, $4- and $5-a-gallon gasoline. It becomes critical when we look at airports that are so crowded and planes that do not run on time.

In fact, I had—you will not believe this—a 14-1/2-hour travel day from Helena, Montana to Washington, D.C., yesterday. The plane was 2 hours late in leaving Helena because it was overloaded with fuel. It weighed too much with the passenger load. They did not syphon the fuel off; they burned it off. They burned it off for 2 hours, and then we had to land in Rapid City, South Dakota, to take on more fuel so we could get to Minneapolis.

So it is these sorts of inefficiencies that need to be stopped.

Mr. SCHWEIKER. Congressman, I would mention that PHL, Philadelphia Airport, is fourth in terms of rate of passenger usage. It is growing. It is the fourth busiest in the country with the attendant delays the Lieutenant Governor just pictured for us, and that does drive people to rail.

Yet, I find myself inclined to say at this point, as we try to rally around the idea of ample support for Amtrak, you know—capital and operating and generating broader support within Congress and, you know, ideally the White House—that it is a ″one thing leads to another″ dynamic.

What we have got going now is, we have got to work to see to it that it operates efficiently so that it is appealing in ridership growth, and then that is a lesson you share with other areas in the country as you have just mentioned. It is that kind of dynamic, and thus, an earlier reference on my part mentioned four recommendations.

One is, define the state of good repair and provide the associated funding to achieve it, and then you will get those efficiencies; you will get on-time performance up, and that is attractive to people. So it is certainly not the most insightful political counsel, but I think it is something to think about in Washington.

Mr. BROWN OF SOUTH CAROLINA. I think it certainly verifies that we need total transportation oversight rather than just trying to micromanage the rail and the highway and airlines as separate structures.

Mr. SCHWEIKER. Absolutely, and get past the 1 year, you know, of what we have got to provide for Amtrak to muddle through. I think we do pretty good, all things considered, in terms of some of the hamstrings that they have experienced when you look at their operation.

Mr. BROWN OF SOUTH CAROLINA. Thank you. I see my time has expired.

Thank you, Madam Chairman.

Ms. BROWN OF FLORIDA. In closing, I know that the governor has to leave, and I would just like to give you all a minute for any closing remarks.

Oh, I am sorry. Mr. Nadler.

Mr. NADLER. Thank you.

Governor, I have some questions for you in particular.

Governor, you mentioned that we should find a secure source of funding for intercity passenger rail, and obviously, we should. A few years ago, we were considering TEA-LU before it was named ″TEA-LU.″ this Committee reported out a $375 billion bill for the next 6 years because that was what DOT told us was needed in the 6-year period to keep the existing transportation system in a state of good repair.

The administration objected to that. They said we should not do anything more than $256.4 billion because of their principles, their principles being, one, we should not use any revenues other than the gasoline tax, and two, we should not raise the gasoline tax.

We had proposed in that initial bill that we should index the gasoline tax, which is now 18.3 cents a gallon. It is not a percent tax; it is a gallon tax. So, unless we increase the gallon usage, which is exactly what we do not want to do, obviously, the revenue from that is going to stay the same and will go down. With inflation, it has to go down.

We had proposed indexing that to inflation and indexing it retroactively to the beginning of the pass-through, which would have been a 5.6-percent adjustment—we do not call it an ″increase″—and then have it go up from there. The administration very much opposed that.

Do you think that that is a useful idea for the future to provide transportation planning to adjust the gasoline tax, either to increase or to make it inflation-sensitive?

Mr. SCHWEIKER. I do not know the policy particulars, and I do not remember the ins and outs of that particular time.

Mr. NADLER. Well, that was all behind the scenes anyway. I am just asking a basic question.

If we are looking for a secure source of funding for rail, or for that matter, anything in transportation, you are going to start by making the only transportation tax we have really, which is a gasoline tax, expand; and the only way to do that is either to increase it by saying ″we hereby increase it″ or by making it sensitive to inflation.

Mr. SCHWEIKER. Here is a short answer to a complex question. I would say it makes sense to look at that——

Mr. NADLER. Okay. Thank you. The other——

Mr. SCHWEIKER. —and to change the principles as far as what were the guiding considerations.

Mr. NADLER. The second question on that is that some people—in 1993, as part of President Clinton's deficit reduction package, we imposed a 4.3-cent-a-gallon gasoline tax on all gasoline, diesel fuel, aviation fuel, et cetera, and that was to go to the general budget for the deficit.

In 1997, with respect to everybody but railroads—automobiles, planes, et cetera—we took those funds, and we put them into the Highway Trust Fund, the Aviation Trust Fund, et cetera. With respect to railroads, we did not do that. We kept it in the general fund, and 2 years ago, we simply repealed it. So the railroads now pay no gasoline—well, they do not pay that 4.3-cent gasoline tax

that the other modes of transportation pay. By the same token, they do not get any benefits out of it, which the other modes do, that go into the Highway Trust Fund or into the Aviation Trust Fund.

Do you think we ought to consider, perhaps, reimposing that and dedicating that to a railroad fund for capital improvements for passengers or for freight or for both?

Mr. SCHWEIKER. I do not feel I know enough about it at this point.

Mr. NADLER. Okay. Thank you. Let me ask the third question.

Hypothetically speaking, how would you feel or how would the greater Philadelphia business community respond to Amtrak's receiving priority over rail freight entering and exiting the greater Philadelphia area?

Let me broaden that question, or perhaps, it is the other way around. Well, it is the other way around because they only——

Mr. SCHWEIKER. We do have some, yes, sticking points for sure. I think it can be worked out.

Mr. NADLER. My real question that I am looking at is, we are looking certainly at the New York area and, in fact, at the New Jersey area.

Mr. SCHWEIKER. We have to work it out. I mean, it is limited trackage.

Mr. NADLER. Well, we are looking at increasing congestion on both passenger and freight. East of the Hudson, less than 1 percent of our freight comes in by rail. In northern New Jersey—in New Jersey, it is 15 percent; nationally, it is about 40 percent.

If we are going to increase—you mentioned here in your testimony somewhere that you anticipate freight increases of 50 to 70 percent. You said something about increasing something to 50—well, it is estimated the Northeast will go from 49 million to 70 million people in 50 years. We are looking at an 80 percent increase in freight coming into New York City and Long Island in the next 20 years, so we need a much-increased capacity for freight, as well as for passengers, and the rail system is overloaded. We are already getting into conflict between the freight and the rail.

I just wonder if you can comment on how that is working out in the Philadelphia region now.

Mr. SCHWEIKER. Well, I mentioned our sticking points. When you stop to consider the immensity of the challenge that you have just quickly described—and I realize I do not have the time to elaborate—it just argues for the commitment to developing a comprehensive approach.

You know, freight is going to have to come to the table; passengers are going to have to come to the table certainly, guided by those in the Federal Government. And the business community would like to help.

I do not think we are going to be able to resolve it in the next couple of months. With this kind of growth, we are going to have to pay attention to it and stay with it.

Mr. NADLER. Yes. My last question is a little further afield. You may or may not be able to comment on it.

Right now, most—well, "much"; I should not say "most"—much of the freight destined for the New York City region and east of the

Hudson comes by rail to rail terminals in northern New Jersey where it gets put on trucks and comes a few miles into New York City and into Long Island. Norfolk Southern and CSX are building very, very large rail terminals near Allentown and Harrisburg, Pennsylvania. When they finish doing that, much of this traffic is going to come by rail to Allentown and Harrisburg and will be put on the road network there, which will make I-78 and I-80 parking lots for the entire State of the New Jersey.

I am wondering if—I do not know the geography of Pennsylvania very well, but I am wondering how, if at all, this huge increase in truck traffic coming from Allentown and Harrisburg toward New York is going to affect the highway usage, the highway crowdedness and, therefore, the rail usage in the Philadelphia region.

Mr. SCHWEIKER. Well, first, politically, I hope most people see it as a nice problem to face. But I do think, as it relates to fluency and as to road capacity, that the need for creative reactions—you know, hot lanes, enhancements to the roadway itself—for the sake of moving traffic will be necessary; and I do not think one can pose those kinds of reactions or alternatives without being comfortable with the idea of tolling interstates. That, in my estimation, is just a matter of time.

I will not go into—a Pennsylvania budget discussion is under way right now about Interstate 80, which runs east and west, but I think some of these traffic-moving alternatives—hot lanes, congestion fees, mobility surcharges, whatever term you want to use—are likely to be necessary when that picture becomes a reality.

Mr. NADLER. Thank you very much.

Ms. BROWN OF FLORIDA. Thank you all so very much. This panel has been very enlightening. I have additional questions, but I will just give them to you all in writing.

Any closing remarks in less than a minute? That is what we have allotted. Are there any closing remarks that you want to make before the next panel has to come up?

Yes, sir.

Mr. BOHLINGER. Yes, ma'am. Very quickly, Madam Chair, let me say this:

From Montana's perspective, the greatest need is a national passenger rail policy that includes long-distance routes with multiyear Federal funding. It is difficult to run a business if we cannot find a source of financing that is not done in a piecemeal way. I think that until that multiyear funding formula is developed, Amtrak is doomed to forever struggle to survive to provide the basic service it does. Thank you.

Ms. BROWN OF FLORIDA. Yes.

Governor.

Mr. SCHWEIKER. Thank you, Madam Chair.

I will finish by just, again, at least confirming in the minds of all who have participated here today that there is a tremendous economic and environmental return on the fluid operation of Amtrak; and hopefully, with your guidance, the effort is applied to create the reauthorization proposal that is a motive and is an incentive for all of us to do this job together.

For the business community of southeastern Pennsylvania and for northern Delaware and for southern New Jersey, we are eager to work hand in hand with the Committee.

Ms. BROWN OF FLORIDA. Yes, sir, and I am going to take you up on your invitation for the field trip.

Mr. SCHWEIKER. I think it will be enlightening.

Ms. BROWN OF FLORIDA. Yes, sir.

Ms. Nekritz.

Ms. NEKRITZ. Thank you, Madam Chairwoman.

I just would like to reiterate that I think the citizenry is way ahead of the policymakers in this regard, on this issue; and we need to catch up to them and make the investment that I think they are demanding.

Ms. BROWN OF FLORIDA. Thank you. I have a couple more questions for you, and I am just going to give them to you in writing. Thank you very much.

Ms. Williams.

Ms. WILLIAMS. Also, I would like to thank the Committee for having me here, but I would just like to reinforce everything that has been said and say that we support adequate funding for Amtrak.

I would like to know—you can give it to me in writing—what I can do to get the citizens involved and getting support in trying to find out exactly what legislatures do support this and those that do not support it. That is so important to me.

Ms. BROWN OF FLORIDA. Yes, ma'am. I think you should start talking to your local people first.

Thank you very much.

[pause.]

Ms. BROWN OF FLORIDA. I want to welcome our second panel of witnesses.

Our first witness is Indiana State Senator Robert Jackman, who chairs the Midwest Interstate Passenger Rail Commission. Our second witness is Mr. Frank Busalacchi——

Mr. BUSALACCHI. Very good.

Ms. BROWN OF FLORIDA. —the Wisconsin Department of Transportation Secretary. He is also the Chair of the States for Passenger Rail Coalition.

Our third witness is Commissioner Glynn, who heads the New York Department of Transportation. The Commissioner is also representing the Coalition of Northeast Governors here today.

The one other person, finally, is Mr. Kempton, who is the Director of the State of California Department of Transportation.

STATEMENTS OF HONORABLE ROBERT N. JACKMAN, INDIANA STATE SENATOR AND CHAIR, MIDWEST INTERSTATE PASSENGER RAIL COMMISSION; FRANK J. BUSALACCHI, SECRETARY, WISCONSIN DEPARTMENT OF TRANSPORTATION; HONORABLE ASTRID C. GLYNN, COMMISSIONER, NEW YORK DEPARTMENT OF TRANSPORTATION; AND WILL KEMPTON, DIRECTOR, CALIFORNIA DEPARTMENT OF TRANSPORTATION

Ms. BROWN OF FLORIDA. Our witnesses must limit their oral statements to 5 minutes. However, your entire statements will appear in the record. I recognize Senator Jackman for his testimony. Welcome.

Mr. JACKMAN. Thank you, Madam Chairwoman Brown and Members of the Rail Subcommittee of the House Transportation and Infrastructure Committee. I am honored to have the opportunity to address your Committee today.

I am Indiana State Senator Robert N. Jackman, and I am speaking to you today as Chairman of the Midwest Interstate Passenger Rail Commission, an interstate compact of State legislators, governors and their appointees. Our commission advocates for the preservation and expansion of our existing passenger rail system.

I believe that in addressing our Nation's growing transportation needs, we need a vision that integrates complementary methods of interstate and intrastate transportation, a vision that will serve us well in national emergencies, and a vision that is sensitive to our energy and environmental concerns. The development of intercity passenger rail will serve as a vital component of that vision.

My written testimony contains more details about the Midwest plans to expand intercity passenger rail services and the benefits of passenger rail as an integral part of the transportation solutions. With that being said, I think intercity passenger rail development will complement other modes of transportation by providing a necessary middle-distance means of travel.

Passenger rail is significantly more energy efficient than commercial airlines or cars. Rails can prove to be a vital resource when disaster strikes, and it is crucial to managing traffic when other modes of transportation have been shut down. It also will bring great economic benefits.

In the Midwest, we have two complementary, multi-State plans for improving passenger rail service—the Midwest Regional Rail Initiative and the Ohio Hub. These plans have the potential to reap tremendous economic returns in job creation for the region while connecting 150 communities across the Midwest.

Americans are taking the trains in record numbers, and we have seen that there is strong passenger response when service is added. Fourteen States provide direct operating subsidies to Amtrak for increased passenger rail service, including Illinois, Michigan, Missouri, and Wisconsin in the Midwest.

While ridership on Amtrak service overall has been growing, the rise in the number of those taking the train on shorter regional routes has been particularly dramatic. Over half of the States in the Nation are now developing or are implementing regional passenger and freight rail plans. Many others view the continuance of what passenger rail service they do have as a vital concern. We

have seen this growth in ridership and service despite the fact that Amtrak has not been reauthorized since 2002.

At this point, Amtrak is unable to meet the increased demand for more service as there are no additional train sets available. There has never been a better time to pass strong legislation that will give our current passenger rail system the stability it needs. We need to fund a Federal-State matching program to provide our States with the capital needed to implement passenger rail plans. The Midwest Interstate Passenger Rail Commission respectfully suggests the following considerations when drafting your legislation:

First, to provide passenger rail with a dedicated source of funding similar to other modes of transportation, the Midwest Interstate Passenger Rail Commission recommends legislation that will establish the mechanism to provide States with long-term, dedicated, matching funding on an 80/20 Federal/State basis. Currently, passenger rail receives less than 1 percent of the total transportation funding, and there is no mechanism for States to make the capital improvements necessary to implement our construction plans.

Second, reauthorize Amtrak. The Midwest Interstate Passenger Rail Commission supports the provisions in the Passenger Rail Improvement Act, S.294, to reauthorize Amtrak for 6 years while requiring reforms and improvements.

Third, we need to create with State and local input a comprehensive national plan for passenger rail development. While States have been developing regional plans, a more comprehensive national strategy is needed.

Fourth, help ensure that passenger rail service can run on time. Federal law guarantees Amtrak preferential access to freight lines. This guarantee needs to be strengthened. When trains are not run on time, States have a difficult time supporting that.

Fifth, provide incentives for biodiesel fuel usage on trains. Federal efforts to explore and advance the use of biofuels on trains are necessary. The use of biofuels on intercity passenger trains shows trends that up to at least 20 percent of biodiesel can be used without a negative effect on the train's engines.

Chairwoman Brown and Members of the Committee, thank you again for holding these hearings and for inviting me to testify. The Midwest Interstate Passenger Rail Commission looks forward to working with you to craft and pass legislation this year that will move our Nation's passenger rail system into the 21st century and beyond.

Thank you.

Mr. BUSALACCHI. Chairwoman Brown, Ranking Member Shuster and distinguished Members of the Committee, my name is Frank Busalacchi. I am Secretary of the Wisconsin Department of Transportation and the Chair of the States for Passenger Rail Coalition. I appreciate this opportunity to share my perspective on the benefits of intercity passenger rail development.

I am a strong advocate of a new multimodal transportation policy for our country with sufficient Federal investment in all of the transportation modes. Intercity passenger rail development is quickly losing ground. Congress must act now to establish a Fed-

eral funding partner, or intercity passenger rail may never be expanded, and the Nation may never experience the benefits we are discussing today.

The public demand for fast, efficient, intercity passenger rail service is strong in the 100-to-400-mile corridors, where travelers experience highway and airport congestion, with speeds of up to 110 miles per hour and 6 to 10 daily round trips. Passenger rail service in these corridors is competitive with air and auto in terms of travel time, convenience and comfort.

National data show that passenger rail service offers substantial energy benefits when compared with other modes of travel. A 2007 Oak Ridge National Laboratory Report indicates that intercity passenger rail consumes 17 percent less energy per passenger-mile than airlines and 20 percent less than automobiles. These energy savings can be significant in some corridors, saving millions of gallons of fuel per year. The time to add an intercity passenger rail component to the debate on energy policy has never been more critical.

Intercity passenger rail combats urban sprawl by encouraging downtown development around the stations. Urban sprawl develops travel patterns that consume more energy than compact, well-planned urban development. On average, intercity passenger trains produce two-thirds fewer carbon dioxide emissions per passenger mile than do cars or trucks, half of the greenhouse emissions of airplanes and fewer emissions of other pollutants.

Passenger rail improvements planned between Charlotte, North Carolina, and Washington, D.C., would provide a net reduction of 531,000 pounds of nitrogen oxide per year as a result of auto diversion to rail. Investing Federal funds in intercity passenger rail in support of environmental improvements is simply good public policy.

An economic impact analysis of the nine-State, 3,000-mile Midwest Regional Rail System identified 58,000 new jobs, $1.1 billion in increased household income and $4.9 billion in increased property values around 102 stations served by the system. The system would provide 15,200 construction-related jobs over 10 years.

In a nutshell, intercity passenger rail promotes job development and moves people to communities to support those jobs. Modal redundancy should be a basic tenet of the Nation's homeland security policy. By providing an efficient means of evacuation, intercity passenger rail can help natural disasters from becoming human disasters. The Nation must improve its ability to respond to transportation emergencies. Federal support for the implementation of these States' regional rail development plans would help.

I know the American public endorses passenger rail expansion. Wisconsin and Illinois provide financial assistance to Amtrak's Hiawatha service in the Milwaukee-Chicago Corridor. Last year, Amtrak's Hiawatha service carried 588,000 passengers, an all-time record with a 48 percent increase in just 5 years. Without a Federal funding partner, service expansion in the corridor cannot be achieved.

Other States share Wisconsin's frustration with the lack of Federal support. Together, they have committed hundreds of millions of dollars for short-term, incremental improvements that have in-

creased Amtrak ridership. Thirty-five States have developed intercity passenger rail plans for future service. To address the infrastructure and equipment needs in these plans, it would cost as much as $12.7 billion over 6 years.

The benefits of intercity passenger rail development which I have outlined today have motivated States to fund passenger rail service in many corridors and to plan for enhanced service in many additional corridors. These benefits are also the driving force behind the formation of the States for the Passenger Rail Coalition and in our desire for a Federal-State funding partnership to bring the State rail plans to fruition.

Without a Federal-State partnership, the opportunity to address the climate change issues confronting Congress through enhanced intercity passenger rail will be lost. Intercity passenger rail must be a component of the Nation's energy, environmental and homeland security policies, and it must be a cornerstone of intermodal transportation policy in the interest of improving mobility and relieving highway and airway congestion.

If I can leave you with one thought today, let it be this: Enact the Federal-State funding partnership model after the successful highway and airway funding programs now. Once enacted, initial steps will be taken to expand capacity or to increase network services, but as Amtrak has said, it will take years before the outcome of these steps can be realized on the ground. The Nation cannot wait.

Thank you for the opportunity to speak with you today. I appreciate your attention, and I look forward to answering your questions.

Ms. GLYNN. Good morning. My name is Astrid Glynn, and I am the Commissioner of the New York State Department of Transportation.

First, I would like to thank you, Chairwoman Brown, for the invitation to be here and also to acknowledge the leadership of the Committee and that of the Subcommittee, as well as Congressman Nadler from my State of New York. We greatly appreciate your activity in this area.

Ms. BROWN OF FLORIDA. In your testimony, answer his questions, will you? They are geared toward New York.

Ms. GLYNN. I will try, ma'am.

My testimony will focus on the economic advantages that intercity passenger rail, particularly in the Northeast Corridor, can contribute to an integrated national transportation system. I will also discuss briefly what we will need to do to gain those benefits, specifically investments, collaboration and adequate stable funding.

In recent years, growth in the United States has been increasingly framed by mega regions, areas that include several urban areas. The Northeast Corridor runs through one such mega region, perhaps the oldest, certainly one that has had to reinvent itself repeatedly.

This region is linked by an integrated system of intercity, regional and commuter rail services built around the Northeast Corridor's spine. With nearly 1,900 train movements each day, that spine moves over 200 million passengers a year, including 9 million

intercity passengers. The corridor's feeder lines carry another 2.6 million passengers annually.

The intercity portion of that rail system is operated and partially owned by Amtrak. Three examples demonstrate its economic benefits:

First, the corridor helps reduce highway congestion, and it supplements limited airport capacity. Although New York hosts several major airports and well-known highways and bridges, there is no way we can accommodate intercity demand with those modes alone. Rail is, thus, an important reliever. Its potential as a reliever is even greater. Twenty percent of the total traffic at New York's three major airports now goes to other points in the Northeast; moving this traffic to rail would open capacity to serve flights from other areas.

Second, intercity rail allows us to reinforce smaller communities with access to other metropolitan areas. For example, Albany is only 2-1/2 hours from midtown New York City by train, a day trip if you want to locate a business upstate and still have access to the financial, medical and academic resources of the larger metropolitan area.

Third, intercity rail also means that remote locations are not inaccessible. Tourism is as important to us as it is to the States you heard from in the first panel, and we are particularly appreciative of the role that intercity passenger service allows us to play in the international tourist market.

What do we need in order to seize these opportunities? Well, just making current services more reliable, more frequent and better priced would definitely help us make the most of the advantages that this national asset already offers to us. Beyond that simple and yet elusive goal, a more frequent, higher-speed service will provide enormous additional economic benefits. But to more fully realize these benefits, three things are of vital importance—investments, collaboration and stable funding.

In terms of investments, first, we need to bring the Northeast Corridor to a state of good repair. A state of good repair is essential for efficient and effective service. It is a first step to reliability; it will be foundational to any effort to expand capacity for growth, frequency and speed.

We look to the Federal Government to take the lead in this area and to remain an integral partner beyond the state of good repair. We understand that States will have a role, too, especially once the state of good repair is achieved. States all across the Nation have already invested billions of dollars in intercity passenger rail, $2.8 billion in the Northeast alone. We may resist the shifting of traditional Federal responsibilities, but we understand the benefits of participating in substantial system improvements and additions.

We also need a stronger collaborative role. Any restructuring of Amtrak should recognize States' longstanding role as joint funders, owners and operators of the passenger rail service.

Finally and most importantly, we need stable funding. Our intercity rail passenger system will always require substantial Federal funding. The Federal Government must be a strong and consistent partner in a funding structure that is more than a zero-sum game.

We appreciate the fact that you are already working on legislation that can provide a workable framework for passenger rail, and we look forward to supporting that legislation and to working with you on it. From New York's perspective, that legislation should include a dedicated source of funding so that we can all realize our long-term visions and our policies for improving intercity rail at the national level.

Thank you very much for the opportunity to testify here today.

Mr. KEMPTON. Madam Chair, Ranking Member Shuster, my name is Will Kempton, and I am the Director of the California Department of Transportation, also known as Caltrans. I want to thank you for the invitation to testify before the Committee today on the benefits of the intercity rail.

As the Director of Caltrans, I oversee more than 22,000 employees. We have a $13.8 billion budget in a State highway system of more than 50,000 lane-miles. California is also home to two of the country's five largest transit systems, to the Nation's fifth busiest commercial airport and to two of the Nation's busiest ports. We are also home to the country's second, third and fifth busiest intercity passenger rail corridors.

California's intercity passenger rail program dates back to 1976 when the State agreed to provide financial support for an additional round trip of Amtrak's ″San Diegan″ service. In 2006, 30 years later, more than 5 million passengers rode California's three State-supported intercity rail corridors. Let me review those for you.

The Pacific Surfliner Corridor parallels California's coast from San Diego through Los Angeles and north of Santa Barbara and San Luis Obispo. It is the Nation's second busiest intercity rail corridor, and it serves approximately 2.7 million passengers annually. Only the Northeast Corridor is a busier corridor.

The Capitol Corridor connects Auburn through Sacramento and Oakland to San Jose. At 1.5 million riders, this route is Amtrak's third busiest and is the fastest growing. With 16 round trips between Sacramento and Oakland, the Capitol Corridor has the same level of frequency as the New York-Boston segment of the Northeast Corridor.

The San Joaquin Corridor connects the Bay Area and Sacramento with the cities of California's Central Valley and is Amtrak's fifth busiest corridor, serving 800,000 passengers annually. The San Joaquin route is unique because its extensive feeder bus network connects the train with all parts of the State and with Oregon and Nevada as well.

California is second only to New York in terms of total Amtrak ridership. One-fifth of all Amtrak riders now come from California's three intercity rail corridors. Together, these three routes will reduce congestion on California's highway system by more than one-half billion passenger miles of travel each year.

We are also looking at expanding our service by initiating new rail operations along the coast between L.A. and the San Francisco Bay Area and extending out to the north State and Reno, Nevada, as well as to Palm Springs and to the Coachella Valley.

In addition to helping alleviate highway congestion, intercity passenger rail provides the energy and the environmental benefits

that the other speakers have already addressed, and I will not repeat those.

California's successful intercity rail program would not be possible without the willingness of the State's voters and its public officials to invest operating and capital dollars in the service. Since 1976, nearly $1.8 billion in State funds have been invested to build the system, half of that since 1990. In addition, another $850 million has been spent since 1976 for operating service.

California is poised to invest at least another $400 million over the next few years as part of the governor's strategic growth plan and the nearly $20 billion transportation bond measure approved by the State's voters in November of this past year.

Although California has made significant investments in its intercity passenger rail system, the States cannot continue to do this alone. If we are serious about reducing our dependence on foreign energy supplies, enhancing the environment, improving mobility and strengthening the economy, a strong Federal partner is needed. We think the action of the Appropriations Committee in proposing $50 million for State matching grants in the Amtrak budget is a positive first step.

The need for funding, however, is significantly greater, and in 2002—that is 5 years ago—AASHTO, the American Association of State Highway and Transportation Officials, identified a need for rail capital of nearly $17 billion for the subsequent 6 years. In California alone, there is a backlog of projects exceeding $600 million that could be ready to advertise within 18 months.

This Committee is in a unique position to chart the course of that partnership. As you look at the myriad of issues affecting the future of intercity passenger rail in the United States, the California Department of Transportation encourages the Committee to give consideration to the following:

Creating a multiyear Federal capital matching grant program similar to other transportation grant programs to encourage States to invest in intercity passenger rail. This program should not come at the expense of other programs, and it should be dedicated, stable and large enough to encourage State investment.

We should balance capital funding between regions. We should count previous State investments made within the last 2 to 5 years as part of the State's match for future capital funds, and we should streamline the process to apply for and to obtain those grants.

We need to stabilize Amtrak, though, financially and organizationally to allow States to more effectively plan and budget for services. Do not shift costs from Amtrak to the States without a funded Federal-State matching program.

Finally, treat States equitably when establishing the level of State contribution to Amtrak operating costs.

That concludes my prepared remarks, Madam Chair. I will be happy to answer any questions.

Ms. BROWN OF FLORIDA. Thank you very much for your testimony.

I guess I can ask this question because, Ms. Glynn, no matter where you are from, you stated in your testimony that, due to airport and airspace capacity, public policy increasingly warrants to

steer passenger trips of a 200-to-500-mile range to intercity passenger rail.

Please tell us how we can make intercity passenger rail a viable option for passengers under these circumstances.

Ms. GLYNN. Madam Chair, if intercity passenger rail were well equipped to move into every market that had not been profitable for the airlines or that had surface congestion, intercity passenger rail would be a very busy system. We have a number of corridors in New York and elsewhere in the Northeast that are more than commuting distance and that are less than airline distance. If you cannot get downtown from Albany to New York City in 2-1/2 hours, to midtown in New York City in 2-1/2 hours, but you can when the train is on time, that is pretty good.

The first key, though, is going to be reliability. If we cannot achieve reliability, we will not attract passengers on a consistent basis. So I would respectfully suggest that, while we have the long-term goal of high speed, the first step of increasing reliability would be a tremendous improvement as well as increasing frequency. Those are the two short-term goals that we can aim for.

Ms. BROWN OF FLORIDA. When the Chinese came and testified before the Committee, they said that they are on time. They are 6 seconds late, period. That is the most they have ever been late. So I understand what you are saying. You are saying that we need to have a fair system, but we need to make sure that people can count on it.

Yes, ma'am.

Ms. GLYNN. If I may, in looking from 2002 to 2007, here is the on-time performance of just the routes in New York by Amtrak. Adirondack has gone from 45 percent down to about 20; Maple Leaf, 50 to 40; Ethan Allen, 80 to 55; Lake Shore—I hope this is a typo, but I am not sure it is—from 70 to 0; and Empire Corridor, which, fortunately, has stayed around 90 to 80, but those are variables that we should be able to improve.

Ms. BROWN OF FLORIDA. Would anyone else like to respond to that question?

Mr. BUSALACCHI. Well, Madam Chair, I think she is right on the mark. I believe that the key here is an investment that is going to bring the service on these trains up, and it is important. People are not going to ride them if they are not on time. You have to make them dependable, and the only way that this is going to happen is with a significant investment, and not just in the Northeast Corridor, but in any of these corridors.

And I think all of the speakers have said just what I am saying here today, that there needs to be a significant Federal commitment here, just like there is on highways.

You know, Will and I deal in highways all of the time, so I think we know a little bit about what we are talking about here. If you have the same commitment to passenger rail, you will get up to speed, and we will be able to provide what we need to provide to the American people. Right now, the way the situation is now, it just will not happen.

Ms. BROWN OF FLORIDA. Mr. Jackman, you have increased tremendously as far as your ridership is concerned.

To what do you attribute this increase in the ridership itself?

Mr. JACKMAN. I think people want to ride trains. They see that as a viable alternative to the congestion and the pollution and things associated with the highways.

If I might add, 51 years ago this week on June 29th, 1956, Dwight Eisenhower's system on interstate and defensive highways was initiated. As he predicted at that time, it was going to change the face of America. I think it is time that we look back on history and try to reinvent the wheel, so to speak, with passenger rail to make this another change in the face of transportation in the United States.

Mr. KEMPTON. Madam Chairwoman, our ridership on one of our services has increased dramatically since we improved the service on that corridor. The fact of the matter is we now currently have, as I indicated in my testimony, 16 round trips between the central regional area and the bay area on our capital corridor service. With those 32 individual trips or ridership on the capital corridor, service has increased by 15 percent. That is a substantial increase over an already busy service.

The problem, as the other speakers have indicated, is reliability, because we share those tracks with the freight rail lines. They own those tracks. We have provided substantial public investment to improve the operations and we need to continue that kind of capital investment, because reliability is a really critical factor. I am a regular user of the capital corridor service and we are operating at about 80 percent on time performance in the corridor. But when you get on a train that has to sit on the side waiting 20 minutes for a freight train to go past, it is frustrating to the people to attract more ridership on intercity rail services. We have to make an additional investment that is absolutely key.

Ms. BROWN OF FLORIDA. Mr. Shuster.

Mr. SHUSTER. Thank you. You stated in your testimony that there will be a dollar generated in return for every dollar invested in high speed rail. Can you talk about how you calculate that number, and does it include secondary and social economic benefits or is it just a return on the project itself?

Mr. JACKMAN. I think that takes into effect the economic benefit that would arise from increased businesses at the train stations and this type of thing.

Mr. SHUSTER. Secondary social benefits, things like that also?

Mr. JACKMAN. Right. But at the same time, you know, we have some statistics to prove if government would build then ridership could probably be maintained.

Mr. SHUSTER. How about in the study, does it have an impact for local employment and property values, is that included in there also? It would seem to me there would be an impact. It would be I think a significant—if you look around the country they would have a station and improve passenger rail service. There are significant increases to the property values, but also local employment opportunities.

Mr. JACKMAN. Yeah, according to the statistics in my testimony, would have $58,000 permanent new jobs and 5.3 billion increase over the construction period.

This is basically the Midwest interstate passenger rail initiative that uses Chicago as a hub, with 3,000 miles of high speed rail

around the district to Detroit, Cleveland, Cincinnati, Louisville, St. Louis, over to Omaha, up through Madison, Wisconsin and ultimately to Fargo, North Dakota. That is where these numbers came from, sir.

Mr. SHUSTER. Secretary Busalacchi. Did I get it?

Mr. BUSALACCHI. We are two for two up here today.

Ms. BROWN OF FLORIDA. I like Frank better.

Mr. SHUSTER. The Chairwoman says she likes Frank better. It is my middle name, Frank, so I second that.

Can you give us an order of magnitude how much funding is required to complete all the proposed high speed rail projects right now that you have on the table?

Mr. BUSALACCHI. Congressman, that is a real good question, but as you know, I sit on the National Surface Transportation Policy and Revenue Study Commission, and that is what we are working on right now. We have established a special Subcommittee that is going to be reporting back to the commission to get us those numbers. We are meeting with the freight rails. We have another meeting scheduled in Milwaukee at the end of July to start putting some of these numbers together.

I can tell you this, Congressman, it is substantial, it is huge. And earlier one of the Congressman was in here talking about the safety role, what happens with that whole structure. And I think that is one of the things that the commission is grappling with. The country got into discussing dollars instead of talking about needs. We need to talk about needs, not just highway needs, but we need to talk about what we need for other modes, particularly intercity passenger rail.

I think my esteemed colleagues would tell you that it is not cheap to do these rail initiatives. They are very, very costly, but at the same time if the country embarks on an aggressive campaign to fund these modes properly, we will provide a great service to the people in this country because gasoline is going to continue to skyrocket, we are going to continue to have trouble with the environment, we know that. Energy independence is a key issue for all of you here in this building.

So we think there is a solution to all this. We think, yes. Is it economic in nature? I won't kid you, it is. There is no question about it, but at the same time I think this is a decision that the country has to make because the more we delay the worse it is going to be.

I believe Amtrak said not too long ago, if gasoline were to go to $7 a gallon and there would be this mass exodus and people wanted to go to mass transit, we would not be ready. We are not ready. We are not ready 2 years from now. We need to get on the stick here. If we do, we can accomplish this and give ourselves enough time. I think a key starting point is how much and how long, which American people we——

Mr. SHUSTER. Well——

Mr. BUSALACCHI. I assure you, Congressman, that when we submit our report to Congress you will have an idea in December, Because I think we need to provide that direction to you. That is what the commission is supposed to do.

Mr. SHUSTER. And a time frame too.

Mr. BUSALACCHI. It is only first to do that.

Mr. SHUSTER. One of the things I think you mentioned earlier in just the last statement, the importance the population density. If you were in the room when I originally said my opening statement I talked about we are going to go from 300 million to 400 million in about 35 years, and I think Governor Schweiker pointed out just in the region of Philadelphia there will be an increase in population by 20 million people. You go to the major cities all across the country the population is going to slowly spread out from the population centers. Intercity rail and commuter rail—you are right, we are not ready for that. Not to mention the price of gasoline, but to move those people in Pennsylvania and the Northeast Corridor, 95, you can't add another two lanes to 95, the Beltway around Washington. They are trying to do that and it is extremely difficult.

Mr. BUSALACCHI. We will give you a vision out 50 years, we will not just talk about the next highway build or the next transportation build, or whatever we will call it. We will give you a vision out 50 years because we think that is what you want us to do.

Mr. SHUSTER. Thank you very much. Absolutely.

Can I continue?

Commissioner Glynn?

Ms. GLYNN. Yes.

Mr. SHUSTER. There is a major proposal to build a new train station in New York City. I hope in August to take a look at it, new passenger train facility, intercity travel, the whole—a great hub is what I understand for transportation.

Has the State reviewed that project in New York DOT? What is your position on it?

Ms. GLYNN. We are actively involved in that project and are very pleased to be participants in it. It is indeed going to be a remarkable project. It is an excellent example of how even the most mundane building at the right location with the right infrastructure associated with it can turn into a signature site. It has of course the Farley Building, has Madison Square Garden, it has Penn Station, it has a tremendous grouping of historic buildings in the Farley, present day livelihoods in Penn Station, not to mention the attraction of the Garden.

So it is, I hope, going to be a signature building, not only for New York but also for the intercity rail system.

Mr. SHUSTER. New York DOT is fully engaged and in support of it?

Ms. GLYNN. We and the Governor's economic development team are very involved, yes.

Mr. SHUSTER. And have some cash to—I know that is a tough thing to do in these times, but that is a critical part.

Ms. GLYNN. We agree that cash is critical.

Mr. SHUSTER. Can I ask one more question?

Ms. BROWN OF FLORIDA. We are going to do another round.

Mr. SHUSTER. Okay.

Ms. BROWN OF FLORIDA. I just want to follow up on that, Ms. Glynn. I have been there to see the system, what you all have developed, and it is not just the State and the community, it is also the project. So it is truly a partnership that is taking place, and

I had that field trip about 3 months ago and toured it. I recommend that you do that.

I have a question. One of the major debates that we have here in Congress is whether or not for some reason many Members feel that passenger rail needs to pay for itself. It is okay that the airline industry doesn't pay for itself or its security or the highways don't pay for itself. It was the vision for America 50 years ago, but now the vision is dead for many of the Members and they feel that "oh, the operation should pay for itself."

Would you give your thoughts on whether or not this particular mode of transportation needs to pay for itself?

Ms. GLYNN. Frankly, Chairwoman——

Ms. BROWN OF FLORIDA. This is for everyone on the panel.

Ms. GLYNN. I do not think it is realistic to expect it to pay for itself. Transit doesn't pay for itself. As you say, airlines don't pay for themselves. If it could be done by the private sector, it would be done by the private sector. We are here because it cannot be.

Amtrak may be technically a private corporation, but it requires significant involvement by the Federal and State governments. As part of this, one of the things the Committee has set for itself in its own charge is to make the entire transportation system of the United States in good working order. And I would suggest that your involvement will be very important to making sure that that is true of the intercity rail system as well as the other parts of the system.

Mr. KEMPTON. I would say very few rail systems around the world pay for themselves. We cannot expect intercity passenger rail will be able to pay for its operations either. We can, however, set specific performance criteria, we can expect and demand. It should demand good performance and the best expenditure of the taxpayers dollars.

To do that, we do need, as some of the other speakers in this panel and a previous panel indicated, you need a stable program. You need to plan and rely on a regular source of funding so that you can lay out a long-term capital plan for investment that is needed to make the system operate more efficiently, and in California's case we continue to provide the operating subsidies in support of our services in the State.

Our recovery ratios right now are averaging about 50 percent statewide. I think we can and should do a little bit better than that, but there is no way these services are going to be able to operate without some support.

Mr. BUSALACCHI. I agree, if you price—if you did what was suggested, Madam Chair, you just would price yourself out of the market. People wouldn't ride these trains. We have to make it efficient, on time, and a good investment for the people that ride. I mean if you look on the highway side, what we have done with highways, that is basically a subsidy. I mean the Federal Government gets involved in that through the gas tax, but still it is something that is provided. And I think that needs to happen here with passenger rail. If there are people that are talking about passenger rail and commuter rail paying for themselves, that is just silliness because we all know that that is just not going to get us to where we need to get. What we need is a strong Federal partner.

Will is right, if you look at other countries, particularly the European model, which is a great model, those governments stepped up and they put substantial dollars behind intercity passenger rail. They knew they were going to have to subsidize and continue to subsidize to this day and, you know, that is what we need to do.

Ms. BROWN OF FLORIDA. Mr. Jackman.

Mr. JACKMAN. I think you can't look at this thing as paying for itself. You know, that is not going to happen. Like other Members here on the Committee are saying, it would have such an increased cost that nobody would ride it. At the same time our figures with the Midwest Intercity Passenger Rail Commission show that ridership would support it. I think that is being said.

I am back to how I got interested in this whole thing about intercity passenger rail because I went to a conference about 6 years ago that said we can't lay asphalt and pour concrete fast enough to keep up with the increased need to move people. This is going to be an efficient mechanism to move those people because of the increase in the population.

If I could just say a couple of things and take off my hat at the Midwest Interstate Passenger Rail Commission and as the State senator for Indiana, we funded our transportation construction needs for the next 10 years with a public-private partnership 2 years ago in the State of Indiana. Now, I am not saying a public-private partnership for the whole intercity passenger rail system would work. But I do know there is a pile of money out there that could be used for certain things, such as the stations and certain segments of this system. It is going to have to happen, it is going to have to happen to move the people.

Thank you.

Ms. BROWN OF FLORIDA. Mr. Shuster.

Mr. SHUSTER. Thank you. Mr. Kempton, Amtrakis no longer operating the Metrolink. My understanding is you put it out to a private company. Can you talk a little bit about the success, positive, negative, of what is happening there and your review on the situation in general?

Mr. KEMPTON. Currently, Mr. Shuster, it is going quite well. We have employed a private operator in a couple of different rail services.

Mr. SHUSTER. Who is that?

Mr. KEMPTON. Herzog. They are involved in the Metrolink service, which is a commuter rail service, and the initial feedback is very positive. We think the competition is very healthy in the industry. Obviously we encourage Amtrak's bids on service throughout the State. If they can in fact provide that service reliably and cost effectively, we have no problem with engaging Amtrak in that service. Amtrak carries with it some benefits on the intercity rail service in terms of their ability to underwrite liability that other operators cannot do. And so far intercity rail service Amtrak is our operator.

However, there are some ancillary services like the food service on the trains and some other things that we are totally willing to provide that to competition because we might be able to bring in a good service at a better price and a more reliable level of service.

Mr. SHUSTER. It has been positive?

Mr. KEMPTON. Yes.

Mr. SHUSTER. When you say quite well, service, passengers are happy, trains are running on time?

Mr. KEMPTON. Correct. We don't oversee that. That is on the Metrolink commuter service. That is a local service run by the Southern California Regional Rail Authority. But we certainly monitor that activity, and reports I had back from Metrolink are very positive.

Mr. SHUSTER. Do you have the financial picture; is it costing less to the public entity that is paying for it or subsidizing it?

Mr. KEMPTON. It was a competitive bid situation, it was a cost savings process and again the proof is in the operation and so far, so good.

Mr. SHUSTER. Thank you very much. That is all the questions I have.

Ms. BROWN OF FLORIDA. In closing, I want to thank you all for your testimony and I want to give you what we call around here 1-minutes to close, but I was just sitting here thinking and, as I said earlier, we spend $9 billion a month in Iraq, 28 million people, what in the world would happen if we spent $9 billion in this country on passenger rail for the people that actually write the checks?

Mr. Jackman, your 1-minute.

Mr. JACKMAN. Thank you very much, Madam Chairwoman Brown. It has been my pleasure to be here today and we have had a lot of discussion, I think a lot of positive discussion, but really what it boils down to is we have to have a long-term commitment from the Federal Government, along with the States, that we are going to get this thing done. It is my vision if we look back on this thing in 50 years that this Committee will spark the development of another national interstate system that has changed the face of America for the better, the national interstate passenger rail system.

I thank you very much for your time.

Ms. BROWN OF FLORIDA. Mr. Jackman, that is my goal.

What kind of partnerships do you think the State and the Federal Government should have? Should it be like a carrot as far as us putting up a grants program that the States can buy in? I listened to the Lieutenant Governor earlier. Of course some States don't have the same amount of money that other States might have to partner. That is a follow-up to the question.

Mr. JACKMAN. I think if you look back at the history with the interstate system developed by Eisenhower, you are on an 80/20 basis; the Feds put up 80 percent and the States put up 20. I think that has worked well. Let's go back with history and try to do that again.

Ms. BROWN OF FLORIDA. Okay.

Mr. BUSALACCHI. Madam Chair, Congressman Shuster, I want to thank you for having me back here again. I appreciate your leadership. We need you, we really do. I think you understand this issue as well as any two people in the House that there are. And I just want you to know from my standpoint anything that our coalition can do to provide you with information or testimony at any time, please call on us. But thank you.

Ms. BROWN OF FLORIDA. Thank you.

Ms. GLYNN. Madam Chair, Congressman Shuster, I want to thank you for first of all holding these hearings. It is a tremendous sign, an encouraging sign that Congress will help lead us to a new and a better rail system. I also want to thank you very much for giving me the opportunity to be here today.

Thank you.

Mr. KEMPTON. Madam Chair, Ranking Member Shuster, thank you for the opportunity to speak before you today. I wanted to emphasize that stabilizing the program both financially and organizationally is key. We need to create that multi-year federal capital matching grant program that the other speakers have referred to.

I have to say that if you look at the interstate, perhaps the most significant public work in the history of the world that was accomplished between the Federal Government and the State, we need to apply the same approach to intercity rail service, and we look forward to working with you as attributing partner in that effort.

Thank you.

Ms. BROWN OF FLORIDA. Thank you very much. We are going to take a 5-minute break, if that is okay with you, Mr. Shuster. Mr. Morning is here on another issue, on kidney research and you know in Congress we have to multi-task. So we are going to take a 5-minute break. Thank you.

[Recess.]

Ms. BROWN OF FLORIDA. Thank you very much, last panel, Panel III. I would like to welcome the third and last panel. Our first witness is Mr. Ross Capon, who served as the Executive Director of the National Association of Railroad Passengers, welcome.

Our next witness is Harriet Parcells, who is the Executive Director of the National Passenger Rail Coalition.

Our third witness is Larry Blow, representing the U.S. Maglev Coalition.

The fourth witness is Mr. Peppard, who is the Transportation Policy Coordinator for the environmental advocacy organization, Friends of the Earth.

Our final witness today is Kevin Brubaker, who is the Project Manager of the Midwest High Speed Rail Network Project for the Environmental Law and Policy Center.

Let me remind the witnesses that under Committee rules they must limit their oral statements to 5 minutes, but the entire statement will appear in the record. I thank you and recognize Mr. Capon for his testimony.

TESTIMONY OF ROSS CAPON, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF RAILROAD PASSENGERS; HARRIET PARCELLS, EXECUTIVE DIRECTOR, AMERICAN PASSENGER RAIL COALITION; LARRY BLOW, SENIOR ASSOCIATE, UNITED STATES MAGLEV COALITION; COLIN PEPPARD, TRANSPORTATION POLICY COORDINATOR, FRIENDS OF THE EARTH; AND KEVIN BRUBAKER, PROJECT MANAGER, MIDWEST HIGH SPEED RAIL NETWORK PROJECT, ENVIRONMENTAL LAW AND POLICY CENTER

Mr. CAPON. Thank you very much, Madam Chairman.

I will do my best not to repeat anything you have heard before this morning. The picture there is Governor—Lieutenant Gov-

ernor's passengers. That is actually Minot, North Dakota. That is the Empire Builder.

On our next slide we have what we think it takes and on the fifth point, railroad network with adequate capacity, I agree with Mr. Shuster's comments earlier about if we are going to run these trains on time we have got to find more money to invest in track capacity.

As I see it, there are three huge obstacles to that. The first one is the OMB types from whichever party will say I can't afford it. The second is some people will say why should we invest in the freight railroads when you are profitable anyway. The third is the railroads are opposed to any kind of government interference that would affect the competitive relationship among the different railroads.

I think I have got good answers for the first and second problems and probably you do, too. I don't have a great answer for number three. That is the big conundrum.

It is interesting to note that the Federal Railroad Administrator, Mr. Boardman, when he was a New York State Commissioner, he oversaw the Bottom Line Freight Rail Report that AASHTO produced. I believe they said we needed something like $35 billion invested in freight rail above what the private sector is likely to provide over the next 20 years. And that is a very tall order, but we are going to have to figure out how to do it.

I do need to point out, on the particular example of the California Zephyr never being on time, there is one other reason that crops up so often, and that is in this case that the Union Pacific fell way behind on their tie program. There are miles and miles of 40 mile an hour slow orders across Nevada because of that, and I believe Amtrak and Union Pacific now have an agreement where they lengthen the schedule of the train by 3 hours, but they have specific time lines for when the time is going to be taken back out of the schedule as those ties are repaired and the Union Pacific gets back on its feet. They just implemented that schedule I think about 2 weeks ago.

My President, George Chilson, wanted me to make sure in discussing choice for Americans, which one of the major benefits of passenger rail is, that I refer to that great quote from the Russian immigrants who were extolling the virtues of how much choice Americans had, but said there is no freedom in America without an automobile.

Part of the message here of course is that we need a transportation system that works for people without automobiles, whether they are teenagers or whether they are elderly people or whether they are just you and me who don't want to drive. Avoiding stress and congestion on other modes, you have heard about that.

The environmental impact, I have my little unit table on page 2 straight out of the Oakridge National Laboratory report for Department of Energy that shows the energy intensity. This is a measure of thermal units per passenger-mile, where the lowest number wins, and that isAmtrak.

On the next frame I have restated some of what the Lieutenant Governor said about why the longest of trains are important. And on the subject of intercity bus, I would note that on page 6 of my

testimony, of my written testimony, I quote a 1993 statement by an American Bus Association official that says, we don't need trains between Boston and Portland, Maine, we have buses. It turns out today the Amtrak Downeaster is a tremendous success and the bus ridership is up because they work together.

In the next frame we show the national system. All those States in black are States where the only train is the long distance train. So no service in the black States.

And in our next frame we show our vision, our 40-year vision. We don't have a 50-year vision, but we have a 40-year vision of what the national system should look like.

I will stop there and my 5 minutes are up. Thank you very much for your time.

Ms. BROWN OF FLORIDA. We will have some follow-up questions.

Ms. PARCELLS. Madam Chairwoman Brown and Ranking Member Shuster, thank you very much for the opportunity to testify here this morning on the benefits of investments in passenger rail. My name is Harriet Parcells and I am the Executive Director of the American Passenger Rail Coalition.

First, I would like to say Amtrak has had great success, ridership has steadily increased over the past 4 years, and so far it is up over 5 percent this fiscal year over the same period last year. Amtrak management has reduced operating costs and management and workers together have maintained an outstanding safety record. These accomplishments are particularly noteworthy given that Amtrak has been given barely enough funding to meet its capital and operating needs each year for many years.

By failing to provide the funding that would greatly enhance U.S. passenger rail service, especially in congested corridors, the U.S. is missing out on enormous social, economic and environmental savings. These savings would make the country more productive and more competitive in the global work marketplace.

A study for the World Bank showed that cities that have the most significant sustainable transportation systems are the least costly to operate and spend the least amount of their urban wealth on transportation. And they show that the most rail oriented cities have the lowest transportation costs. Investments in intercity passenger rail routes that connect cities to one another and refocus development back into urban downtown are an integral part of building more sustainable cities.

The costs of continuing to short-change passenger rail are mounting, and I would just like to quickly highlight four areas where we would have great benefits from investments in rail.

One, highway and airport congestion relief. Highway congestion costs the Nation $63 billion annually, and a total of 2.3 billion gallons of gasoline are wasted every year sitting on congested roadways.

The investments that we make in rail benefit not only those riding the trains, but those on the highways or traveling by air because you divert a significant number of trips from those roads and airways. Over 12 million passengers ride the trains on the Northeast Corridor. Without this vital transportation service, the Northeast region's productivity would suffer, and the cost to expand run-

ways and highways—where this is even a practical option—would be far greater than the cost of the rail investments.

Regions like the Southeast are projected to have tremendous population growth. As you know, Florida is projected to have a population increase of over 200 percent over the next 40 years, North Carolina and South Carolina projected to grow by 71 and 62 percent, and other States in the Southeast region will experience similar growth. Business leaders and government leaders recognize investments in rail are essential to this region's ability to remain productive and competitive.

Second are economic benefits. Public investments in intercity passenger rail reduce trip travel times and create connections between cities that open new business opportunities, generate jobs, tax revenues and increase property values. The investments in rail will also bring a renaissance in the U.S. Railroad supply industry, and this will bring new jobs and tax revenues for cities and States around the country.

Third are energy benefits. The transportation sector of the economy accounts for about two-thirds of the petroleum used in the United States. U.S. dependence on imported oil has now grown to 66 percent of our daily supply; we import about 13.7 million barrels of oil per day. While other sectors of the economy have greatly reduced their dependence on petroleum, the transportation sector has room for substantial improvement. Last year we spent $300 billion on imported oil. That was triple from 5 years ago.

Travel by rail is highly energy efficient, gasoline prices of $3.17 or more per gallon are up over 26 percent since last year and consumers are feeling the pinch. If fast, attractive, intercity passenger rail service was offered, especially in metropolitan corridors, many more citizens would leave their cars behind and try rail.

There are also great benefits. Energy efficiency will produce benefits in emissions and help us with global warming.

I would like to quickly summarize with policy recommendations that we hope the Committee will consider as they put together their legislation. One is to provide strong and stable capital and operating funding for Amtrak, including funding to bring the Northeast Corridor to a state of good repair.

Two, establish a Federal-State partnership for capital investments in rail corridors.

Three, include a provision to create a next generation corridor train equipment pool.

Four, although tax measures are outside the jurisdiction of this Committee, we urge you to work with the Ways and Means Committee on creative ways to come up with the substantial capital funding that is needed for rail.

We thank you for your leadership and believe with your leadership and vision Americans can have the kind of transportation system they see in Europe, and they want to have here.

Thank you.

Ms. BROWN OF FLORIDA. Mr. Blow.

Mr. BLOW. Thank you, Madam Chair, Congressman Shuster. I am Larry Blow. I represent a company that has been in the field of high speed transportation now for about 20 years.

On the next slide you will see I have an outline where we are going to talk about four or five benefits that will accrue to any area that incorporates an especially a high speed train.

On the next slide you will see that in Commonwealth we are supporting three contracts around the country now. These are feasibility studies or environmental impact statements in three areas of the country between Atlanta and Chattanooga, from Chattanooga to Nashville and the Baltimore-Washington project, and the local here is going through their final EIS.

On the next slide we talk about the U.S. Maglev Coalition, which is the group that we have attached ourselves to which is promoting the use and policies for implementing high speed maglev around the country.

The next item you will see the coalition members that include some of the most well-known engineering consulting firms in the country, Parsons Brinkerhoff, Arcadis, KCI. We have Central Japan Railway. That is the developer and implementer of a rail system in Japan as well as the high speed maglev machine.

We listed five. I will talk about each one of them in sequence. The maglev is an environmentally friendly system. Even though to some people it is the equivalent of a moon shot it does exist in commercial service, and we see the following environmental benefits that could be expected on the next slide, please, especially in the areas of noise vibration where a maglev system is typically 10, 15 percent quieter at every speed than any high speed rail system in the world. Environmental benefits also accrue in terms of electromagnetic fields where the commercial versions of maglev have electro-magnetic fields that are on the order of consumer electronics and products like televisions and hair dryers. So they pose no threat to health at all.

One area that we see is the use of elevated guideways. They run so fast you prefer they be on elevated guideways. This can be very gentle to a landscape. They can also allow things to happen underneath the guideway that were happening before, such as farming or commercial activity.

On the next slide we talk about energy efficiency. Maglev is a different design from scratch. It is anywhere from 25 to 35 percent more efficient. We think that can be attributed to the technology, but we also look ahead as to future characteristics.

Next slide you see high performance. This is where a maglev system is known to be superior, both in speed, acceleration and eventually in trip times. We have a matrix of performance characteristics for assistance that people know on the next slide where we look at intercity high speed rail in the lower left and up towards the right. On the upper right and upper left you will see the Siemens version of the magnetic limitation. The acceleration rates and deceleration rates and high speeds of maglev make it appropriate as a high speed shuttle that is currently being used in Shanghai in commercial service.

In more routine operations we see maglev being an addition—on the next slide. In terms of trip time between Baltimore and Washington we can save time going from Union Station to downtown Baltimore by about a third of the time compared to Acela because of the way the system works in normal alignments.

You will see how we can collocate a maglev machine in the same right of way with an Acela train going between Baltimore and Washington, D.C. You don't see it on this slide, but on the next slide you see where the alignment is wide enough and the system is fast and compact enough to be in the same alignment.

On the next slide we talk about cost comparison. Many people think maglev is a very expensive system. We look at it when it is properly designed, when the guideways are in the right position and when it can be used in terms of the system performance, when it can be used to its best effect. Maglev in capital cost is no more than 10 or so percent expensive than a high speed rail system.

The next two slides, economic impacts had been looked at very directly in Baltimore-Washington. A private firm looked at and saw the following kinds of benefits, annual savings and congestion relief, energy consumption of a trillion BCUs a year, removing almost 700 tons of environmental pollution, lessening our dependence on foreign oil.

The next slide in the regional area you can have thousands of jobs, you can earn a billion plus in earnings and 3-1/2 billion in sales tax and local taxes.

The last slide talks about safety. Maglev is supposedly a very safety conscious system designed from scratch for safety. Even though there was a horrible accident last September, the technology is supposedly not to blame, it was a human error. We think the basic design features of maglev, both the Japanese and German systems, are very safe.

Lastly, Commonwealth Research continues to support the proponents of ground transportation systems around the country.

Mr. PEPPARD. Good morning, Chairman Brown and Ranking Member Shuster, Members of the Subcommittee. Thank you for the opportunity to testify here today on the benefits of passenger rail. My name is Colin Peppard, and I am with Friends of the Earth, which is an environmental advocacy organization, funded in 1969 in the United States. We are part of Friends of the Earth International, which is the world's largest federation as well.

I am here to talk about the benefits of passenger rail with respect to global warming and the climate, because the transportation sector in the United States is an enormous source of global warming. Currently nearly a third of U.S. Carbon dioxide missions, which are the primary cause of global warming, originate from the transportation sector. Cars and trucks and other vehicles account for about 80 percent of that transportation-based CO2.

While policies come before Congress to improve the efficiency of these cars and trucks and to fill them with sustainably produced biofuels will certainly help to reduce this impact, these policies only take us part of the way to the CO2 reductions that are needed to stabilize our climate.

Unfortunately, since U.S. transportation policy overwhelmingly favors highways and road projects, the total number of miles that Americans are forecast to drive each year is going to increase between 50 and 60 percent between now and 2025. At this rate reductions in CO2 from even the most aggressive proposed fuel efficiency standards would be outpaced by growth in overall automobile usage.

With that in mind, to fully address global warming we must pair these increases in fuel efficiency in biofuel use with development of alternatives to the able to help Americans reduce the amount they drive each day. At the local level this means things like transit, light rail, commuter rail and bus service. But for longer distance intercity travel passenger rail represents an energy efficient option that can help reduce C02 emission fairly substantially.

The type of trips are intercity trips more than 50 miles one way. These make up a significant portion of travel in the U.S., resulting in a large annual amount of CO2 emissions. In 2001 Americans produced about 400 million metric tons of CO2 by taking these intercity trips. This is equivalent to the annual CO2 emissions from about 130 medium sized power plants.

Passenger trains offer a more energy efficient option that emits less C02 than both automobile and air travel. My colleagues today have spoken about the efficiency of passenger rail, so I won't repeat that.

Beyond just their general efficiency, passenger trains offer other advantages. First, some colleagues touched on the ability of passenger trains to incorporate biodiesel, a fuel that can further reduce the CO2 emission by as much as 78 percent of our petroleum diesel. The trains running on even a 10 percent biodiesel blend, running one full Amtrak train would be the equivalent reduction of taking 450 to 600 cars off the road. Further, electrified trains such as Amtrak's Acela express is also very efficient and more efficient than petroleum diesel trains. As renewable energy such as solar and wind in the U.S. Becomes a larger part of the electricity mix, the C02 that passenger trains produced will continue to fall.

Although passenger metro compares favorably to auto and air travel, it is the 50 to 500-mile interstate corridors that offer the most potential. These trains carry more passengers per train and have seen the most growth over the past several years. They also hold the greatest potential for new growth of faster, better and more frequent services.This is where the most potential for CO2 reduction is since the car trips this service would replace would be more frequent, and the short air trips this service would replace are the most fuel inefficient. These corridors also have a great potential of low biocarbon fuel use.

A few policy recommendations we urge you to consider have been advanced before. Amtrak has the funding needed to maintain its current service while investing in repairs and improvements an expansions. Friends of the Earth supports current efforts to reorganize Amtrak on a significant multi-year basis. Legislation currently under consideration also provides long overdue reforms that will improve Amtrak's service and increase its reach.

Financial support for States to develop and expand rail service, such as tax credit bonding measures, can foster strong partnerships, other measures that would increase the environmental benefits of Amtrak and passenger rail by Federal investments and provisions to encourage the use of biodiesel fuels.

In closing, Americans are wedded to their cars and don't want to take passenger rail or transit. Some say this is untrue and that Americans are demanding alternatives more than ever and have

shown they will change their transportation choices when both incentives and solid alternatives exist.

In 2005, amidst rising gas prices, Amtrak and numerous transit systems around the country experienced record levels of ridership. In that same year Americans drove less per capita for the first time in 25 years. The success around the world shows us that if a good product is offered in the U.S. ridership will be high. With strong State and Federal support we can develop a system of high speed, energy efficient passenger rail service that can reduce CO2 emissions to help us meet the challenges posed by global warming.

Thank you, and I look forward to the opportunity to answer your questions.

Mr. BRUBAKER. Madam Chairwoman, Committee Members, thank you very much for allowing me the opportunity to testify. I have Kevin Brubaker, with the Environmental Law and Policy Center of the Midwest.

ELPC works throughout the Midwest under the belief that environmental protection and economic development can be achieved together. Our work exemplifies this belief. It is good for passengers, the community and the environment.

Representative Nekritz told you the exciting story about Illinois' ridership growth in the last year. Let me briefly provide background of what went into that.

Last year our organization worked with a coalition that included organized labor, 12 university presidents, 32 Members of Congress and 300 local elected officials in calling for better rail service. University presidents went to Springfield to explain to legislators how leaving cars at home while providing faculty convenient access to the cultural amenities of Chicago. Chambers of Commerce testified about job creation through better transportation services.

The general Assembly responded and the larger growth has been phenomenal, 133 percent ridership growth in 5 months from Chicago to St. Louis corridor. That ridership explosion is leading to some exciting new things.

In response to this growth, the communities without rail service is starting to demand it. Amtrak is working actively to investigate new rail service to Rockford, Peoria, Dubuque, Iowa City, Des Moines and Madison.

In the broader region, nine State Departments of Transportation are working together on a 3,000-mile hub network radiating out from Chicago to every municipality in the region. Add to that the Ohio hub system with another 800 miles of track to connect the Midwest system to the Northeast. We are starting to see a potential for a seamless system that produced $32 billion of benefits to users in communities. Those benefits translate directly into the communities and jobs, and so forth, $2 billion of additional household income, $8 billion in joint development potential and 75,000 permanent new jobs.

From our perspective the environmental benefits are particularly important. Where opportunities to expand rail are greatest, so are the potential savings in global warming benefits.

I would politely disagree with some of my colleagues up here. I think they have understated the global warming benefits of rail in that they are looking at just the averages of a national system cur-

rently. When you start to drill down to actual corridors, the savings are far more significant. For example, the approved Environmental Impact Statement for 110-mile an hour service between Chicago and St. Louis concludes the trains would be three times as energy efficient as cars and six times as energy efficient as planes.

In conclusion, let me offer three recommendations, some of which you already heard. As the Lieutenant Governor offered earlier, we really do need a healthy continued Amtrak with long-term secured funding. Frankly, the Illinois success story you heard about today probably would have happened several years earlier had it not been for the fear that Amtrak wouldn't be around. Nobody wanted to partner with a bankrupt railroad.

Amtrak is a remarkably good investment in public dollars for public benefit with a better recovery ratio than virtually every transit in the United States. I think it is interesting that the Metro regional rail system in Chicago is a national model of success with about 52 percent recovery ratio, and some describe Amtrak with a 55 percent recovery ratio as somehow a failure.

Second, we need more trains. You heard about the exciting potential from me and others, but the downside is we have used up all Amtrak's rolling stock, we can't expand further without more trains. States can't solve this particular problem alone. New equipment can't be purchased off the shelf but needs to be designed and built from scratch, so Federal leadership is really necessary in this arena.

Third, States need a Federal partner to expand and improve rail service. Demonstrating a willingness to invest, Wisconsin is rebuilding three railroad stations and has purchased track between Milwaukee and Madison. Illinois is close to $80 million in capital improvements, particularly on the Chicago-St. Louis corridor, and an active partner in developing high speed rail between Chicago and Detroit.

They can't do it alone. Under the current system the Federal Government is paying 80 percent of the cost of highways, bridges and even bike paths, but nothing towards investing in rail. Passenger rail investments need to be five times as good as highway investments in order to justify that funding. Clearly, we need to level the playing field so rational investments are made in the most cost effective transportation choices.

Thank you very much.

Ms. BROWN OF FLORIDA. Thank you very much. Do you want to start?

Mr. SHUSTER. Sure. Thank you.

In light of full disclosure, Mr. Capon, do you still receive money from Amtrak and what percentage of your budget comes from Amtrak?

Mr. CAPON. We have a contract to provide administrative support to Amtrak's advisory committee. I believe the statement I filed shows that we bill about $35,000 a year to Amtrak. Most of that is direct reimbursement for expenses. The overhead that we bill is about $9,000. Our budget this year will be a little over a billion dollars.

Mr. SHUSTER. Your budget was——

Mr. CAPON. A little over a million dollars, excuse me.

Mr. SHUSTER. I just wanted to get that out there. Some people need to know what role Amtrak plays in your advocacy.

You talked about choice, giving people choice. I am one who believes that people do have a choice, and up to now people have overwhelmingly chosen to drive their automobiles and I think they will continue to do that in huge numbers. I think 95 percent of the American people drive their car, and I think that that will continue to be a significant portion of how people tend to travel intercity.

In saying that, I also believe as the population continues to expand we need to look at intercity travel and invest in that, but giving people choices. What it comes down, to people are going to always choose if the cost is reasonable, if the quality of services is good, and the flexibility—Governor Schweiker was able to go back and forth to Philadelphia, because he gets flexibility when he leaves. When I drive to rural Pennsylvania, I have no choice, there is a limited choice.

I think I can hear remarks on your thoughts. Amtrak pays a lower access fee to the freight lines than regular commercial customers, and Amtrak has to pay their fair share. If the freight rails pay the money to reinvest in the improvement in infrastructure, what are your thoughts on Amtrak's contribution to the usage of those tracks?

Mr. CAPON. Well, first of all, I agree with your statement about people choosing the auto, but I think there is an awful lot of people choosing the automobile when public policy has effectively given them no choice, and it is up to the public policy makers to change that situation. That is even true in the Northeast Corridor where Amtrak's so-called regional trains, the conventional trains, are significantly overpriced.

I watched a train this morning leave Washington at about 8:15 going to New York, five cars. That would be laughed at in Europe for a train serving that market to be that small. That is what you get when you have high fares.

Mr. SHUSTER. That is pretty vague. What is an awful lot? I go back to my original statement. If we certainly need to improve intercity rail, what is an awful lot? Do you think that some day there will be 50 percent of the people? I don't know what the figure is in Europe. It is very high, but part of the reason it is very high in Europe is they are taxed to death over there. So it is a disincentive for them not to use their cars. So what is an awful lot in your view?

Mr. CAPON. If the market share for passenger rail today is 1 percent, if in my lifetime it got to 10 or 20 percent, that would be a dramatic, very dramatic increase in absolute terms. I think the pricing is going to change too. The Washington Post today, and some economic conservatives have been beating the drums for a long time for a carbon tax, and if that gets implemented that will benefit freight and passenger rail.

You asked me a question about what Amtrak pays for access on the tracks. First of all, for any new service, that is service that does not exist today, it is well established that the railroads that own the tracks are going to be properly compensated for the additional infrastructure that is required to accommodate that additional intercity passenger train. For passenger trains that exist today or

for the ones that were grandfathered in 1971, there are a certain number of trains that exist today that have already had that investment in infrastructure to accommodate them.

There was a deal cut in 1970 where there was a decision made to relieve the private railroads of their passenger deficit. The deal was that Amtrak would get the right to operate on those tracks at what is called an incremental cost basis. And since then Amtrak has negotiated incentive agreements with almost all the railroads under which Amtrak pays additional fees when the on-time performance is adequate.

I would argue that there are a lot of benefits that Amtrak bring to the freight railroads. An awful lot of great crossings have been closed because State programs primarily motivated by passenger service were implemented. The so-called sealed corridor in North Carolina is the most dramatic example. Florida, California, other States have done a lot of work on that front. The line between Sacramento and Oakland is double tracked because Caltrans primarily because of the passenger service replaced the single track segment that existed, the Yolo Causeway west of Sacramento.

Mr. CAPON. So I would argue that if you look at the package as a whole, that Amtrak is a plus for the railroads. As David Gunn used to say, the canary in the coal mine is the reason that a lot of people are even aware that we have an infrastructure investment project required out there that dwarfs anything that is related to Amtrak.

Ms. BROWN OF FLORIDA. Thank you. I think sometimes that perhaps Mr. Oberstar needs to put in writing the history of how we got to where we are in this country with passenger rail and freight rail. This was a public system initially. And how the freight rail wanted to be alleviated of the passenger rail service and thus the part that you told us about. But the point is some of the deals that was cut was to the detriment, in my opinion some of them as far as Amtrak is concerned, as far as accidents and various things and on-time service. And so we are where we are. And the point is for the last 6 years we have been struggling to keep Amtrak afloat, you know, with zero funding, unheard of.

And when you travel to Europe, which the Committee went to Europe less than a month ago, and we flew into Brussels and we went from Brussels on the train to downtown Paris, over 200 miles in less than 1 hour and 15 minutes, you get that on-time service. And the question is how are we going to move forward in this country and how we can move our Congress people to catch up with people, because the people understand. I mean if you go to one of my areas, Orlando, Sanford, the Interstate has eight lanes, and basically another lane won't help us. We have got to figure out how to get people out of those cars and onto passenger rail.

If people that come into the main international airport, they come in, they are so confused, they go outside, jump in a cab and say Orlando. They are used to doing that in other countries. How can we move our country forward? How can we hook us up so that we will be ready for the future? When the gas prices are $3 a gallon, we think it is terrible, but they are going up, and eventually they will go up. And people just cannot afford, everybody, to be

running around in a car with one person in that car. I mean it is just not going to work.

If you go to other countries, climate change is the number one topic. We are behind. And so how can you—or what would you recommend is the ideal world, how does passenger rail fit into the American transportation system? What system of passenger rail would be available for the American consumer? I mean clearly we need a different kind of leadership in Washington. Why don't you respond to that?

Mr. CAPON. I would just make a couple of quick points. Number one is, as we all know——

Ms. BROWN OF FLORIDA. And are you a paid responder? I mean we invited you to come here. You come here to respond. I mean, am I accurate, no one pays me. We are looking at what is important for the future of this country.

Mr. CAPON. Right, right. The one part of the administration's budget that everyone I think agrees to is that it is time for a Federal match so that States investing in passenger rail, there will be a Federal match for them. Now, of course, as you know, to do it they took it out of Amtrak's hide and they went from 900 to $800 million. But the concept, if we can figure out how to do it without taking it out of Amtrak's hide, because Amtrak is the foundation on which all the State programs rest, that is important. You heard Mr. Kempton talk about how quickly you could go through that amount of money.

What we need is a Federal funding level that encourages States to invest in passenger rail so that you see investments in places other than California, where it happened because the citizens voted essentially to ram it down Caltrans' throat in 1990, $2 billion of money that they didn't ask for. And now everyone is proud of the great success story. And Kevin can talk about being heroes in Illinois where there was no Federal match again. So that is a big issue.

Number two is that I haven't mentioned, I don't think anyone has mentioned, in Europe it is second nature that there is a good connection between intercity passenger rail and the airport, so that your friend who gets off the plane in Orlando doesn't have to get in a taxicab. They can get in a train and go to Jacksonville or wherever they want. The air-rail linkage is embryonic in this country. It is starting construction, I think, in Harrisburg Airport. They have got groundbreaking last year in Providence. Newark Airport is the one example that is really good. So that is really important, because anything that makes it easy to transfer between intercity passenger rail and other modes brings you a little bit closer to the flexibility of the automobile. And the closer you come, with the price of the automobile going up, the more people you get.

And the third thing, on-time performance has been mentioned. Under current law the Surface Transportation Board has no authority to enforce the priority for dispatching of passenger trains over freight trains. It can only be enforced if the Attorney General of the U.S. brings a case. And that has only happened once in the history.

There is, in the underside of this bill, there is in interesting language that would give the Surf Board some authority with regard

to on-time performance. And I hope you will look at that and certainly address that issue when you write a bill for this side.

Ms. PARCELLS. I would just like to say that in order—each year, as I mentioned in my testimony, Amtrak gets just enough money to get by, just enough money to go do some capital investments, but certainly not to create this vision that we all have and would like to see of a greatly improved passenger rail system.

In the 1950s, when Eisenhower and the Congress came up with the interstate highway system, we also set up a highway trust fund that gave a stable source of funding. And we are not going to find adequate funding just through the annual appropriations process to get where we want to be. And so I think there needs to be creative thinking, as already has been going on, to either come up with some form of bonding authority or maybe carbon tax; maybe try to capture for the public benefit a 26 percent increase that we are seeing in the gasoline price, which right now goes to the oil industry. There is no benefit captured for the public benefit. But we are going to need some new source of revenue that will really allow us to get this. And I think 50 years from now our children and grandchildren will thank us. Thank you for that leadership and vision.

Mr. BLOW. Madam Chairman, I would like to make one remark about a new way of doing business, carrying on from what Ross and Harriet have mentioned. The State of Texas, I think, is taking as broad a view of intercity passenger rail as any State that I am aware of in the country. Even though they are not represented in our Meglev Coalition, I will just say in the last several years they formed legislative partnerships and they have been reaching out to the private sector to look ahead.

You may be very well aware what Texas is doing. But just recently, about a month ago, they had what they called a high-speed rail design charrette, which is a fancy word for a meeting. It was sponsored by Continental Airlines, physically, in their building. And Continental and American Airlines are both looking into the addition of high-speed ground transportation as an adjunct to their air service. Now, whether they are doing that to eventually kill it or who knows what, but I am saying the State of Texas is going in with an open state of mind, so to speak. And they are now inviting the private sector to come and join with them, both rail, magnetic levitation, whatever. They are looking for technology partners to form what you would call maybe an interest group to come and pave the way for Texas to go into the 21st century. I think they are doing it the right way.

Ms. BROWN OF FLORIDA. And they are expanding—I have had several meetings with them—with various public-private partnerships in Texas that are interested in doing a high-speed train. And by the way, Florida, it was an initiative on the ballot that passed. And in fact we had very innovative Governors in the past that had laid the groundwork for a high-speed rail in Florida. And then the Governor put it back on the ballot and killed it. But hopefully now Florida can move forward with more progressive leadership.

Would you like to respond.

Mr. PEPPARD. I would. You mentioned climate change, and we are glad that you did. I am glad to hear that the Committee is

thinking about climate change in passenger rail because they are very integral.

Ms. BROWN OF FLORIDA. I am not sure the Committee is thinking about it, but I am thinking about it.

Mr. PEPPARD. The Chair and some of her colleagues. But I think that you have touched on an important point when you said that we need to get people out of their cars. And I respectfully disagree we need to get them out. We actually need to let them out of their cars. People don't want to spend hours in traffic when they could be getting work done or spending time with their families or enjoying themselves. But we need to make it convenient for them to travel by easier, lower-carbon methods of transportation. And passenger rail offers that.

Ways that we can encourage this is by developing stations in downtown areas with connections to both airports and local transit, making it so that stations are not on the edges of town and inaccessible to the majority of the population. And they can actually search for centers with growth and development.

I reiterate the need for a thorough match and tax credits to invest in infrastructure as well, because this is going to be a partnership level between the States and the Federal Government. I think a good goal for that would be to have 10 to 15 percent of intercity trips of 50 miles or more be a passenger rail in the next 25 years.

Ms. BROWN OF FLORIDA. I want to add something to yours. In what frequency do trains operate in the Chicago-Milwaukee corridor? What time savings does one get from riding the full length of the route from Milwaukee to Chicago as opposed to driving during rush hour?

Mr. BRUBAKER. There are currently eight trains per day between Chicago and Milwaukee. There is a great deal of interest in expanding that. The State of Wisconsin is working with the private railroad right now to negotiate over increased capacity. I would also add, on that corridor there is a railroad station at the airport in Milwaukee, so another example of where that intermodalism is working. It doesn't beat the automobile by much during nonrush hour, but it is dependable. That train has one of the best on-time performance records anywhere in the Amtrak system, well over 90 percent. So when you get on that train in downtown Chicago you know exactly what time you will get to Milwaukee, and that is worth its weight in gold.

I wanted to answer a little more of the question about what does success look like in this.I agree with all the recommendations of my colleagues up here. What those investments get you, though, is about a tenfold increase in ridership on these successful corridors. Chicago to St. Louis, for example, the studies have shown if you can get it up to 110 miles an hour so it is competitive with cars, we are getting a tenfold ridership increase. Midwest-wide, we are talking roughly 10 million people a year using trains.

Let me give a brief anecdote. The city of Springfield, Illinois just learned a couple weeks ago that it was going to be losing its commuter air service. And, dramatically, nobody cared. There was basically a giant shoulder shrug in reaction to this news. A few years ago that would have been unheard of. But we now have enough trains running from Chicago to Springfield corridor that the local

chamber of commerce director was quoted as saying, well, you know, air really is an important piece of our transportation system; we are not going to miss it. That is part of the vision of what we can achieve with rail.

Ms. BROWN OF FLORIDA. Mr. Shuster.

Mr. SHUSTER. Thank you. Just in response to a couple of comments that were made here. Mr. Capon, I think you are accurate, and if we can grow it from three intercities 1 percent—mass transit in general is about 4 or 5 percent—if we can grow that double, I think that is realistic. But I think the powerful draw to the automobile is something that is unique to Americans, and that is freedom. And nothing, I think, symbolizes it more to Americans than their automobile. Because I can walk out of here today, get in my car and drive wherever I want to go, albeit sit in some traffic now and then. And the Europeans haven't experienced freedom as we have. They have had limited resources, they have had limited freedom throughout their histories. And so it is a whole different experience.

And I just don't think we are ever going to get away from the mass appeal to an automobile, for Americans to have an automobile. Getting gas up to $7 a gallon, that is going to cost Americans there. But I believe in the marketplace that as it approaches $7 a gallon, somebody will figure out how to pour this in their tank and we will have some other source. I think that is eventually going to happen.

And if we rely on the gas tax for the next 50 years, our grandchildren won't be thanking us, they'll be cursing us because we will be using water or some other source, and oil, so there will be no funding for it. So I think we have got to look at all different kinds of options and figure out how to fund the different modes of transportation.

A question to Ms. Parcells and Mr. Capon: How do you feel about the private sector taking over or bidding on, like was the situation in California, the Metrolink. They bid it out to a private company that has, not intercity, but its commuter service. What are your thoughts on private companies taking parts of Amtrak that Amtrak doesn't want or can't operate efficiently?

Mr. CAPON. I think that if the Metrolink riders were getting good service, it is a reasonable decision for them to make. My understanding is that when Mr. Gunn was heading up Amtrak, let's say having those commuter rail contracts was not his top priority, so I don't know to what extent Amtrak's loss of that business reflected that. There was also a lot of, I think, bad blood at the lower level between Metrolink management and Amtrak. So I don't know.

But from the point of view of the user, if, as you heard this morning, the service is running well, that seems like a reasonable outcome. You also heard them anxious to keep Amtrak in the ballpark as bidding on their contracts. And I know that MBTA was not amused when they learned that Amtrak was not going to bid on their contract up in Boston before that changed.

Mr. SHUSTER. Ms. Parcells.

Ms. PARCELLS. Well, I think Amtrak is already doing some partnerships with the private sector, certainly with their food service; they have contracted that out to actually a company that was part

of our association for a number of years. You will see, I think, in the future more efforts to work with the private sector. And I think to the extent that that brings new efficiencies and better service, that is probably a good direction that we are going to see things moving.

Mr. SHUSTER. So in principle, but there is no problem with a private sector——

Ms. PARCELLS. Being involved.

Mr. SHUSTER. Being involved, right.

Mr. Blow, when you said there is one Maglev Coalition that wasn't—or proposal wasn't in there, and that is the Pittsburgh. Why is that?

Mr. BLOW. That is hard to answer that question, Congressman. It is one of the most visible projects we know, one of the most long lasting, one of the most solid Maglev proposals that has been around. I have been following that one for a long time. We requested that they join our coalition because we think we can help them.

Frankly, you would have to ask Dr. Gurney and his people. We think it is a superb project and it deserves a broader audience, and it would have gotten a broader audience if they were in our coalition.

Mr. SHUSTER. When I talked to them that seemed to be— or at least they claim. From what I can tell, they seem to be moving this further along in a lot of their studies and design and things like that. Is that accurate, as far as you know?

Mr. BLOW. I can give you an opinion. My opinion is I don't think they are as far along as they say they are, but that is just an opinion. It takes a lot of work to get to the point where you are ready to put something on the ground, and they are not there yet.

Mr. SHUSTER. That is what we get a lot in this town, opinions. You know what they say about opinions.

Mr. BLOW. Yes, sir, I do.

Mr. SHUSTER. Mr. Brubaker, one question, and my final question, Madam Chair, the question on rolling stock. We had a company contact us that said there is a lot of rolling stock out there that needs rehab that can be put back on and run up to speeds of up to 110 miles an hour. And your statement said that it is not out there. It has got to be redesigned.

Mr. BRUBAKER. If we are talking about new equipment with modern amenities, you can't buy off the shelf. And so we do need a Federal partnership. There really is some development involved. It is also true that there is older equipment out there that can be rehabbed. I know there is one company in Illinois, for example, that is interested in pursuing contracts of that sort. But there is a real difference between buying a used car and buying a new one, and the same is true with rolling stock.

Mr. SHUSTER. Well, as somebody who used to sell new and used cars, I can make a case against—I can make a case for buying a used car. Thank you.

Ms. BROWN OF FLORIDA. I want to thank the witnesses for their testimony and the Members for their questions. Again, the Members of this Subcommittee may have additional questions for the witnesses and you may respond in writing. The hearing record will

be held open for 14 days for Members wishing to make additional statements or ask further questions.

But before I close this for further business my last question, giving you all 1 minute, how can government and private enterprise come together to create and support new passenger rail investment? And that will be the closing.

Starting with you, Mr. Capon.

Mr. CAPON. Thank you. By the way, I wanted to clarify, Mr. Shuster, my comments about contracting out were specific to commuter rail and many other ancillary services such as the previous witnesses referred to. I have a sheet which I would be happy to give to you that outlines why Amtrak probably, as long as the game is played—we know it will be the intercity provider, and actually is put together by the managing director in Capital Corridor in California, who is on my board, Gene Skoropowski.

To answer your question, I think one of the most important elements is everyone has got to be realistic about what the private sector is willing to do or not do. If we are talking about megaprojects, a lot of investors are very painfully aware that the initial investors in the Channel Tunnel lost their shirt. And so there has got to be a thorough realism about, as Mr. Quinn used to say, you get what you pay for.

And the Federal Government is going to have to play a leadership role if we are going to change the Federal transportation policy and outcome. And there is just no way around the need for changing the priorities with which we spend money.

Ms. BROWN OF FLORIDA. One last thing. You mentioned Mr. Gunn a couple of times, and I think it was wonderful, but he hasn't been over Amtrak for about 2 years.

Mr. CAPON. That's right, I think, yeah.

Ms. BROWN OF FLORIDA. In about 2 years. And so that may be one of the problems that we have, Amtrak. Not talking about the present one, but him and the board as we move forward. I am looking forward to additional dialogue, because part of the problem has been, quite frankly, the administration.

Ms. PARCELLS. I think the Federal Government needs to take a leadership role in terms of helping us get to this improved passenger rail system that we want. I see opportunities that the private sector would be interested in working with the Federal Government. And States are already putting money in, but they have said, as the prior panels did, they can't do it alone; they need a Federal partner. And, frankly, I think the Federal partner needs to be the lead partner, just as it is for the highway program, the transit program. But their dollars can leverage State dollars, private dollars. And I really hope that we get moving forward to bring this new vision into reality.

Mr. BLOW. I would certainly agree with Ross and with Harriet that the Federal Government needs to provide more of a leadership role. I know the State of California is going through some real pains now to try to implement their statewide high-speed rail system. That is a very big vision, that is a very big price tag.

But I also remember looking at Tampa, Orlando, Miami, several years ago in Florida. At the time, my company at that time was Transrapid, the Maglev system that had been a longtime presence

in the State of Florida. We decided not to bid on that project because there was too much reliance on the private sector in the beginning part to put up money and to make sure the State didn't have to spend any money. That is not really the way I think that the Federal Government should and the State government should work. The private sector can't lead the government into an intercity national program. It is not possible.

Mr. PEPPARD. In closing, I would just like to say that, again, I appreciate the Chairman's focus on the connection between energy and climate and transportation. The three issues are interlinked. And to the extent that this Subcommittee and the Committee of the whole Transportation Committee can continue to make those connections and write policy that make those connections. Friends of the Earth certainly urges you to do so, and I appreciate your efforts so far.

To answer your question about the connection between the public and private sectors with respect to passenger rail development, there has been a lot of money that has been made in building roads and highways in this country. And that is because there has been a significant Federal investment in developing that kind of a system. Luckily a pound of concrete costs just as much when you put it in a road or in a railbed. And a lot of the services that would go into building, developing and maintaining a rail system that is truly national in extent and that truly can provide people the rail options that they would need to consider a viable travel option, would create a lot of revenue for the private sector and a lot of public benefits at the same time. And I think the opportunities for partnership are ripe, and I think to the extent the Committee can move forward as quickly as possible with creating a policy, that would encourage that. Thank you.

Mr. BRUBAKER. I think we need, as has been said, we need money. We need leadership, we also need clarity; clarity from the Federal Government in terms of what the rules of the road are going to be.

As I said, the Illinois partnership, frankly, would have happened sooner had it not been for a lack of clarity on the future of Amtrak. We also need clarity in terms of what the private sector can bring. When a municipality privatizes garbage collection, that doesn't somehow make garbage worth more. It is still garbage. All we have done is capture the efficiencies of the private sector; and it is harder then to deliver a public service, for public dollars are going to cost.

That is what the private sector can do in rail. It can't build the system for us and somehow turn a profit. We still need Federal leadership. Thank you.

[Whereupon, at 1:50 p.m., the Subcommittee was adjourned.]

Statement of the Honorable Corrine Brown, Chairwoman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Hearing on Benefits of Intercity Passenger Rail
June 26, 2007

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will come to order.

The Subcommittee is meeting today to hear testimony on the Benefits of Intercity Passenger Rail.

More and more, states and localities across America are turning to passenger rail to meet the transportation needs of their citizens. With gridlocked highways and skyrocketing gas prices, it is easy to see why passenger rail is becoming so popular.

Passenger rail's ability to reduce congestions is well known. For example, one full passenger train can take 250-350 cars off the road and passenger rail can compete as a viable alternative to airplanes for distances under 500 miles. Passenger rail also consumes less energy than automobiles and commercial airlines. But before we can fully realize these benefits, we need to ensure passenger rail is a priority in the United States. We were once the premier country in passenger rail service and now we are dead last behind every other industrialized country in the world.

We need to start with reauthorizing Amtrak. Amtrak provides a majority of all intercity passenger rail service in the United States. Amtrak's authorization expired over four years ago. Yet it has continued to make impressive gains in attracting new ridership and increasing its annual revenue.

Amtrak also encourages economic development in the communities it serves. One of our witnesses today is my dear friend Commissioner Velma Williams, who represents the City of Sanford, Florida. The Amtrak station in Sanford is important to the city's prosperity and its residents. Amtrak plans to redevelop and expand the Sanford station, which in turn will provide substantial economic benefits to the local area and residents, as well as Amtrak passengers.

I want to welcome Commissioner Williams and all of our distinguished guests. I look forward to hearing from today's panelists on their experiences with intercity passenger rail and how we can make the system better.

Before I yield to Mr. Shuster, I ask that Members be given 14 days to revise and extend their remarks and to permit the submission of additional statements and materials by Members and witnesses.

Without objection, so ordered. I now yield to Mr. Shuster for his opening statement.

Hearing -- Intercity Passenger Rail
June 26, 2007

Madam Chairwoman, thank you for calling this important hearing today. I would like to welcome the distinguished speakers, and I look forward to hearing from you about the benefits of intercity passenger rail.

My district is in Houston, Texas. Houston, as you know, experiences a great deal of traffic congestion. This is because of the rapidly growing population, as well as the lack of alternate transportation which forces people into their cars. We are constantly looking at ways to eliminate this congestion, which is a source of frustration to travelers and pollution to the environment.

I am anxious to hear the testimony of our witnesses today so that I can explore the possibility of corridor travel between Houston and some of the other major cities in our state, such as Dallas. This could be a great alternative to the current modes of travel between Houston and Dallas. It could lessen our congestion problems and eliminate some harmful emissions by taking cars off of roads. Also, intercity passenger rail may be a welcome alternative to air travel for many reasons.

This is about choices. I am a pilot, but because I like to fly does not mean I don't like my car. Because I like my car doesn't mean I don't like boats or bicycles. Multi-modal transportation is going to become a reality, only when we have the political will to make it happen.

Again, I would like to thank the Chairwoman and look forward to the testimony.

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS
HEARING ON
"THE BENEFITS OF INTERCITY PASSENGER RAIL"
JUNE 26, 2007

I am pleased that we are holding today's hearing on the benefits of intercity passenger rail. The United States has built a modern transportation system that is the foundation of our strong economy. Yet congestion and high energy costs are increasingly undermining our nation's mobility. Some transportation experts believe congestion has already reached crisis proportions. Studies have shown that the current pace of construction is not sufficient to keep pace with even a slow growth in travel demand in most major urban areas.

According to the Federal Highway Administration, in 1980, there were about 7.9 million lane miles in the United States. Total lane miles increased just 6 percent over the next 25 years, to 8.3 million lane miles in 2005. Congestion on those roadways, however, skyrocketed. Total vehicle miles traveled in the U.S. increased from 1.5 million miles in 1980 to more than 2.9 million miles in 2005, a 96 percent increase. As a result, the Texas Transportation Institute estimates that, in 2005, the 85 largest metropolitan areas experienced 3.7 billion vehicle-hours of delay, resulting in 2.3 billion gallons in wasted fuel and a congestion cost of $63.1 billion.

The Federal Aviation Administration (FAA) reports that our skies are also under incredible strain. Our airlines transport 750 million passengers each year. The FAA expects this number to reach one billion by 2015, and forecasts indicate increases in demand ranging from 1.5 billion to 2.2 billion by 2025. Additionally, the percentage of on-time arrivals at many of our nation's airports has steadily declined each year since 2002, when 82 percent of flights arrived on-time at the 35 busiest

airports. In 2006, the on-time arrival rate at those airports fell to 75 percent, and delays were the worst in history.

High energy costs are also increasingly becoming a burden on American travelers and businesses. According to the Department of Energy, the average price of a gallon of gasoline has risen from $1.85 in December 2004 to $3.01 in June 2007, a 62% increase over just two and one-half years. This has hurt households across the board, particularly low-income families. A recent Pew Research Center poll found that 55% of Americans are adjusting their driving habits to absorb the rising cost of gasoline.

Americans are also increasingly wary of the impact of greenhouse gas emissions on the environment. One of the most effective ways to reduce this impact is to reduce the greenhouse gas emissions from transportation activities. The Environmental Protection Agency (EPA) reports that transportation activities accounted for 28% of U.S. greenhouse gas emissions in 2005. From 1990 to 2005, transportation emissions rose by 32% due, in part, to increased demand for travel and the stagnation of fuel efficiency across the U.S. vehicle fleet. Of the three sectors contributing the most to greenhouse gas emissions—industry, commercial, and transportation—transportation emissions have increased the most since 1990; while the number one emitter of greenhouse gases—industry—has actually reduced its greenhouse gas emissions by 4%. The number three contributor to greenhouse gas emissions in the United States, commercial sources, increased 28% over the same period, but its total emissions is approximately three-fifths of transportation's total emissions.

It is clear that our nation will face incredible challenges if we choose to continue relying on highways and aviation without considering ways to better utilize other transportation modes. That is

exactly what the House Committee on Interstate and Foreign Commerce concluded when it created Amtrak.

Prior to this hearing, I reviewed the Committee Report of H.R. 17849, the Rail Passenger Service Act of 1970. It states: "Transportation should not rest on one or two modes. To solve the problems arising from the side effects of our several modes, such as pollution and congestion, we must preserve and improve the neglected and older form of passenger railroad service." They recognized what this Administration and some in Congress haven't: Passenger rail can help alleviate congestion. The Department of Transportation's so-called National Strategy to Reduce Congestion on America's Transportation Network failed to even mention the benefits of passenger rail to relieving congestion. It mentioned tolling, public-private partnerships, and urban partnership agreements, but nothing on rail.

According to the Department of Energy's (DOE) *Transportation Energy Data Book,* one full passenger train can take 250-350 cars off the road. According to the American Association of State Highway and Transportation Officials (AASHTO), passenger rail is competitive with air travel for distances of 500 miles or less. This is already the case along the Northeast Corridor, where Amtrak currently controls a large portion of the air-rail market between Washington, DC, New York, and Boston.

Further, the cost-benefit of passenger rail investment is superior in some ways compared to that for highways. According to AASHTO, total passenger rail corridor needs stand at about $60 billion over the next 20 years, approximately twice what the federal government will invest in highways in just one year.

Intercity passenger rail also consumes less energy compared to other modes. According to the DOE's *Transportation Energy Data Book,* Amtrak is the least energy intensive transportation mode. It produces 2,709 British Thermal Units (BTUs) compared to 3,445 BTUs for automobiles and 10,384 BTUs for general aviation. This means that Amtrak trains consume 27.2% less energy than automobiles and 20.5% less than airlines per passenger-mile. Making Amtrak a viable alternative for our nation's travelers will reduce our consumption of energy, thereby helping promote energy independence.

Amtrak's energy efficiency also helps reduce greenhouse gas emissions. In 2005, Amtrak traveled more than 5.2 billion passenger-miles, putting out approximately 670 thousand metric tons of greenhouse gases. If these passenger-miles were logged in airplanes or automobiles, greenhouse gas emissions would have been 20 to 27 percent greater, amounting to an additional 820,000 metric tons of greenhouse gas emissions.

Finally, Amtrak is an important part of keeping out nation connected to its rural communities. Amtrak currently serves 106 communities that have no air service. In 2005, the Bureau of Transportation Statistics reported that Amtrak is the sole intercity passenger service provider for 349,000 rural residents. Yet, some in Congress, want to reduce Amtrak service. We ought to be looking at increasing Amtrak service and increasing Amtrak ridership, which is what I intend to do in reauthorization legislation that this Committee will consider in the near future.

I want to thank our witnesses for agreeing to participate in today's hearing, and I look forward to hearing their testimony.

Remarks of U.S. Rep. Nick Rahall
The Benefits of Intercity Passenger Rail
Subcommittee on Railroads, Pipelines and Hazardous Materials
2167 Rayburn House Office Building
June 26, 2007

Mister Chairman, thank you for giving me the opportunity to address this issue and I appreciate all of the continued attention both you and Chairwoman Brown have brought to the value of passenger rail.

While many of the witnesses testifying today represent an urban viewpoint, I particularly appreciate the Lieutenant Governor John Bohlinger's testimony, which highlights the important role that Amtrak plays bringing much needed economic investment and connecting rural areas.

Many of my constituents regularly travel on Amtrak when they come to visit with me in our Nation's capitol and it provides a key point of connectivity for those who are not served by either bus or air service. The Cardinal line, which runs through seven of my communities, not only connects them within the state, but provides these small communities with an affordable gateway to larger commercial centers such as Chicago, Washington, DC or New York.

Indeed, the economic impact which Amtrak has on southern West Virginia cannot be understated. It is a critical marketing tool which the State of West Virginia uses to attract tourists to southern West Virginia. In my district, the New River Gorge is one of the best examples I can use to illustrate the way in which Amtrak opens up southern West Virginia to tourists. Every year, the annual Bridge Day celebration, at the New River Gorge attracts thousands of tourists to the region, many of whom chose Amtrak as their means of transportation.

I have said in the past that I would not be party to any proposal which would carve up Amtrak into groups of regional operators, and I will continue to oppose efforts which would do so.

Amtrak is continually on the chopping block when the President issues his budget, and I thank the leadership of this committee, both Chairman Oberstar and Chairwoman Brown, in rejecting his cuts. At a time when ridership is up, emissions are down, and natural disasters have proven the need for redundancy in the transportation system, Amtrak offers the Nation a cost-effective alternative to both clogged highways and airways.

It is Thomas Jefferson who said, "I much prefer the dreams of the future to the history of the past." And I will join him when I say when West Virginia looks to the future, Amtrak is there every mile of the way.

Thank you again for allowing me to participate in today's hearing, and I ask that my statement be included as a part of the official record Mister Chairman.

Commonwealth Research Associates, LLC
Testimony before the House Transportation and Infrastructure Committee, Subcommittee on Railroads, Pipelines and Hazardous Materials
Benefits of Intercity Passenger Rail
10:00 a.m., 2167 Rayburn House Office Building
June 26, 2007

Benefits of Intercity Maglev Systems

Good morning. I am Laurence E. Blow, Senior Associate at Commonwealth Research Associates, LLC. Over the past decade, members of our company and I have been involved in the evaluation and development of several maglev and high-speed rail programs and projects, including, but not limited to, projects between California-Nevada; Baltimore-Washington, DC; Pittsburgh, Pennsylvania; Atlanta-Chattanooga; New Orleans; Orlando, Florida; San Diego and the greater Los Angeles region.

We are currently involved in the Atlanta-Chattanooga High Speed Ground Transportation Tier 1 Environmental Impact Statement (EIS) study; the Baltimore-Washington, DC Maglev Project; and, the Chattanooga-Nashville (Tennessee) Maglev Feasibility Project.

We also serve as consultant advisors to the United States Maglev Coalition, an association of public and private entities involved in and supportive of maglev. The Coalition includes some of America's foremost transportation consulting engineering companies, such as Arcadis, KCI Technologies and Parsons Brinckerhoff. We count among our members Central Japan Railroad Company, the developer of both the original high-speed rail Shinkansen technology, as well as the superconducting maglev system, which holds the world speed record of 361 miles per hour (581km/h).

Finally, we represent various city development / planning organizations striving to bring 21st century transportation technologies to their citizens.

As a result of this experience, we have had the opportunity to closely examine the benefits that maglev, particularly, can bring to the traveling public and the public in general.

Our efforts have established and documented the positive effects of intercity maglev on the environment, in both air quality and land consumption; in congestion mitigation; in job creation and economic productivity, as well as cost avoidance; energy efficiency; and, safety. In addition, inherent in the design of some maglev systems are capabilities that can allow maglev to function where other modes cannot.

I would now like to expand upon each of these benefits in turn.

First, many Americans are becoming more concerned about the loss of green and open space for themselves and the loss of habitat for wildlife. Elevated maglev systems have the smallest land consumption of any ground-based mode of transportation. In most cases, maglev infrastructure can be elevated above sensitive areas with minimal impact on the environment, utilizing a fraction of the land consumed by conventional at-grade train systems.

Commonwealth Research Associates, LLC
Testimony before the House Transportation and Infrastructure Committee, Subcommittee on Railroads, Pipelines and Hazardous Materials
Benefits of Intercity Passenger Rail
10:00 a.m., 2167 Rayburn House Office Building
June 26, 2007

As maglev is capable of climbing steep gradients and is able to handle tight curves (40% less than normal railroads), it is possible to flexibly adapt its guideway to the landscape and to have it tightly follow existing roads, railroad tracks, and power lines. Therefore, no significant interventions in the environment are necessary and any pristine landscape can be protected. Furthermore, the original use of the landscape under the guideway -- farming or grazing -- is still possible.

Since all maglev systems utilize electric power for propulsion, maglev can be said to be less polluting in that it is certainly easier, where the will exists, to control a single point of pollution from an electric power plant than from multiple automobile exhaust pipes.

Still another attribute of high-speed maglev systems is their whisper-quiet operation. With contact-free design, there is no noise emanating from wheels on rails, catenaries, pantographs or from a locomotive engine. In fact, at all HSR operating speeds, up to 200 mph, maglev's noise signature are from 10 PERCENT to 15 PERCENT quieter, as measured in decibels. This allows maglev trains to operate in urban areas at much higher speeds producing lower noise than any current urban transportation system now in use, be it light rail or heavy rail.

Second, in terms of energy efficiency, maglev consumes less energy while providing the same output as high-speed rail systems. Or, putting it another way, given the same energy input, maglev performance is substantially better. Why? There are no losses due to friction with the non-contact technology; the high efficiency of the long-stator linear motor has high efficiency; low-weight vehicles; and low aerodynamic resistance. Compared to highway and air traffic, the Transrapid's energy consumption is even three to five times less.

Third, and related to the first two categories of benefits, high-speed maglev systems can reduce congestion in ways that save energy, drastically reduce emissions, and save productivity costs that are lost due to time wasted in traffic jams.

An important aspect of superspeed maglev systems – one that is also true to some extent for state-of-the-art high-speed rail systems such as those found in Europe and Japan – is the attractiveness of speed. It's a cliché in the industry to say that "speed sells."

One area of clear superiority for maglev systems is their unmatched acceleration and deceleration capabilities. Because maglev systems reach their top speeds – 250 miles per hour and higher – in 20 percent of the time it takes high-speed trains to reach their top speeds – of roughly 190 miles per hour – it is possible to have more station stops along a route without adversely impacting overall trip times if a system is properly designed. This capability also means maglev can be an effective short-distance, high-speed shuttle

system, just as the Shanghai airport connector demonstrates. Thus maglev occupies both the upper left and upper right corners of the chart.

Total trip times are the measure of the attractiveness of one mode of transportation over another, and in most cases, given a sufficient distance and reasonable alignment parameters, maglev's high speeds can reduce overall trip times, even including time getting to and from collection and distribution systems, such as metro systems in the areas we have examined. The Baltimore-Washington and Atlanta-Chattanooga-Nashville projects are all examples of this effect, possessing as they do effective urban subway and bus systems.

On this point, it worth noting that maglev's relatively small turning radius, enhanced by its ability to tilt up to twelve degrees, allows maglev to perform at high-speeds in less-than-optimal alignment circumstances. In the Baltimore-Washington maglev project, for instance, we see the small impact of co-locating maglev along the Amtrak/CSX alignment north of Washington, D.C. along the way to Baltimore, near New Carrollton.

And maglev's ability to climb and descend grades up to 10 percent make it far and away more preferable, and in some cases THE ONLY CHOICE, for hilly terrain, such a climbing from the Tennessee River Valley city of Chattanooga up the Cumberland Plateau to Nashville, Tennessee, an ascent that steel-wheel-on-steel-rail trains cannot handle, given their maximum grade-climbing capability of two to four percent. This is also the case in the California-Nevada maglev project, where the Cajon Pass proves a major challenge for conventional high-speed rail, while maglev can climb directly up and down the steep grade, avoiding tunneling or having to go around the mountains -- both approaches that add capital costs, extra travel time and extra engineering than with a higher-performance maglev system.

When constructed AS A SYSTEM, that is, when the infrastructure and the vehicles are matched and optimized, construction costs for these superior systems have been estimated to be within a TEN PERCENT RANGE OF HSR. (Dornier, Siemens)

The economics of maglev are impressive. The contact-free designs allow for much lower operations and maintenance costs than conventional wheel-on-rail systems -- generally one-third- to one-half less. And these reduced costs are achieved at speeds that are much higher than HSR systems, 250-300 MPH or higher, versus 150-185 MPH for rail systems.

One 40-mile project in the Northeast Corridor:

- Saves $94.2 million annually in highway congestion relief
- Reduces annual energy consumption in the region by 1.1 trillion BTU's
- Removes 670 tons of polluting emissions per year
- Lessens dependence on foreign fuel

Commonwealth Research Associates, LLC
Testimony before the House Transportation and Infrastructure Committee, Subcommittee on Railroads, Pipelines and Hazardous Materials
Benefits of Intercity Passenger Rail
10:00 a.m., 2167 Rayburn House Office Building
June 26, 2007

As for job creation, studies done for the Baltimore-Washington maglev project have predicted the regional economic impact of the 40-mile project as follows:

- 36,000 jobs
- $1.5 billion in household earnings
- $3.5 billion in local sales
- $107 million in state and local taxes

Finally, among the chief attributes of high-speed magnetic levitation transportation systems is SAFETY. While much criticism has been voiced in the aftermath of the horrific fatal accident at the Transrapid test facility in Germany last September, three things must be noted: First, the facility operates as a test facility, and is unlike commercial maglev transportation projects, such as the Shanghai airport connector, in that that the test track did not have the sophisticated position-monitoring systems that are designed into the Shanghai system, and will be in all maglev systems to come. Second, while certain investigations are on-going, all reports thus far say that human error -- not any part of the maglev system -- was to blame. And, finally, the operating protocols for bringing the system back into daily public service have already been approved.

High-speed maglev designs are inherently safe in realistic operations. The Transrapid wraps around its guideway, making derailment virtually impossible. The Japanese superconducting maglev operates in a U-shaped channel, with much the same result. Short-distance block switching of the track power does not allow two trains to occupy the same space simultaneously, virtually eliminating the possibility of collisions with other vehicles. And the electromagnetic fields generated by attractive-levitation maglev systems are comparable to those for consumer electronics, such as hairdryers or television sets, and have been discounted by experts as a risk to human health.

In combination, then, maglev's fast, emission-free, safe and quiet operation makes it an ideal candidate for transit- and transportation-oriented development.

--- End of prepared testimony ---

OFFICE OF THE GOVERNOR
STATE OF MONTANA

BRIAN SCHWEITZER
GOVERNOR

JOHN BOHLINGER
LT. GOVERNOR

SUBMITTED COMMENTS

Montana Lieutenant Governor John Bohlinger

Before the
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
United States House of Representatives

Regarding:
Benefits of Intercity Passenger Rail Service

Washington, D.C.
June 26, 2007

Madam Chair and Subcommittee Members:

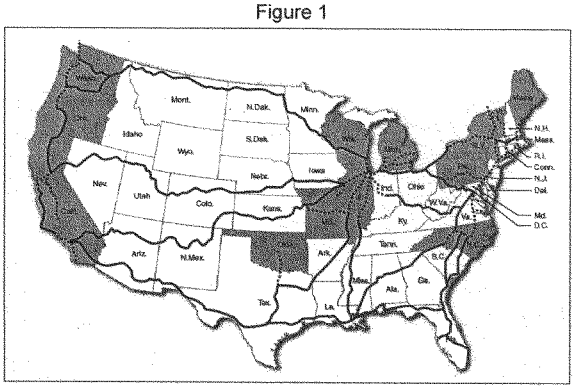
I am John Bohlinger, Lieutenant Governor of Montana. I greatly appreciate the opportunity to appear before you today to discuss the critical importance of Amtrak's intercity service to Montana and other rural states.

In my comments today I hope to dispel some misconceptions about the nature of Amtrak's long-distance intercity service that have a direct bearing on discussions regarding the need for continued federal support for Amtrak in general and long-distance routes specifically. I believe most people assume Amtrak's long-distance routes primarily serve vacationers and other leisure travelers. In reality, long-distance routes such as the Empire Builder provide essential transportation to residents of large areas of the US including Montana.

Since it's beginning in 1970, Amtrak has provided two basic types of service. Corridor service generally provides relatively short trips to commuters and other single-day travelers in heavily populated regions such as the Northeast. Long-distance service is generally defined as service on routes over 750 miles long that usually includes overnight accommodation. Long-distance service primarily serves through travelers and residents of less-populated areas. The current combined system of corridor and long-distance routes serves every state except Alaska, Hawaii, Wyoming, and South Dakota. As shown in Figure 1, Amtrak's 15 long-distance trains, which operate on 14 routes and provided over 3.7 million rides in 2006, provide the only passenger rail service in 23 of the 39 states they serve. Montana is one of these 23 states.

STATE CAPITOL • P.O. BOX 200801 • HELENA, MONTANA 59620-0801
TELEPHONE: 406-444-3111 • FAX: 406-444-5529 • WEBSITE: WWW.MT.GOV

Figure 1



Long-distance service

Corridor service (may also include long distance)

States currently providing financial support for Amtrak services

Source: GAO, Corel (map).

The Empire Builder has provided critical service to Montana communities for 78 years. The nearly 700-mile segment of the Empire Builder route across Montana's Hi-Line accounts for one third of the total route, which begins in Chicago and ends in Seattle and Portland. To put this into national geographic perspective, the distance traveled by the Empire Builder across Montana is greater than the distance between Washington, DC and Atlanta, Georgia.

The Empire Builder provided nearly 500,000 rides in 2006 with over 150,000 boardings and alightings at Montana's 12 stations. These stations range from Whitefish, which is just west of Glacier National Park, to Havre, Glasgow, and Wolf Point, which are Eastern Montana communities in agricultural areas that produce a significant amount of the nation's export grain and other agricultural commodities. Eastern Montana is also experiencing increasing growth in oil and gas exploration activity that depends on reliable year-round transportation for workers.

The Empire Builder's ridership numbers are not large from a national perspective. However, as with our rural highway and transit systems, traffic volumes do not tell the whole story when it comes to understanding the national importance of long-distance passenger rail service.

To understand the importance of the Empire Builder you must first understand the nature of Montana's transportation system. In Northern Montana, which is the primary area served by the Empire Builder; our transportation system consists of one north-south Interstate Highway, one east-west two-lane highway, no intercity bus service, and limited access to scheduled air service. Especially during the winter, when highways are often closed due to extreme weather, the Empire Builder provides lifeline transportation to residents and businesses that have few other options.

As the only east-west passenger rail service between the US/Canadian border and Denver, the Empire Builder also draws riders from many other areas of Montana and other states. In Montana, residents of Missoula, Butte, Bozeman, and Billings routinely travel hundreds of miles to access the Empire Builder.

The Empire Builder provides economically important transportation for out-of-state visitors to and from Montana destination areas such as Glacier National Park, Whitefish Mountain Ski Resort and the Flathead Valley. However, if you were to visit a Montana train depot shortly before the Empire Builder arrives, as I have, you would see that most of the passengers waiting to board the train fall into the following categories:

- Montana residents traveling to hospitals in Seattle and Portland, or the Mayo Clinic in Minnesota for medical treatments,
- Military personnel and their families from Malmstrom Air Force Base in Great Falls,
- Native Americans from the five nearby Indian Reservations traveling to jobs or to visit family in other states,
- Homeland Security employees who staff the many border facilities along the US/Canadian border, and
- Students traveling to colleges in other states or returning home from Montana colleges.

These Empire Builder users are not the vacationers that some have characterized as the primary users of long-distance passenger rail service. They are Montana residents who rely on the Empire Builder for essential transportation.

It is difficult to quantify the full economic value of the Empire Builder service to Montana. However, based on a 2003 State of Montana study, the Empire Builder provides a minimum of $13 million in annual benefits to Montana's economy. Other states served by the Empire Builder experience similar benefits.

In the last few years, the Government Accountability Office and others have called for significant Amtrak reforms especially in the funding and management of long-distance routes. In Montana, we are generally pleased with the reforms that Amtrak has implemented in the last few years for the Empire Builder. These reforms, in addition to the affects of the increasing cost of gasoline, have resulted in a 39% increase in ridership since 2002.

One of the historic criticisms leveled against long-distance routes is their poor performance in comparison to corridor service. However, it is important to note that, unlike most corridor trains, almost all long-distance trains operate on rail lines owned and maintained by freight railroads. As these railroads struggle to cope with capacity problems associated with record freight volumes, it is remarkable that railroads such as BNSF have been able to maintain reasonable on-time performance records especially considering the length of the routes and the potential for delays caused by weather events.

From Montana's perspective, although additional Amtrak service and management improvements are necessary, the greatest need is a national passenger rail policy that includes long-distance routes with a multi-year federal funding package that supports it. Without such a policy, Amtrak is doomed to forever struggle to survive and provide basic services on all its routes. Once Congress establishes a policy that preserves existing passenger rail service, Amtrak can also consider restoring other routes it has dropped in the past such as the North Coast Hiawatha route that previously crossed Southern Montana. The majority of Montana's population lives along this route.

Finally, some recent Amtrak funding reform proposals include recommendations that states pick up more of the financial responsibility for the services they receive. Montana is opposed to requiring any state funding for long-distance routes because this would inevitably lead to the elimination of routes such as the Empire Builder. Expectations that all eight states served by the Empire Builder, including low-density states such as Montana, North Dakota, and Idaho, can contribute to picking up a share of the cost of the service are unrealistic. The population density in Montana is very low and the cost of a state match or contribution, per capita, would be significant and burdensome especially considering the high fuel taxes our residents already pay. Long-distance routes should therefore be excluded from any requirement that might be proposed for increased state funding participation, whether for operating or capital expenses.

In summary, Madam Chair, Amtrak's long-distance routes are an essential element of a passenger rail network that benefits the entire country. A national passenger rail system without long-distance routes is not a national passenger rail system. It is a disconnected and inefficient system that provides little or no national benefit.

We are certain that the Congress hears regularly that corridor passenger rail service offers national benefits including reduced emissions per passenger compared to car travel, transportation system redundancy, and alternatives to crowded highways and airports. Long-distance passenger rail routes such as the Empire Builder provide similar benefits as well as essential connectivity for citizens in rural states who have few transportation options. Accordingly, we are hopeful that the Congress will choose to continue to support Amtrak's long-distance service and in no way require financial contributions toward long-distance train service from low population density states.

This concludes my statement. Thank you again for the opportunity to participate in this important process. I would be glad to respond to questions from Committee members.

ENVIRONMENTAL LAW & POLICY CENTER

ENVIRONMENT MIDWEST

TESTIMONY OF KEVIN BRUBAKER

HIGH-SPEED RAIL PROJECT MANAGER
ENVIRONMENTAL LAW AND POLICY CENTER

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON RAILROADS

TUESDAY, JUNE 26, 2007

Kevin Brubaker, Project Manager
Midwest High-Speed Rail Network Project
Environmental Law and Policy Center
35 East Wacker Drive, Suite 1300
Chicago, Illinois 60601
(312) 673-6500
KBrubaker@elpc.org

100% Post-Consumer Soy Based Inks

Testimony of Kevin Brubaker

High-Speed Rail Project Manager
Environmental Law and Policy Center

Before the

Committee on Transportation and Infrastructure
Subcommittee on Railroads

Tuesday, June 26, 2007

Madam Chairman and Committee Members, thank you for allowing me this opportunity to testify on the importance of intercity passenger rail. My name is Kevin Brubaker, and I'm the high-speed rail project manager for the Environmental Law & Policy Center.

The Environmental Law & Policy Center (ELPC) works throughout the Midwest under the belief that environmental protection and economic development can be achieved together. Nothing better exemplifies this belief than the potential for passenger rail to provide benefits to passengers, to communities, and to the environment.

I want to share with you today how Illinois is leading the nation in a Rail Renaissance, and what the implications of that renaissance are for federal policy.

Illinois is at the center of Amtrak's national network. It is served by 58 trains each day, including nine long-distance trains and corridor service on four routes for which the state purchases service from Amtrak.

Last year, ELPC worked with a broad coalition that included organized labor, 12 university presidents, 30 chambers of commerce, and 300 local elected officials. Together, we called for more frequent rail service in Illinois.

University presidents told state legislators that passenger trains allow their students to leave their cars at home, thereby reducing the tragic risks of teenage driving, and provide faculty and administrators convenient access to Chicago. Telling potential faculty that the cultural attractions of Chicago are a mere train ride away from the state's rural campuses has become an important recruitment tool. (This should have national implications, since preliminary analysis had identified almost a thousand accredited colleges and universities nationwide that are located within 25 miles of an existing Amtrak station.)

The Macomb Chamber of Commerce testified that Pella Windows would be creating 500 new jobs in their community, and that this decision had a great deal to do with the fact that the city has Amtrak service.

The Mayor of Springfield told legislators that the success of the newly opened Abraham Lincoln Museum and Library depended upon getting people quickly, conveniently, and affordably to the state's capital.

The Illinois General Assembly responded favorably to this groundswell of support, and provided funding to double the state's passenger rail service, beginning last October.

The result has been a ridership explosion. In only seven months, we've seen a 76% growth in Amtrak ridership compared to the same period a year earlier. Most recently, comparing May 2007 to May 2006 ridership:

- Chicago-St. Louis: up 133%
- Chicago- Carbondale: up 81%
- Chicago-Quincy: up 53%

Even without expansion, the Chicago-Milwaukee corridor has been growing steadily, with a 48% ridership increase over the last five years. Wisconsin is now budgeting for an additional car on the Chicago-Milwaukee corridor in order to keep up with this growing demand. Trains on all these corridors are frequently sold out, so we have no idea how many additional passengers were turned away.

The lesson is clear: if you build it, they will come.

This is only the beginning. In response to this dramatic ridership growth, communities without rail service are clamoring for it.

- At Illinois' request, Amtrak has just completed a feasibility study for new train service to Rockford, with an extension to Dubuque, Iowa. Iowa officials are now contemplating extending that service on to Waterloo.
- Also at Illinois' request, Amtrak has launched studies of new service to Peoria and to the Quad Cities. The State of Iowa is expected to formally request that the Quad Cities study be extended across the Mississippi River to include the potential for new Amtrak service to Iowa City and Des Moines.
- Wisconsin is studying how to solve capacity constraints in order to increase frequency on the Chicago-Milwaukee corridor. Wisconsin has also completed the environmental analysis (and received a Finding of No Significant Impact) for new service between Madison and Milwaukee.

In the broader region, nine state Departments of Transportation have been working cooperatively on the Midwest Regional Rail Initiative. Their plan calls for upgrading 3,000 miles of track radiating out from Chicago to every major metropolitan area in the Midwest. The network would serve 80% of the region's 65 million residents with increased train frequencies, modern equipment, and speeds up to 110 mph.

Ohio is leading a multi-state rail planning effort to develop passenger rail service that would connect Midwest service with Northeast service. The proposal is for 860 miles of track along

two corridors: one connecting Detroit with Toledo, Cleveland, and Pittsburgh; and a second corridor from Cincinnati through Columbus and Cleveland and on to Buffalo.

The potential benefits of the proposed new services are dramatic. Economic analysis of the Midwest Regional Rail Initiative estimates that this network will yield $23.1 billion in benefits to users and communities over the 40 year life of the project. For every dollar invested, $1.80 in benefits is projected[1]. Similar analysis of the Ohio proposal yields benefits of $9 billion with a similar benefit-cost ratio[2].

These benefits translate directly into jobs and economic development in communities surrounding passenger rail stations. The projected benefits of the Midwest Regional Rail Initiative include: $1 billion in additional household income; $4.9 billion in new joint development potential; and 57,000 new jobs. Similarly, the Ohio Hub Plan is predicted to create almost 17,000 new jobs; raise the region's income by over $1 billion, and generate more than $3 billion in new development activities near stations.

From our perspective, the environmental benefits are particularly important. Global warming is the most pressing, serious environmental challenge this world faces. Addressing it requires us to rethink all our spending priorities, and there is no better place to begin than passenger rail.

Oak Ridge National Laboratories has reported that cars and airplanes consume 27% and 20% more fuel per passenger mile respectively than trains[3]. While these figures speak to current energy consumption nationwide, they dramatically understate passenger rail's potential for saving energy. Where opportunities to expand rail are the greatest, so are the potential energy savings.

The approved environmental impact statement for 110 mph passenger rail service between Chicago and St. Louis, for example, concluded that passenger trains were 3 times as fuel-efficient as cars and 6 times as efficient as planes on a per-passenger-mile basis. The environmental assessment for Madison-Milwaukee rail service had similar conclusions. Moreover, rail works in concert with other efficient modes of travel; I don't know anyone who walks to the airport.

Rail is a global warming solution that improves transportation choices, creates jobs, and strengthens communities.

Recommended Actions

First, we need a healthy, continued Amtrak. The service expansion in Illinois that I described above probably would have happened sooner had it not been for the concern that Amtrak might not be around for the long run. Illinois legislators did not want to appropriate funds for a partnership with a potentially bankrupt railroad.

---

[1] Midwest Regional Rail Initiative Project Notebook – Chapter 11.
[2] http://www.dot.state.oh.us/ohiorail/Ohio%20Hub/OHIO_Economic%20Analysis05.23.07_FINALDRAFT.pdf
[3] Transportation Energy Data Book, Edition 26 at http://cta.ornl.gov/data/Index.shtml.

Amtrak is a remarkably good investment of public dollars for public benefit when measured by farebox recovery, the transit industry's standard performance metric. Farebox recovery measures what portion of the total cost is borne by the customer. If it costs $2 million to provide the train service, for example, and you can sell $1 million in tickets for it, you have a farebox recovery of 50%. Since farebox recovery measures the value of a service to the customer, it "automatically" incorporates all other performance measures, including on-time performance, frequency, and reliability. Excessive train delays, for example, will lead to less tickets being purchased and thus lower farebox recovery.

The national average farebox recovery for transit systems is 32%[4]. The Chicago Transit Authority has a farebox recovery rate of 42%. Rural bus systems typically have farebox recovery ratios of 15-30%[5]. Amtrak's farebox recovery ratio is about 55% - better than almost every transit system in the United States.

Second, we need more trains. As the Illinois example illustrates, running more trains can result in dramatic ridership increases. By increasing train frequency, travel choices will increase exponentially. Take a Chicago-Quincy trip, for example. With one train each direction, only one trip is possible. With two trains each way, though, there are now four possible trip time combinations, making it far more likely that the train can meet your schedule. Running more trains will allow Amtrak to dramatically reduce its operating costs and increase its farebox recovery. Why? Because huge portions of Amtrak's budget are largely fixed; if Amtrak ran twice as many trains, it wouldn't need to hire a second CEO; it wouldn't need a second on-line reservations system; and it wouldn't need to maintain twice as many stations.

But here's the rub: Amtrak is out of train equipment. The Illinois service expansion I've described has literally used up Amtrak's current rolling stock capacity. There isn't any more equipment available to increase service.

Federal assistance is necessary to provide either Amtrak or states – or both – with funds to purchase new equipment. This is one item that cannot simply be left to the states. Intercity passenger trains that meet American safety standards cannot simply be purchased "off the shelf," but need to be designed and built from scratch. Without the economies of scale of a national equipment purchase, new trains are simply not available at a reasonable price to individual states.

Third, states need a federal partner in their efforts to expand and improve passenger rail. As I have described, there is huge interest throughout the Midwest in expanding and improving passenger rail service. While ridership is exploding in Illinois, train delays have become excessive. On-time performance statewide averages between 50%-60%, almost entirely because the rail infrastructure's capacity is filled to capacity with both freight and passenger trains.

States have demonstrated their willingness to invest in passenger rail. Wisconsin is building or rebuilding three passenger rail stations and has purchased track between Milwaukee and Madison. Illinois has invested close to $80 million in track, signal, grade crossing, and other

---

[4] http://www.apta.com/research/stats/factbook/documents/2006factbook.pdf, page 39.

[5] All figures calculated from http://www.ntdprogram.gov/ntdprogram/data.htm, 2004 data, table 2. Note that the Chicago Transit Authority uses a different methodology to meet state mandated operating ratios.

improvements. Michigan has been an active partner with Amtrak in developing high-speed service along the Chicago-Detroit corridor.

But states cannot do it alone. Under our current system, the federal government pays 80% of the cost of highways, bridges, and even bicycle paths, but pays nothing toward state investments in passenger rail. This means that a passenger rail investment needs to be five times as good as a highway investment in order to justify state funding.

In an era of $3/gallon gasoline, expressway and airport congestion in urban areas, and a shrinking pool of transportation choices in rural regions, improved passenger train service should be a priority of the federal government as well. Thank you for this opportunity to testify.

Testimony on the Benefits of Intercity Passenger Rail

Before the

Subcommittee on Railroads, Pipelines and
Hazardous Materials
of the
House Committee on Transportation and Infrastructure

by

Frank J. Busalacchi

Secretary, Wisconsin Department of Transportation
Chair, States for Passenger Rail Coalition

Tuesday, June 26, 2007

Frank J. Busalacchi, Secretary
Wisconsin Department of Transportation
4802 Sheboygan Avenue
P.O. Box 7910
Madison, Wisconsin 53707
608/266-1114

Benefits of Intercity Passenger Rail

Testimony of Frank J. Busalacchi
Secretary, Wisconsin Department of Transportation
Chair, States for Passenger Rail Coalition

Before the

Subcommittee on Railroads, Pipelines and Hazardous Materials

of the

House Committee on Transportation and Infrastructure

Tuesday, June 26, 2007

Chairman Brown, Ranking Member Schuster and distinguished members of the Committee, my name is Frank Busalacchi. I am secretary of the Wisconsin Department of Transportation and chair of the States for Passenger Rail Coalition. The Coalition is a group of 30 state transportation agencies dedicated to promoting intercity passenger rail development in the United States.

I am also a member of the National Surface Transportation Policy and Revenue Study Commission. The National Commission is working to construct a new 50-year vision for the nation's transportation system. We are in the midst of our deliberations and my comments do not represent the views of the National Commission. Each commissioner is working to keep an open mind on all issues.

I appreciate this opportunity to share my perspective on the benefits of intercity passenger rail development to our communities, our states and the nation.

The resurgence of passenger rail development activities in states across the nation reflects the increasing recognition by state and local officials and the public of the benefits of intercity passenger rail related to mobility, energy, economic development, emergency preparedness and the environment.

Intercity passenger rail offers an efficient mobility option from one city-center to another for business travelers, recreational travelers, and those who are unable or unwilling to drive. Our nation needs a multimodal transportation policy that supports our highways, airways, railways and waterways. Investment is needed in all the modes, but intercity passenger rail is quickly losing ground. Congress must act now to establish a federal funding partner or intercity passenger rail may never expand beyond the existing rail corridors, and the nation may never experience the benefits we are discussing today.

Congestion Relief Benefits of Modal Choice

Intercity passenger rail can provide a mobility alternative for travelers on our increasingly congested highway system. The congruence that exists between the intercity passenger rail corridors proposed for improved service by state transportation agencies and US DOT's forecast for congested routes on the National Highway System (NHS) in 2020 is more than coincidental. The public demand for fast and efficient passenger rail service is strongest in congested intercity corridors connecting major urban areas where travelers face both highway and airport congestion.

For short to medium distance trips of 100 to 400 miles, enhanced passenger rail service can offer travel time advantages over air transportation. Air travelers are required to check in at the airport at least one hour before departure time, and major airports are often 30 to 45 minutes from downtown destinations. Rail generally offers service from one city-center to another, with downtown stations in most cities and without security check-in delays.

Air travelers must deal with late arrivals and departures. In March 2007, only 72 percent of all U.S. flights had on-time arrivals. The resulting travel delays can be significant. For example, at New York LaGuardia, only 53 percent of arriving flights were on time. At Chicago O'Hare, 61 percent were on time. At Boston's Logan International, 65 percent were on time; and at Detroit Metro, 70 percent were on time.[1] Intercity rail connections to airports such as those that already exist at Baltimore-Washington International Airport, Newark, Burbank and Milwaukee can free up commuter slots and reduce airport congestion at major hubs.

A plan to modernize the U.S. Air Traffic Control System to help improve the safety and on-time performance of the airlines is under consideration in Congress. Intercity passenger rail funding should be expanded at the same time in order to assure the reliability and flexibility of our transportation system and to promote intermodal connectivity and a variety of travel options for the public.

Passenger rail feasibility studies have been conducted in states like North Carolina and Virginia, in Washington State and Oregon, and in the Midwestern states of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin. These studies confirm that in 100- to 400-mile corridors with frequencies of 6-10 round trips per day and speeds of up to 110 miles per hour, enhanced passenger rail service is competitive with both the air and auto modes in terms of travel time, convenience and comfort.[2]

These feasibility studies have involved extensive market research, ridership and revenue forecasts, and operating and capital cost estimates. In specific corridors, ticket revenues from increased ridership were shown to be capable of covering or nearly covering operating costs. To achieve these operating efficiencies, a significant public investment in new train equipment and improved track and signals is essential. Infrastructure costs for corridors in the Midwest, for example, are estimated to be $2.7 million per mile.[3]

---

[1] Air Travel Consumer Report, U.S. Department of Transportation, May 2007.

[2] Examples: "Record of Decision for the Tier I Southeast High Speed Rail Project," North Carolina Department of Transportation, October 2002; "Draft Long Range Plan for Amtrak *Cascades*," Washington Department of Transportation, February 2006; "Executive Report, Midwest Regional Rail System – A Transportation Network for the 21st Century," September 2004; "The Ohio and Lake Erie Regional Rail (Ohio Hub) Study Technical Memorandum and Business Plan, Ohio Rail Development Commission, May 2007.

[3] "Executive Report, Midwest Regional Rail System – A Transportation Network for the 21st Century," September 2004 (2007dollars).

Congress must begin now to address our intercity passenger rail funding needs. Projects to modernize our intercity passenger rail system through the procurement of new operating equipment and the construction of track and infrastructure improvements will take years to accomplish. Federal funding is needed now to assure a balanced transportation system that fully utilizes the competitive advantages that enhanced intercity passenger rail service can offer when compared with our existing highway and airway modes.

Energy Benefits
The public's demand for intercity passenger rail service is increasing with the price of gasoline. National data show that passenger rail service offers substantial energy benefits when compared with other modes of travel. The Oak Ridge National Laboratory, which produces the annual Transportation Energy Data Book for the Department of Energy, concludes that intercity passenger rail consumes 17 percent less energy per passenger mile than airlines and 21 percent less energy per passenger mile than automobiles.[4] Intercity passenger rail energy efficiency will increase as new corridor services are inaugurated using the next generation of lightweight coaches and diesel locomotives with advanced fuel injection systems meeting the latest EPA standards.

These energy savings can be significant in some corridors. For example, the intercity passenger rail service improvements planned for by the States of North Carolina and Virginia between Charlotte and Washington DC will provide a net reduction of 9.7 million gallons of fuel per year.[5] Nationally, a shift to alternative transportation modes can have a significant impact on energy usage. To illustrate, a ten percent modal shift from surface transportation to transit would save the equivalent of all the oil we import from Saudi Arabia in a year – 550 million barrels.[6] It is clear that passenger rail development must be a key part of our national energy policy. The time to add an intercity passenger rail component to the debate on energy policy has never been more critical.

Environmental Benefits
Intercity passenger rail provides city-center to city-center service, encouraging downtown development rather than urban sprawl. Rail stations are magnets for urban development in downtown areas. On a per-capita basis, sprawling suburban development is considerably more costly to provide, with public services like sewers, water supply systems, electric power, streets and roads. Sprawl generates travel patterns that consume more energy on a per-unit basis than compact, well planned urban development.

According to Sightline Institute (formerly Northwest Environment Watch), the average intercity passenger train produces two-thirds less CO2 greenhouse gas emissions per passenger-mile than a car or truck and half the greenhouse emissions of an airplane.[7] The intercity passenger rail mode also generates fewer emissions of other pollutants than other modes. For example, intercity passenger rail service improvements planned for by North Carolina and Virginia between Charlotte and Washington DC will provide a net reduction of 531,000 pounds of nitrogen oxides per year as a result of auto diversion to rail.[8]

---

[4]Transportation Energy Data Book: Edition 26, Oak Ridge National Laboratory, 2007.
[5] Record of Decision for the "Tier I Southeast High Speed Rail Project," North Carolina Department of Transportation, October 2002.
[6] Statement of the Honorable James L. Oberstar, Hearing on "Climate Change and Energy Independence," House Transportation and Infrastructure Committee, press release, May 16, 2007.
[7] "Over Our Heads – A Local Look at Global Climate," John C. Ryan, Northwest Environment Watch, 1997.
[8]Record of Decision for the "Tier I Southeast High Speed Rail Project," North Carolina Department of Transportation, October 2002.

The investment of federal funding for intercity passenger rail in support of these environmental improvements is simply good public policy. It will make our cities more livable and reduce the need to invest in unnecessary infrastructure improvements to support urban sprawl.

Economic Development Benefits
The improved mobility and access associated with enhanced passenger rail service can have significant economic development benefits for communities, states and the nation. An economic impact analysis of the 3,000-mile Midwest Regional Rail System (MWRRS) proposed by nine Midwestern states identified 58,000 new permanent jobs, $1.1 billion in increased household income, and $4.9 billion in increased property values around 102 stations served by the system.[9]

These benefits can be significant for individual communities. Enhanced passenger rail service in Milwaukee could generate up to 3,075 permanent jobs, $56 million in annual household income, and $227 million in increased property values around the downtown station.

St. Louis could expect an increase of up to 2,800 jobs, $57 million in household income and $250 million in property value increases. Similar benefits are shown for all 102 communities with stations served by the proposed Midwest Regional Rail System.

This same economic impact analysis identified $23.1 billion in user benefits accruing to the nine-state region from passenger travel time savings, highway and airport congestion reduction, and emission reductions. The system would provide 15,200 construction-related jobs, on average, during its 10-year build-out period.

With factories and service jobs moving to other countries and imports from China at an all-time high, economic development is vitally important to our communities. Our citizens need jobs. Intercity passenger rail promotes job development around stations and moves people to the communities to support those jobs.

Emergency Preparedness Benefits
Modal redundancy should be a basic tenet of the nation's homeland security policy related to the uninterrupted movement of people and goods during times of natural and man-made disaster. In fact, an effective intermodal transportation system, including intercity passenger rail, can help natural disasters from becoming human disasters.

Consider the problems with evacuating residents from New Orleans and other locations during Hurricanes Katrina and Rita. Recall that Amtrak served as a mobility alternative for millions of stranded travelers when all commercial airline operations were grounded after 9-11. Passenger rail is an underutilized resource in terms of disaster preparedness. It can facilitate efficient evacuations and relieve highway and airway congestion during emergencies. The nation must improve its ability to respond to transportation emergencies. Federal funding to assist states with the implementation of their regional rail development plans would help prepare for many kinds of emergencies.

---

[9]Benefit-Cost and Economic Impact Analysis, Midwest Regional Rail Initiative Project Notebook -- Chapter 11, November 2006.

Wisconsin Passenger Rail Initiatives
As Secretary of Wisconsin DOT, I know firsthand that the American public endorses the expansion of passenger rail services. Wisconsin and Illinois provide financial support to Amtrak's *Hiawatha Service*, which offers seven round trips per day in the 90-mile Milwaukee to Chicago corridor. The *Hiawatha* has the best on-time performance of any train on Amtrak's national system – usually 90 percent or more. This is a result of the close partnership we have developed with Canadian Pacific Railway, which owns the corridor and dispatches our trains.

Since 1989, Wisconsin has committed almost $100 million in capital and operating support for existing and future Amtrak service in Wisconsin. This includes annual operating support, new or renovated stations, rail corridor acquisition, crossing improvements, and planning studies.

Last year alone, Wisconsin provided approximately $6.5 million in annual operating support for the *Hiawatha Service*. Wisconsin Governor Jim Doyle has proposed another $500,000 in his 2007-09 biennial budget to add a car to each train, since many of the trains are so popular they now have standing room only for a 90-minute trip.

Wisconsin has undertaken three major station development projects for *Hiawatha Service* customers: a new passenger rail station at Milwaukee's General Mitchell International Airport in 2005; replacement of a 100-year-old station in the village of Sturtevant with a brand new facility in 2006; and a $16 million renovation of the downtown Milwaukee station to be completed later this year. This public-private partnership will provide a new multimodal facility for Amtrak trains and Greyhound buses, along with commercial development opportunities.

Wisconsin has also conducted an environmental assessment of a major project to expand service from Milwaukee to Madison and has received a federal Finding of No Significant Impact (FONSI). We have invested state funds to purchase and preserve a 32-mile portion of the rail corridor for this future extension.

The public has shown its support for these service improvement investments by voting with their feet. Last year, Amtrak's *Hiawatha Service* carried 588,000 passengers – an all time record and a 48 percent increase in just five years.

With Amtrak providing excellent service between Chicago and Milwaukee and with engineering plans on the shelf and ready to go, the demand is strong to expand service 90 miles to Madison. Madison is the state capital, home to the University of Wisconsin, and its metropolitan population of 450,000 is highly supportive of alternative transportation options. Better transportation and cultural linkages between Milwaukee, our traditional manufacturing center, and Madison, our center of government, higher education and technology, will provide important economic development synergies benefiting both communities.

Wisconsin has already committed $48 million in bonding authority towards this service. Governor Doyle has proposed increasing this to $80 million in state bonding authority as a match toward future federal funds for the Madison extension.

The capital cost for the extension of the Hiawatha Service from Milwaukee to Madison is estimated to be at least $400 million for equipment and track improvements. No program exists to provide federal funding, and Wisconsin cannot undertake a project of this magnitude on its own – nor could we undertake significant projects involving our highway, air or transit systems without the existing federal partnerships.

Other State Activities
The States for Passenger Rail Coalition represents 30 states that support intercity passenger rail service. Many share Wisconsin's experience and frustration with the lack of federal support.

Virtually all of Amtrak's ridership gains over the past several years have come through state-sponsored services. Fourteen states provide annual operating support for Amtrak intercity corridor services.[10] These state-supported services account for 35 percent of Amtrak's daily ridership and about half of all passenger trains in the system. State-supported services such as Pennsylvania's *Keystone Service*, Illinois' Chicago to St. Louis trains, the *Downeaster* in Maine, and Oklahoma's *Heartland Flyer* joined Wisconsin's *Hiawatha Service* in realizing double-digit percentage increases in ridership during fiscal year 2006.

A GAO[11] report from November 2006 notes that total ridership on the state-supported corridor routes increased by 18 percent from 2002 through 2005, while ridership growth on other parts of the system remained relatively flat.

From Washington to Florida, from New York to California and everywhere in between, states have committed hundreds of millions of dollars for short-term, incremental improvements that have fueled the growth in Amtrak ridership. States have completed environmental analyses, put plans on the shelf, and have passengers ready to board the trains. Around the nation, 35 states have developed intercity passenger rail plans for future service.

Based on the states' plans, the 2002 Intercity Passenger Rail Transportation Report prepared by AASHTO[12] estimates $10.4 billion in state corridor needs and $6.5 billion in Amtrak Northeast Corridor needs over the next six years. When adjusted for inflation to 2007, the estimated state corridor needs for infrastructure and equipment come to at least $12.7 billion over six years and $57 billion over twenty years.

The need for capital investment in track and equipment is heightened by the increasing demand on Amtrak's resources, prompting Amtrak to say it will not have sufficient equipment to meet the demand in the 2010-2012 timeframe if this growth continues. Amtrak has also said that given the multi-year lead times required for equipment design and fabrication, it needs to begin the procurement process now.[13]

---

[10] See Attachment A.
[11] United States Government Accountability Office
[12] American Association of State Highway and Transportation Officials
[13] Staff memo to Subcommittee on Railroads, Pipelines and Hazardous Materials, June 11, 2007.

Conclusion

The benefits of intercity passenger rail development, which I have outlined today, have motivated states to fund passenger rail service in many corridors and to plan for enhanced service in many additional corridors. These benefits are also the driving force behind the formation of the States for Passenger Rail Coalition and our desire for a federal-state funding partnership to bring state rail plans to fruition.

Without a federal-state partnership, the state rail plans will never materialize. According to Amtrak, if it takes steps now to expand or increase its network services, it could take up to four years before the desired outcome of those steps is realized.[14] The states have been working for a decade to achieve an effective federal/state funding partnership to expand intercity passenger rail service to meet the mobility needs of this country.

In the United States Senate, S294, the Passenger Rail Investment and Improvement Act of 2007, introduced by Senator Frank Lautenberg, would lay the basic framework for Amtrak to work in partnership with the states on an 80/20 federal-state share basis to implement regional capital projects. Both Wisconsin DOT and the States for Passenger Rail Coalition endorse S294 as an initial step to bring fast, reliable and energy-efficient passenger rail service to a public that is demanding mobility options. We also support the introduction of a companion bill in the United States House of Representatives.

Without a federal-state partnership, the opportunity to address the climate change issues confronting Congress – through enhanced intercity passenger rail – will be lost. Intercity passenger rail must be a component of the nation's energy, environmental and homeland security policies. It must be a cornerstone of US DOT's intermodal transportation policy in the interest of improving mobility and relieving highway and airway congestion; and this policy must be reinvigorated to support modal connectivity and intercity passenger rail.

If I can leave you with just one thought today, let it be this – Now is the time for Congress to enact a federal-state funding partnership for intercity passenger rail modeled after the successful highway and airway funding programs. Once enacted, initial steps will be taken to expand capacity or increase network services. But as Amtrak has said, it will take years before the outcome of these steps can be realized on the ground. The nation can't wait any longer.

Thank you for the opportunity to speak with you today. I appreciate your attention and look forward to answering your questions.

[14] Staff memo to Subcommittee on Railroads, Pipelines and Hazardous Materials, June 11, 2007.

Appendix A.

Fourteen states contract with Amtrak for the operation of trains that supplement the national Amtrak network by extending the reach of passenger rail services or provide additional frequencies on Amtrak routes. This information is taken from the Amtrak website:

California: *San Joaquins* (Bakersfield-Sacramento/Oakland), *Capitol Corridor Service* (San Jose-Auburn) and *Pacific Surfliner Service* (San Luis Obispo-San Diego) and an extensive system of connecting Amtrak Thruway Motorcoach routes

Illinois: *Hiawatha Service* (Chicago-Milwaukee), *Lincoln Service* (Chicago-St. Louis), *Illini & Saluki* (Chicago-Carbondale) and *Illinois Zephyr & Carl Sandburg* (Chicago-Quincy)

Maine: *Downeaster* (Portland-Boston)

Michigan: *Blue Water* (Port Huron-East Lansing-Chicago) and *Pere Marquette* (Grand Rapids-Chicago)

Missouri: *Missouri Mules* and *Ann Rutledge* (Kansas City-St. Louis)

New York: *Adirondack* (New York City-Montreal, QC.)

North Carolina: *Carolinian* (Charlotte-New York City) and *Piedmont* (Raleigh-Charlotte)

Oklahoma: *Heartland Flyer* (Oklahoma City-Fort Worth)

Oregon: *Amtrak Cascades* (Eugene-Portland-Seattle-Vancouver, B.C.)

Pennsylvania: *Keystone Corridor* (Harrisburg-Philadelphia-New York City)

Texas: *Heartland Flyer* (Fort Worth-Oklahoma City)

Vermont: *Ethan Allen Express* (Rutland-New York City) and *Vermonter* (St. Albans-Washington)

Washington: *Amtrak Cascades* (Vancouver, B.C.-Seattle-Portland-Eugene)

Wisconsin: *Hiawatha Service* (Milwaukee-Chicago)

Statement of

Ross B. Capon

Executive Director

National Association of Railroad Passengers

Before the

Subcommittee on Railroads, Pipelines, and Hazardous Materials
The Honorable Corinne Brown, Chair

Committee on Transportation and Infrastructure, U.S. House of Representatives

* * *

Benefits of Intercity Passenger Rail

* * *

June 26, 2007

* * *

Thank you very much for the opportunity to appear before your subcommittee, and thank you also for your strong advocacy of a national passenger rail system. The subject of today's hearing, benefits of intercity passenger rail, is of crucial importance. This statement first considers a series of specific benefits, and then editorializes on the difficulties of getting the rail passenger system that we need. The debate must change from "Amtrak, how much did you lose last year and what can you do to reduce federal funding?" to "What can you do to reduce our dependence on oil and further reduce carbon emissions, air and highway congestion and highway fatalities, and to increase safe mobility choices?"

I. A Travel Choice Americans Want

Our organization's mission is to promote "a modern, customer-focused national passenger train network that provides a travel choice Americans want." That Americans want this is reflected both in opinion polls and in record Amtrak ridership; *why* they want this is discussed in the next several sections. The most recent national poll was released February 8, 2006, by Harris under the heading "Americans Would Like to See a Larger Share of Passengers and Freight Going By Rail in Future" and is at http://www.harrisinteractive.com/harris_poll/index.asp?PID=638

Clearly, it is good when a democracy produces something constituents want—something which coincidentally brings the many benefits enumerated below. I occasionally hear the

approving statement that "Amtrak is one of the few tangible things I get for my tax dollars." A series of carrots and sticks will be required to enable us to keep the nation (and planet) strong and environmentally sound. Democracy tends to have an easier job producing carrots than sticks; intercity passenger rail is an important carrot.

II. Avoiding Stress and Congestion on Other Modes

This is partly self-evident, but—to be more specific—individuals have commented unfavorably on:

- the inability to move around in an airplane,
- cabin air quality when the planes are heavily loaded,
- ability to use medical equipment en route;
- ability to travel when flying is medically prohibited;
- fear of flying; and
- driving on Interstate highways increasingly clogged with big trucks.

III. Environmental impact

Congress is working hard in many areas to find ways to reduce our oil dependence and to significantly reduce carbon emissions. In 1973, the U.S. imported 35% of its oil; today that figure is over 60%. Still—in absolute terms, and far and away in per capita terms—the U.S. is the world's largest contributor of CO2 emissions, putting 5,877 metric tons of CO2 into the atmosphere last year. Between 1990 and 2006, transportation CO2 emissions grew 25.4%, making a significant contribution to climate change.

Energy Intensity (British Thermal Units per passenger-mile), by mode, ranked from most to least efficient

Amtrak	2,709
Commuter Railroads	2,743
Rail transit	2,784
Certificated air carriers	3,264
Automobile	3,445
Light trucks (2-axle, 4-tire)	7,004
General aviation	10,384*

*(*Data is for 2005 except that general aviation is for 2001.)*

Source: Oak Ridge National Laboratory, *Transportation Energy Data Book, Edition 26*, first posted May 29, 2007. The *Data Book*, produced annually under contract to the U.S. Department of Energy, is at http://cta.ornl.gov/data/download26.shtml (see especially tables 2.12 and 2.13 in chapter 2). My detailed discussion is at http://www.narprail.org/cms/index.php/resources/more/oak_ridge_fuel/

The table above indicates that, on the basis of energy consumed per passenger-mile, automobiles and airlines, respectively, consume 27.2% and 20.5% more energy than does

Amtrak. Amtrak's showing is particularly impressive when one takes into account the investment neglect it has suffered relative to the other modes. Also, driving is even less efficient if the widespread use of light trucks as personal vehicles is considered—light trucks (two-axle, four tires) consumed 7,652 BTUs per vehicle mile in 2005, when the same measure for cars was only 5,409.

The numbers in the table actually understate rail's relevance because the statistics do not reflect important, if hard-to-quantify, externalities—rail's encouragement of pedestrian- and transit-friendly development which in turn encourages the construction of buildings that are more efficient to heat and cool. Also, for longer trips, it is relevant that automobile travelers consume energy at way-side hotels while comparable needs for train riders are reflected in the energy consumed by the train itself.

Considering the preceding paragraphs and table, imagine how much more environmentally benign our transportation system and our nation would be if we had invested heavily in rail—both passenger and freight—over the last 35 years instead of spending so much energy starving Amtrak and struggling over whether intercity passenger rail, or a good chunk of it, should even exist!

IV. Counteract the Isolation of Rural America.

Amtrak's national network increasingly serves communities that have lost intercity bus service and/or airline service. Other communities have either very limited bus service that goes in different directions than the train and/or very-high-fare and limited air service. Appendix I is a partial list of communities that have lost bus service since July, 2004.

V. Safety

The federal government in effect is spending $40 billion a year to encourage more driving, even as 3,600 people a month die on the highways, and the aging of America means the number of people who could benefit from a convenient alternative to driving is steadily rising. To put it bluntly, more and more people ought not to be driving, and the presence of a modern, convenient passenger train network would make it easier for family and friends to coax such people out of their cars.

Automobile accidents are the leading cause of death for teen-agers. This also argues for developing the most robust possible set of alternatives to driving.

VI. Amtrak's Overnight Trains: Washington's Blind Spot

The nation needs more of every type of Amtrak service—Northeast Corridor, corridors elsewhere, and the national network. The need will become more apparent to more people as they realize what the long-term future holds for gasoline prices.

I made a quick round-trip to Chicago early last week and, on the return trip, had breakfast and lunch with one individual and one couple who were new converts to long-distance train travel; all three people were using the train to make long trips involving the use of two or three trains. (See Appendix II for their stories.) One was astounded when I said there are people in Washington who want to get rid of these trains. She immediately referred to gas prices.

When I got back to the office, and reviewed my notes from your June 12 Amtrak hearing, I read with dismay Amtrak Chairman David Laney's statement that, "We continue to have the challenge of the rationalization of the long-distance routes." In my long experience with this issue, "rationalization" translates as service reduction, which is exactly what Americans do not want. We have tried to convince Amtrak that, so long as there is no change in the size of the long-distance equipment fleet, Job One should be working to make the existing service run as reliably and as efficiently as possible. The benefits to be gained by discontinuing existing routes to add new ones—playing "route roulette" as I call it—simply aren't certain enough or valuable enough to justify putting existing revenue at risk.

Evidently, our message isn't sinking in. And, as Chairwoman Brown knows only too well, Amtrak has chosen to take advantage of Hurricane Katrina and the short-lived elimination of New Orleans-Mobile tracks to permanently eliminate service between New Orleans and Florida, visiting further hardship on Gulf Coast communities already suffering the continuing trauma of Katrina's unprecedented devastation.

All of this is reminiscent of the summer of 1979. Then, a Capitol Hill fight over which Amtrak routes to eliminate was unfolding during the gasoline availability crisis. The political cartoons were unforgiving—showing people unable to get gasoline alongside people waiting for trains that would never come. The message was clear: a political system that was unable to deliver gasoline was preparing to take away an obvious alternative to driving—the train. In the end, "only" 14% of Amtrak's route miles were eliminated, down from 43% targeted by the ever-hostile U.S. Department of Transportation. Today's cartoon would focus on the price of gasoline. Reference to the DOT prompts me to observe that David Laney overall has done a good job of keeping the national network intact under an Administration whose policies would eliminate intercity passenger trains in all but a few markets relevant to the travel needs of just a few Americans.

Nonetheless, the prospect of further route reductions, on top of those implemented in 1979, 1981 and 1997, brings expressions of disbelief from people riding the trains, and should alarm everyone who can influence policy. *We need more routes and more trains, not fewer routes and fewer trains!*

There is a cottage industry of analysts around in this town who reliably turn out reports critical of Amtrak's overnight trains, without even contacting our office (except perhaps by viewing our website) to get another viewpoint. These people generally have never

managed such trains, and either have never ridden them or have only limited experience riding them.

Here is one example of the misinformation that results. When he was DOT Inspector General, Kenneth Mead made faulty assumptions in arguing that fully 34% of all passengers on long-distance trains could be handled instead on state corridor trains. The table he developed, part of his October 2, 2003, testimony before a Senate committee, showed up again in the draft of a Government Accountability Office report late last year. The GAO's final report dropped the table, apparently in response to this in Amtrak President & CEO Alex Kummant's October 23, 2006, letter reviewing the draft report: "Appendix II of GAO's report also includes a table (p. 118) that quantifies the 'corridor ridership' on each long distance train based upon six-year old ridership data. Whatever definition of 'corridor' was used in calculating these numbers is inconsistent with GAO's definition of that term (p. 3), and produces facially illogical results. For example, the table indicates that all Auto Train passengers are 'corridor riders,' even though the two Auto Train terminals are 855 miles apart and any ultra high speed corridor service that might someday connect them would not likely accommodate automobiles."

This analysis also ignores the high share of passengers—including those described in Appendix II—making connections between or among two or more Amtrak trains. For example, a Detroit, MI-Grand Junction, CO, passenger would be reflected as a corridor rider on the Michigan train but obviously would not stick with Amtrak if the *California Zephyr* disappeared.

There is also a never-ending series of amendments aimed at reducing the size of Amtrak's network. Just last week, Rep. John Boozman (R-AR) offered and withdrew an amendment that would subject Amtrak's right of access to freight tracks to a route-by-route determination by U.S. DOT that Amtrak was not increasing energy consumption by delaying freight trains. Rep. Boozman said, "We don't need a passenger train with a handful of passengers delaying freight trains." He did not specifically say that Amtrak is operating such lightly-used trains, but that implication was obvious. The trains that would fit that description are long gone.

VII. A Complete Future Vision—The World is Changing Rapidly

In December, I was in a meeting where it was noted that, within about six months, U.K. public opinion had dramatically changed on the issue of climate change, taking it from "something to which people paid lip service to something that affects their daily lives." It has been impressive to see how quickly U.S. public opinion has followed, symbolized perhaps by the recent report in *The Hill* of major efforts by both Republicans and Democrats to make their national conventions "green" ("Both parties plan green conventions," June 15).

In watching this issue evolve over the past four decades, I have been struck by the gradual expansion of rail's role, even in the face of largely hostile public policy. And critics' myopia is not confined to the overnight trains. When I first came to Washington

in 1975, people could say with a straight face (and David Stockman did) that passenger trains' utility was pretty much confined to New York-Philadelphia. As recently as 1993, an American Bus Association official, quoted in Metro Magazine, said, "We don't need another big Amtrak subsidy to support a run from Boston to Portland, ME. There just aren't enough passengers...Buses do the job just fine. Amtrak subsidies are a terrible waste of scarce public money."

Today, Amtrak's *Downeaster* funded by the State of Maine is widely regarded as a huge success story—FY 2006 ridership 337,900, up 23% from FY 2005. What's more, we understand that intercity bus ridership in the same territory has increased, not fallen. This supports our longstanding theory that the interests of intercity bus and intercity passenger rail are parallel. Part of the explanation may lie with the attractive, intermodal terminal in Portland that Amtrak uses but which also has enhanced the image and visibility of Concord Trailways, Portland's major intercity bus operator. Also, there is cross-honoring of Concord Trailways and Amtrak tickets and this flexibility has encouraged some rail riders to use the bus in one direction.

Meanwhile, in California, "the automobile capital of the planet," the three state-supported Amtrak corridors accounted for 19.4% of Amtrak's Fiscal 2006 ridership. That's 4.7 million people and does not include those riding the four long-distance routes that serve California.

In sum, "straight-line" projections of change understate real change, and certainly understate the interest of U.S. travelers in expanding the rail choice.

Thank you for considering our views.

APPENDIX I. Greyhound stops dropped since July, 2004, in Amtrak-served communities

Alabama—Atmore*
California—Auburn, Davis, Irvine, Lompoc/Surf, Richmond,
Colorado—Fort Morgan, Winter Park, La Junta
Florida—Chipley*, Crestview*, two stops in Okeechobee, Palatka
Georgia—Atlanta Amtrak (multiple intermodal connections)
Maryland—Cumberland, Aberdeen
Minnesota—Detroit Lakes, Winona
Mississippi—Bay St. Louis*, Greenwood, Hazlehurst, Picayune, Yazoo City
Missouri—Warrensburg
Nebraska—Lincoln
New Jersey—Trenton
North Carolina—Hamlet
North Dakota—Grand Forks
Ohio—Cleveland Amtrak station (intermodal service to Columbus and Cincinnati)
Oklahoma—Purcell
Oregon—Albany, Chemult, Klamath Falls

South Carolina—Camden, Denmark, Yemassee
Tennessee—Dyersburg
Texas—Del Rio, Alpine
Vermont—St. Albans
Virginia—Culpeper, Staunton
Wisconsin—La Crosse

* To quote Amtrak's current timetable, "The Sunset Limited service between Orlando and New Orleans has been suspended. Future service has not been determined." See discussion in Section VI of testimony.

APPENDIX II. Two interviews with Amtrak passengers on June 19, 2007

(Real names not used.)

Janet from Dade City FL was on the return leg of a Jacksonville FL-Elyria OH round-trip in coach to visit family. She is an oiler, working in the engine rooms of military ships, and had just gone around the world with no shore time. She took the train because "I needed time to wind down, to think, to relax and look at the scenery and occasionally talk with friendly strangers." So far, she really liked the trip. She first thought about taking the train when she heard from fellow sailors that, due to high air fares, the union hall in Jacksonville had begun requiring sailors to take the train to their ships in Charleston SC. She tried out the train from Jacksonville to Lakeland and liked it, so she booked the round trip to Elyria.

Mr. and Mrs. Jones are seniors from Charlotte NC. They flew to Seattle, took an Alaska cruise, and were going home on Amtrak (in sleeper—*Empire Builder* Seattle to Chicago, *Capitol Ltd.* to Washington, *Crescent* to Charlotte]. They really liked the train, especially the *Empire Builder*. Mr. Jones travels with oxygen, which he cannot use on the airplane. First flight to Houston went O.K., but he didn't think he'd make it to Seattle. Fortunately, and unbeknownst to them in advance, the airline had oxygen for emergencies, including his. However, Mrs. Jones volunteered, "Whenever we travel from now on it will be by train." They could not stand the stuffy air on the plane. He said, completely independent of his oxygen condition, when the plane fills up it, it becomes stuffy and unpleasant to breathe. He also said, "I didn't realize Amtrak was so big…so many passengers." [Their daughter and grand-daughter were spotting their car at the Charlotte station this afternoon so it would be there for them when they arrive in Charlotte in the middle of the night.]

National Association of Railroad Passengers www.narprail.org
900 Second St., NE, Suite 308
Washington, DC 20002-3557
Telephone 202-408-8362, FAX -8287
E-mail: narp@narprail.org
Capon cell 301-385-6438

Testimony of

Astrid C. Glynn
Commissioner

on behalf of
New York State Department of Transportation
and
The Coalition of Northeastern Governors (CONEG)

before the
Subcommittee on Railroads, Pipelines, and Hazardous Materials

of the
House Committee on Transportation and Infrastructure

on the
Benefits of Intercity Passenger Rail

Tuesday, June 26, 2007
10:00 a.m.
2167 Rayburn House Office Building

Testimony of Astrid C. Glynn
Commissioner
New York State Department of Transportation
before the
Subcommittee on Railroads, Pipelines, and Hazardous Materials

Benefits of Intercity Passenger Rail
June 26, 2007

I am Astrid Glynn, Commissioner of the New York State Department of Transportation (DOT). First, I want to thank Chairwoman Brown for the invitation to come before you today. I also want to acknowledge the strong interest and leadership of the Committee and this Subcommittee – Chairman Oberstar, Ranking Member Mica, Ranking Member Shuster – and, of course, Congressman Nadler from my own state – in tackling the challenges of intercity passenger rail.

Today, I would like to share with you some perspectives on the importance of intercity passenger rail to the economy and communities large and small in the Northeast states – and specifically New York. I am pleased to offer this testimony on behalf of the New York State DOT as well as the Coalition of Northeastern Governors (CONEG), and request that it be included in the record.

New York has a truly multimodal transportation system and strives to allocate its financial resources accordingly. In 2007-2008, NYSDOT has responsibility for a $1.9 billion highway construction program and a $3.26 billion transit operating and capital assistance program. New York voters approved a $2.9 billion Transportation Bond Issue in 2005, which will help support New York's multi-year highway and mass transportation capital programs valued at more than $36 billion, with each mode receiving approximately $18 billion in federal and state funds. From 2005-2010, New York will invest $235 million in state funds for freight and passenger rail projects and will provide over $116 million in state funds to advance general aviation security, business-use airport development, and capital improvement projects for public-use airports. In recent years, in addition to highways and transit, New York State has invested $320 million in the State's passenger rail system. Clearly, New York State is committed to multimodal transportation systems.

My testimony will focus on the benefits of intercity passenger rail and how we can realize those benefits: through investments, through collaborative partnerships, and with adequate funding. Throughout my testimony and based upon my experience as Commissioner of transportation in New York State, I will mention several specific ideas that will help us more fully realize the mobility and economic development benefits that intercity passenger rail can contribute to an integrated national transportation system.

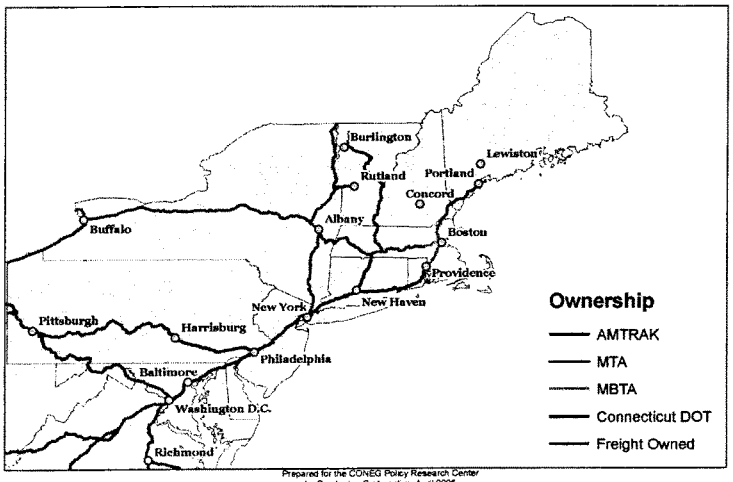
BENEFITS OF INTERCITY PASSENGER RAIL

Intercity passenger rail provides important connectivity.

Sustaining Mega-regions. Mega-regions are becoming one of the distinguishing features of economic growth in the United States. Mega-regions need the connectivity provided by a smoothly functioning, seamless integrated transportation system. In fact, one could argue that

they are the product of that connectivity. Over 70 percent of the population and employment growth and 80 percent of the economic wealth of the United States are projected to occur in just 10 large mega-regions such as Southern California and the Texas Triangle. One of the first areas of the country described as a mega-region was the Boston-New York-Washington, DC region, where, in the year 2000, over 20 percent of the U.S. population lived and traveled daily in only 6.2 percent of the U.S. landmass. Transportation is key to the future economic growth of these geographically constrained areas, as it provides efficient access to a large pool of resources beyond the area's boundaries and among the various population centers that mark each mega region. The twelve-state northeastern corridor has 13 major airports, more than two dozen rail stations, 11 major seaports, and 30,000 miles of Interstate and primary highways. Intercity passenger rail transportation provides both links and alternatives to the highways, airports, and other public transportation systems that make the metropolitan areas economically and environmentally viable. This network provides travelers with access, options and redundancy in their travel choices.

Northeast Intercity Passenger Rail Network



Prepared for the CONEG Policy Research Center
by Cambridge Systematics, April 2005

Amtrak Service in the Northeast

Name	Route
Northeast Corridor	Boston-NYC-Washington DC
Adirondack	NYC-Albany-Montreal
Empire Service	NYC-Albany-Buffalo
Downeaster	Portland-Boston
Ethan Allen	NYC-Albany-Rutland
Keystone	NYC-Philadelphia-Harrisburg
Lake Shore Limited	NYC/Boston-Albany-Buffalo-Chicago
Pennsylvanian	NYC-Pittsburgh
Vermonter	Washington DC-NYC-Springfield-St. Albans
Capitol Limited	NYC-Pittsburgh-Chicago
Regional Service	Boston-NYC-Washington DC- Richmond-Newport News

Connectivity for smaller cities. Intercity passenger rail is not only important for major city pairs like Boston and New York, but also for business travel between intermediate cities, such as Wilmington and New Haven, where auto is often the only alternative. Intercity passenger rail also connects more distant smaller cities to larger hubs in those mega-regions, such as White River Junction, VT with Boston. Where post-deregulation airline fares are high, an affordable intercity passenger rail alternative is important. The NYC to Albany Empire Corridor is one example with which I am quite familiar. Both along the NEC and on the regional feeder lines that connect to the NEC, intercity passenger rail links the region's smaller cities to the economic engines of the mega-region.

Rural communities need national links. Intercity passenger rail provides national connectivity. Collectively, long distance trains form most of the national network that links different passenger rail services and markets throughout the United States. Intercity passenger rail is often the only viable alternative to auto for travelers in isolated rural communities with no substantial air or intercity bus service. Intercity passenger rail can also provide important system redundancy within the multi-modal transportation system as well as an alternative form of travel when severe weather conditions or emergencies affect other modes of transportation.

Intercity passenger rail is an important component of a balanced transportation system

Rail networks feed people and goods onto – and from – highways, airports, intermodal terminals and ports and provide more options for travel. While not the dominant mode, rail helps balance demand across the multi-modal system that supplies capacity to all travelers.

Highway congestion relief

The Northeast Corridor (NEC) Network is one of the nation's premier transportation corridors. This Network – the NEC Spine connecting Washington, DC/New York City/Boston and the feeder lines throughout the 12-state Northeast-Mid Atlantic region serves Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, New York, Delaware, D.C., Maryland and Pennsylvania, as well as Virginia, North Carolina and points in Canada and across the nation. It is one of the most complex and heavily used corridors in the nation and the world. The ownership of the NEC intercity passenger rail corridor is shared among Amtrak, New York, Connecticut, and Massachusetts. It supports millions of intercity and commuter travelers, as well as freight movements, in a region that accounts for a quarter of the nation's population and jobs. Efficient use of the NEC Network dramatically affects the overall viability of the highway, aviation, freight and commuter rail transportation networks that serve the region and the nation. Without the NEC, the region's congested highways and airports would be further stressed. With nearly 1,900 train movements each day, the NEC Spine moves over 200 million passengers a year and faces demand for even more service. Its operations are vital to those passengers traveling among the communities located along the Boston – Washington Corridor (as well as intercity travelers on the linked services running through Maine, Vermont, New York, Pennsylvania, Virginia and North Carolina) whether they are heading to a destination within the NEC or rely upon it to connect to the larger national system and to Canada.

Airport reliever

Given severe constraints on airport capacity, airspace capacity, and the need for highway alternatives, public policy increasingly wants to steer passenger trips in the 200-500 mile range to intercity passenger rail, with connections to other public transportation services. Several airports are strategically located near the NEC, and if they are linked properly, we can shift excess demand from airports to intercity passenger rail. Several airports along the Northeast Corridor - Thurgood Marshall, Baltimore-Washington International Airport (BWI), T. F. Green Airport in Providence, and Newark Liberty - owe a good deal of their success as reliever airports for the Northeast region to convenient, high quality intercity rail passenger service in close proximity to those airports. Valuable landing slots and gates can also be made available for more profitable long distance air travelers by encouraging less profitable short distance travelers to complete the final leg of their trip via rail. Evidence of the market value of this relationship lies in the fact that Continental Airlines now provides interline ticketing for connections to Amtrak at Newark. The airlines are beginning to understand the value of system integration across modal lines, and have in recent years been willing to use valuable Passenger Facility Charge (PFC) revenue to build a monorail connection between Newark airport and the Northeast Corridor. PFC's were also used to construct the JFK Airtrain, which connects the airport with Penn Station on the NEC, via the Long Island Railroad. The air-rail link is important outside of the NEC as well.

Security / Redundancy

Intercity passenger rail provides critical system redundancy. As an all too memorable example, Amtrak's NEC reopened at 6:00 PM on September 11, 2001. It was initially the only public access to Manhattan (commuter trains were outbound only, tunnels and bridges were closed to the public). When the air traffic control system shut down for three days following the terrorist

attacks, there were few ways for stranded travelers across the country to return home: only rental cars, intercity bus, where available, and intercity passenger rail.

Intercity passenger rail is important for economic development

An integrated, seamless transportation system is particularly critical to the Northeast. With its established communities and densely populated urban areas, the Northeast is renewing itself through mobility by connecting urban and rural economic engines to simulate growth in our existing communities. Our major urban areas, smaller cities, and rural communities rely upon connectivity and choice in the transportation system to revitalize their economies – to have ready access to jobs, educational and medical facilities, cultural centers and market opportunities that may be located in a different community.

One of Governor Spitzer's key initiatives is economic revitalization of upstate cities. Rail access is an important part of this. In fact, each year, almost one million people travel between Albany and New York City – making the Empire Corridor the 2nd most heavily traveled route in New York State behind the Northeast Corridor. The Empire service provides a strong and convenient connection between the upstate political capital and downstate's economic center. The Keystone in Pennsylvania provides a similar link between Harrisburg and Philadelphia. All across New York, as well as in our sister states in the Northeast and across the nation, active rail terminals have also proved to be good anchors for the traditional city centers working to rebuild their cores. New stations have been built and historic stations have been restored as intermodal transportation centers. The striking new train station in Rensselaer - just across the Hudson River from downtown Albany - provides the focus for downtown revitalization. Since this station opened, the City of Rensselaer has embarked on an ambitious plan to construct a compact, integrated, mixed-use housing and business complex on the shore of the river adjacent to the Amtrak facility. This is truly a textbook example of a downtown smart growth project. Downstate and on a very different scale, New York State is also working with Amtrak to convert the historic James A. Farley Post Office Building, adjacent to Penn Station in Manhattan, into a landmark intercity transportation terminal.

Intercity passenger rail can also mean that remote and unspoiled locations need not be inaccessible. Tourism is one of the top three sectors in every state economy. Tourism is especially important to the New York State economy, bringing in $43.4 billion per year and employing 700,000. Whether passengers are bound for the ski slopes of the Adirondacks, the wonders of Niagara Falls, or a show in New York City, intercity passenger rail service is an important element of New York's tourism market, especially for overseas travelers, who are accustomed to relying on rail for efficient and affordable intercity travel. Passengers in the know rush to claim a seat on the river side of the train between New York City and Albany for views of the Hudson Highlands, West Point, and wildlife such as bald eagles and cormorants. The Empire Service has been featured in documentaries, travelogues, and films; it has become a tourist destination in itself. The Adirondack line is "One of the 10 Most Scenic Rail Journeys in the World" according to *National Geographic Traveler*, August 2000.

In New England, the states of Maine, New Hampshire and Vermont have collaborated on TRIO, or TRaveler Information Online, which integrates tourism information on attractions and accommodations with multi-modal trip planning capabilities and, now that the web-based system has expanded to a 511 service, a source of real time traveler information on incidents and delays.

The availability of intercity passenger rail - the Vermonter between Boston and Vermont, the Ethan Allen from New York City to Vermont, and Downeaster Service from Boston to the Maine Coast are all key components of a regional strategy to support the tourist economy of New England. The value of those services is clearly enhanced by multi-state, multi-modal Advanced Traveler Information Systems such as TRIO-511.

Intercity passenger rail is important for the environment and energy conservation

Intercity rail's environmental benefits have taken on new significance as we work to reduce energy consumption and greenhouse gas emissions. Oak Ridge National Laboratory's newest data on national energy consumption (Transportation Energy Data Book: Edition 27-2007, p 2-14), show that intercity passenger rail continues to be more energy efficient than either airlines or automobiles. The data show that domestic airlines on average consume one fifth (20.5 percent) more energy per passenger-mile than rail, while autos consume over one quarter (27percent) more than rail.

A robust and well-developed intercity passenger rail service can reduce vehicle miles traveled and thus fuel consumption. This means fewer emissions of greenhouse gases. According to EPA, the combustion of a gallon of gasoline results in about 19 pounds of carbon dioxide being emitted. Therefore, depending on the level, frequency and usage, intercity passenger rail service can be a significant component of an overall strategy to reduce greenhouse gas emissions from the transportation sector. A 1999 report analyzing the air quality benefits of a proposed joint New York State-Amtrak high speed rail initiative estimated that the project would reduce VMT between New York and Albany by 75 million and reduce carbon dioxide by 35,000 tons per year. These energy benefits merit serious attention.

INVESTMENTS TO REALIZE THE BENEFITS OF INTERCITY PASSENGER RAIL

Continued and dedicated investment will be required to realize the benefits of intercity passenger rail. Despite decades of federal investment in this national system – supplemented by billions of dollars from New York and other states in the Northeast and across the nation – we have a rail system that is aged and inconsistent in its performance. To realize the full benefits of this national asset, we will need to renew our commitment to it. I would suggest that this commitment should focus on the following:

Restoring the National Intercity Passenger Rail System to a State of Good Repair is essential for efficient and effective service - and is a first step to the national system's ability to maintain its assets and expand capacity for growth and speed. Amtrak, the federal government, and the states must collaborate to inventory assets and determine what constitutes a state of good repair. The federal government should continue to take the lead in helping Amtrak reach this threshold goal.

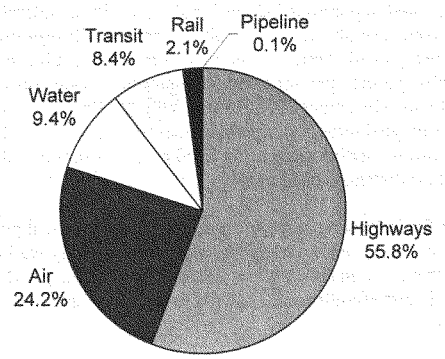
States have already made considerable investment in intercity passenger rail. These investments were often made as part of arms-length contracts entered into by Amtrak for benefits that Amtrak and the states could mutually recognize. The Northeast States spent more than $2.8 billion on infrastructure improvements in support of intercity passenger rail from 1992-2001. They have already spent or committed over $1.7 billion in capital investment between FY2002-2006, and significant investments continue. The Northeast states pay Amtrak over $550M for state-

supported intercity passenger rail service and commuter access fees (FY2002-2006). As you will hear from other states on the panel, there is significant state investment in intercity passenger rail across the nation.

Establishing a Capital Program is fundamental to achieving a state of good repair and then making incremental improvements and expansions (once reached). From New York's perspective, perhaps it could be modeled on the federal highway and transit programs. Such a program will be important if we are to gain all the potential benefit of a robust national intercity rail passenger system.

Rail has been a relatively small, but clearly worthwhile, investment for the country. The federal government recognized the importance of intercity passenger rail when it created Amtrak in 1971. The national significance of that asset has regularly been recognized by Members of Congress, USDOT officials, and national leaders in transportation. Yet the relative amount of federal investment has been at a far lower scale than other modes of transportation. The *2007 Pocket Guide to Transportation* published by the USDOT Research and Innovative Technology Division shows that of the $58 billion invested in all transportation modes, only two percent was invested in rail - both freight and passenger.

Federal Transportion Expenditures - 2003



Total = $58 Billion

Source: Table 5-12, 2007 *Pocket Guide to Transportation*
USDOT Research and Innovative Technology Administration

COLLABORATION TO REALIZE THE BENEFITS OF INTERCITY PASSENGER RAIL

Effective management of the intercity passenger rail system requires a stronger, collaborative federal relationship with states. This collaboration should recognize states' long-standing role as joint funders, owners, and operators of passenger rail service. Investments made by states, particularly in state-owned territory, should be recognized, acknowledged, and accounted for in any funding scenarios where a state contributes (or may be asked to contribute) to the cost of intercity passenger rail infrastructure.

Increased Transparency: Successful collaboration requires accountability. Collaboration should provide for understandable and transparent decision-making processes that rely upon empirical data and ensure that differences among participants are acknowledged and dealt with in a timely and objective manner. A wonderful example of this principle can be found in New York, where Amtrak and the Metropolitan Transportation Authority (MTA) successfully share in the operating and funding of the Penn Station Control Center in New York City. The two railroads take turns running the Control Center and, by doing so, have become a model for good intergovernmental cooperation. Their mutual accountability creates both trust and a high level of performance.

Accountability is a fundamental prerequisite for a collaborate relationship among the federal government, states and Amtrak. Since its inception, Amtrak accountability has been a critical issue. This subcommittee is aware of the historic inadequacy of Amtrak's accounting systems, which has been acknowledged in previous federal legislation. While federal statutory reporting requirements have improved Amtrak's record keeping, there are still significant concerns in many contractual relationships with Amtrak. The lack of reliable data has been a fundamental impediment to states' willingness to pay for a service that was previous provided without state subsidy. As evidenced by the December 2006 Amtrak Monthly Performance Report, state subsidy does not necessarily guarantee better performance. For example, at least three state supported services had on-time performance of 36 to 50 percent - substantially lower than the 68 percent average for all short distance corridors.

I see at least two options for increasing corporate transparency: additional government oversight and increased competition. These are not mutually exclusive - we may well need to do both, but it will be hard for states to engage in constructive discussions on Strategic Reform Initiatives or other proposed increases in state funding until there is true accountability or a possible competitive alternative.

Clarification of Roles. There are currently four primary partners in intercity passenger rail: the federal government, state governments, Amtrak, and the freight railroads. In many communities, transit agencies are also key participants, either contracting with Amtrak to provide commuter rail service or to operate intercity passenger service across rail lines owned by transit agencies. If the four present partners (federal government, states, Amtrak, and the freight railroads) are going to continue to work together in this area, some clarification of roles could be helpful and allow us to achieve improvements in a national intercity passenger rail system. Specifically:

- Federal: It is imperative that the federal government continues to have a strong role in intercity passenger rail. Efforts to make Amtrak more financially efficient over the past three decades are laudable, but, as many have already noted in their testimony before this subcommittee, no intercity passenger rail system in the world exists without governmental funding. It is quite certain that our intercity passenger rail system will always require substantial federal funding.

- States: Within the framework of a strong federal intercity passenger rail program, we are looking for collaborative decision-making, not merely an advisory role for states. There is already a strong and successful partnership between federal and state governments for highways and transit. Federal law requires continuing, cooperative comprehensive planning for a broad range of transportation modes, both long range and short term, both statewide and in metropolitan areas. There is no equivalent role for states in the planning and programming of intercity passenger rail. In providing a strong role for states, Congress should not merely add another layer of process, but should instead help us improve intercity rail planning with the lessons of the existing surface transportation planning process.

- Amtrak: Is Amtrak an instrument of the federal government or simply a contractor? Amtrak was created in 1971 by federal law after seven northeast railroads entered bankruptcy and because the rail industry wanted to divest itself of unprofitable service. With a different history, states might have a marketplace of intercity passenger rail vendors to choose from. Alternative providers for Intercity Passenger Rail might be a Class I railroad, a commuter rail operator, or a shortline railroad. However, that may not be possible and such an approach might have unforeseen consequences with which we are not prepared to deal. But from New York's perspective, we should at least be able to consider alternatives that would allow us the benefits of competition.

- Freights: In most areas of the country, intercity passenger rail service is operated by Amtrak over rail lines owned by private railroads whose primary business is hauling freight. This committee has heard testimony on the current crisis in railroad capacity. Freight congestion is a major factor in on-time performance in the Empire Corridor west of Albany, just as it is for both corridor and long distance service across the country. The American Association of Railroads (AAR) is promoting a federal tax credit for rail infrastructure investments. We clearly see the need to expand rail capacity across the country, but any proposed federal income tax credit for Class I's should be linked to a demonstrated public benefit such as improved on time performance for intercity rail passenger service. One option that New York State feels should be considered is to provide an incentive for railroads to invest in technology that would be broadly beneficial, such as Positive Train Control (PTC). This type of improvement both could help with freight and passenger service. If Congress is going to consider any proposed railroad tax credit, New York suggests that it include such broadly applicable public benefits.

STABLE FUNDING IS NEEDED TO REALIZE THE BENEFITS OF INTERCITY PASSENGER RAIL

The federal government must be a strong and consistent partner for the increased and stable funding that is needed for intercity passenger rail – on the Northeast Corridor and its feeder lines, in state-supported corridors, and in vital long distance routes. I know that you are already hard at work drafting reauthorization legislation that will provide a workable basis and framework to advance secure, reliable enhanced and integrated intercity passenger rail services throughout the nation. S.294, introduced by Senators Lautenberg and Lott in the other body, is a very good start in promoting intercity passenger rail service in the nation, but from the perspective of New York, it falls short of establishing the dedicated source of funding which New York believes is needed to ensure that long term visions and policies for improving intercity passenger rail can be realized.

Without a dedicated, sustainable, source of federal funding, Amtrak and states are left to fight the annual battle for federal funding through the appropriations process. The current deficit situation makes this more difficult each year.

Intercity passenger rail is an important part of a balanced national transportation system. Intercity passenger rail provides critical connectivity, as well as economic, environmental, and energy benefits. In order to realize those benefits, New York urges Congress to provide federal funding to:

- bring the national intercity passenger rail system to a state of good repair,
- explore a federal/state capital program similar to the highway and transit programs but funded from sources outside the Highway Trust Fund;
- establish a collaborative federal-state partnership; and, most important
- provide for a comprehensive, sustainable portfolio of federal revenue to address the diverse investment needs of the Nation's surface transportation system, including intercity passenger rail.

Thank you for the opportunity to testify before you today.

CONEG
COALITION OF NORTHEASTERN GOVERNORS

Governor Jon S. Corzine, Chair
Governor Jim Douglas, Vice-Chair
Anne D. Stubbs, Executive Director

TO: House Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines, and Hazardous Materials

FROM: Anne Stubbs, Executive Director, CONEG Policy Research Center, Inc.

RE: Outside Witness Document to the Record for the June 26 Hearing on the Benefits of Intercity Passenger Rail

DATE: July 30, 2007

With the express permission of New York State Department of Transportation Commissioner Astrid Glynn, the Coalition of Northeastern Governors (CONEG) would like to submit this document as outside witness testimony to the record of the hearing held on June 26 on the Benefits of Intercity Passenger Rail before the Subcommittee on Railroads, Pipelines, and Hazardous Materials. This document, entitled "Northeast States: Investments in Intercity Passenger Rail 2002-2006" provides specific details for testimony submitted by Commissioner Glynn regarding the level of investments made by the eleven Northeast states in support of intercity passenger rail between FY2002 and FY2006.

The testimony and discussion generated at the Subcommittee's June 26 hearing provided excellent information and insights to the wide array of benefits that intercity passenger rail generates across the nation.

CONEG is pleased to have had the opportunity to join with Commissioner Glynn in the original testimony, and appreciates the opportunity to submit this additional material to the record. We look forward to working together on this important issue.

Enclosure

400 North Capitol Street, N.W. • Suite 382 • Washington, DC 20001 • (202)624-8450 • Fax (202) 624-8463
E-mail coneg@sso.org • www.coneg.org
Printed on recycled paper

CONEG
COALITION OF NORTHEASTERN GOVERNORS

Governor Jon S. Corzine, Chair
Governor Jim Douglas, Vice-Chair
Anne D. Stubbs, Executive Director

NORTHEAST STATES: INVESTMENTS IN INTERCITY PASSENGER RAIL 2002-2006

The Northeast States continue to provide significant capital investments and operating support for intercity passenger rail networks to enhance operations, safety, reliability, capacity, flexibility and access for all users.

Capital: The Northeast States spent more than $2.8 billion on infrastructure improvements in support of intercity passenger rail from 1992-2001. They have spent or committed more than $1.7B in capital investment in FY2002-2006 through a combination of payments to Amtrak, direct payments to other host railroads, and direct investments in state-owned right-of-way and facilities. Substantial investments continue past 2006.

- NY and NJ: Participate with Amtrak in PSNY project to improve life/safety of the tunnels.
- CT: More than $810M in a comprehensive rehabilitation program on the state-owned New Haven-New Rochelle segment (track upgrade; catenary system replacement; bridge rehabilitation and replacement; track interlockings; and stations).
- NJ: Approximately $220M for NEC reliability and capacity improvements on a 50-50 match basis through the Joint Benefits Agreement (track, interlockings and electrification improvements, bridge repairs, and station improvements).
- NY: Approximately $200M for stations, track and other infrastructure improvements.
- RI: Approximately $200M for capacity and operating flexibility in track improvement, bridge repair, and stations to allow expanded rail service.
- MD: More than $70M in capacity improvements (station and rail yards).
- DE: More than $10M for system capacity (stations, track improvements and bridges).
- VT: More than $20M for more reliable intercity passenger rail service (station rehabilitation, track upgrades, bridge replacement and grade crossing).
- PA: $72M in joint State-Amtrak project for high speed Keystone service (new stations; track and signal/power systems; bridge rehabilitation; close grade crossings; and safety). PA increased the pace of its investment to keep project on schedule.
- ME: Has worked with MA and NH on joint investment in track and station improvements to restore the Downeaster Service from Boston to Portland. More than $5M in capital maintenance and projects to increase speed.

400 North Capitol Street, N.W. • Suite 382 • Washington, DC 20001 • (202)624-8450 • Fax (202) 624-8463
E-mail coneg@sso.org • www.coneg.org
Printed on recycled paper

Operating Payments: States pay Amtrak more than $550M for state-supported intercity passenger rail service and commuter access fees (FY2002-2006).

- $384M from NJ, PA, MD and DE for commuter access to Amtrak-owned ROW.
- $70M from NJ to support the Clocker service (Philadelphia - NYC).
- $60M from ME, NY-Adirondack, VT and PA for intercity operating support.
- $40M from MTA-NY to support joint operations in the Penn Station Control Center and related facilities.

In addition, Maine directly spent more than $6M for on-board food service, marketing and related operating expenses.

Indirect Subsidy to Amtrak: States provide an indirect subsidy to Amtrak that reflects the close working relationship of intercity and commuter railroads on the NEC Spine.

- In CT and NY, where Amtrak operates over state-owned infrastructure, Metro North provided approximately $350M in supporting the infrastructure used by Amtrak.
- NJ maintains all stations used by intercity travelers in the state at no cost to Amtrak.
- MD provides Amtrak with additional equipment to meet peak service at nominal cost.

Rail Subcommittee of the U.S. House Transportation & Infrastructure Committee
June 26, 2007

The Benefits of Intercity Passenger Rail for the Midwest and the Nation

Indiana State Senator Robert N. Jackman,
Chair, Midwest Interstate Passenger Rail Commission
Panelist Testimony

Chairwoman Brown, members of the rail subcommittee of the House Transportation & Infrastructure Committee, thank you for inviting me here today to speak on a subject that many of our states consider a key to building a strong, modern, intermodal transportation system for our nation's future: intercity passenger rail.

The Midwest Interstate Passenger Rail Commission was created in 2000, triggered into existence when the requisite number of states (three) adopted the Midwest Interstate Passenger Rail Compact through enabling legislation. These states, and the others which have since enacted the compact (now nine altogether), see the development of passenger rail service in our region as extremely important to the continued health and growth of the Midwest. They have banded together through this common law to advocate for improvements to our passenger rail system.

The member states of this compact, which was granted Congressional consent through the Amtrak Reform and Accountability Act of 1997, understand how the development of an efficient, modern passenger rail system can ease stress on other modes of transportation and provide their citizens with an additional, and necessary, way to travel. And our region is not alone. In fact, over half of the states in the nation are now developing or implementing significant regional passenger and freight rail plans. Many others view the continuance of what passenger rail service they do have as a vital concern.

In the Midwest, we have two, complementary multi-state plans for significantly improving passenger rail service in the region, the Midwest Regional Rail Initiative (MWRRI) and the Ohio Hub Plan.

The Midwest's plans

The MWRRI is a plan for a 3,000-mile high speed rail system that will provide passenger rail services to nine states using a "hub" system based in Chicago. The MWRRI recently updated its economic analysis of the benefits the fully-implemented plan would bring to the region. The new projections show a benefits-to-cost ratio of 1.8 – $1.80 in return for every dollar invested – one of the highest for any regional rail system in the U.S. In addition to generating $23 billion in overall benefits, the system would generate nearly 58,000 permanent new jobs and $5.3 billion of increased earnings over the construction period.

The MWRRI is currently in its "Phase 1" implementation stage. This phase would bring high speed passenger rail service up to 110 mph and increase passenger rail frequencies

on three corridors: Chicago to St. Louis (increasing from 4 round trips to 8); Chicago-Milwaukee-Madison (increasing Chicago-Milwaukee service to 10 roundtrips from 7, and introducing new service between Milwaukee and Madison – bringing 6 roundtrips per day to this corridor); Chicago-Detroit (increasing from 4 roundtrips to 9). Future phases would increase speeds and service from Madison to Minneapolis, and from Chicago to Indianapolis, Kansas City, Omaha, Cincinnati and Cleveland.

The Ohio Rail Development Commission's Ohio Hub Plan is almost ready to move into the federally-required environmental impact study process. The Ohio Hub is projected to create more than 6,000 construction jobs, 1,500 permanent railroad jobs and another 16,500 permanent jobs tied to development along the rail corridors. This 1,270-mile system is also projected to generate more than $3 billion dollars in joint development benefits, another $1 billion dollars in increased income in its proposed service area, and more than $9 billion dollars in traveler benefits and resource savings. The ORDC is in the midst of revising its plan to incorporate two hubs. The four corridors emanating from Cleveland (the original hub) would bring passenger rail service to Toledo-Detroit; Columbus-Dayton-Cincinnati; Pittsburgh; and Buffalo-Niagara Falls-Toronto, Canada. The revised plan will add the Columbus hub, with service to Pittsburgh, Toledo and Chicago (via Ft. Wayne, Indiana).

When implemented, the MWRRI and Ohio Hub plans together will include 17.4 million annual train miles (more than half of Amtrak's passenger rail service for the entire nation), provide an additional 67 trainsets and connect more than 150 communities across the Midwest.

Along with the economic and other benefits illustrated by the MWRRI and Ohio Hub plans, building a modern, efficient passenger rail system is beneficial for other reasons. These benefits include saving transportation dollars, reducing traffic congestion, complementing other modes of travel, increasing our nation's capacity to respond to emergencies and decreasing our dependence on foreign oil while also decreasing transportation's impact on the environment. All of these objectives are critical to our nation's future health and vitality.

Saving transportation dollars

Passenger rail development is a bargain compared to building roads and airports. One railroad track can carry the same number of people as a 10-lane highway, at a fraction of the cost. Many of the current plans for passenger rail development would implement "incremental high speed rail" (with trains running at up to 110 mph), making improvements to existing tracks – even more of a bargain.

In 2002, the AASHTO Standing Committee on Rail projected the total passenger rail corridor needs at about $60 billion over the next 20 years – a little more than two times the amount of federal grants to states and local governments for highways in 2001.

Reduce traffic congestion and complement other modes of transportation
According to the U.S. Census Bureau, the nation's population is projected to grow by 39 percent between now and 2050. Building highways at the rate our population will need them in the next 50 years would be unsustainable. Congestion already costs us $200 billion a year, according to Transportation Secretary Mary Peters.

The closest equivalent to passenger rail transportation on the roads is bus transportation. While the capacity of a typical bus is 40 people, one trainset carrying four cars could carry more than 10 times that many people.

A strong intercity passenger rail system would provide the needed "piece of the puzzle" to help move people efficiently. While commuter rail or driving is ideal for distances up to 100 miles, and airplanes best justify their energy and take-off/landing time in long-distance travel, intercity passenger rail is ideal for travel between 100 and 500 or 600 miles.

Decrease our dependence on foreign oil while decreasing transportation's environmental impact
Traveling via Amtrak is significantly more efficient than either commercial airlines or cars. The most current figures show that, based on energy consumed per passenger mile, on average airlines consume 20 percent more energy than Amtrak, and cars consume 27 percent more energy than Amtrak (source: Oak Ridge National Laboratory, *Transportation Energy Data Book, Edition 26*). High speed trainsets, especially those that use electric locomotives, bring even more energy efficiencies.

Using biodiesel blends to run our trains will also help decrease our dependence on foreign oil and further increase passenger rail's energy efficiency over other modes of transportation. Although biodiesel is not widely used by trains in the U.S. yet, the Rail Runner Express commuter line in New Mexico has been using a blend of the cleaner-burning fuel (B20) and has experienced the same performance as trains using conventional diesel fuel. Last fall, the MIPRC adopted a resolution detailing the benefits of biodiesel usage, and encouraging a demonstration of its use in passenger trains. We are now planning to approach a segment of the biofuels industry to help underwrite such a demonstration.

Increase our nation's capacity to respond to emergencies
The MIPRC has also seen that rail can prove a vital resource when disaster strikes, and is crucial to managing traffic from other modes of transportation that may be shut down. A study we released last fall, *Responding Regionally: The Role of Passenger Rail in Midwestern Emergency Planning*, showed how rail was successful in moving both emergency workers into downtown New York, and citizens out of it, during the Sept. 11 crisis, when a large mode of transportation was out of commission. Following the foiled terror plot on an airplane from the United Kingdom to the U.S. in 2006, Amtrak

reported a 26 percent increase in bookings. Passenger rail systems had the potential to carry thousands of people out of harm's way during hurricanes Katrina and Rita. Also, rail is safe in many kinds of weather disasters, when planes and vehicles aren't an option. For example, Amtrak's *Empire Builder* proved a lifeline for North Dakotans during a severe winter storm, when no other mode of transportation could function. When the Midwest has the trainsets envisaged under the MWRRI and the Ohio Hub, our states will be able to make plans to utilize those trains as part of their emergency preparedness plans.

Having laid out some of efficiencies that passenger rail will contribute to our country's transportation system, I would like to talk a bit more about the current condition of passenger rail.

States' role, and the dramatic rise in ridership

Faced with increased highway and air congestion, as well as rising oil prices, many states have developed plans to bring increased passenger rail service to their communities.

Fourteen states now provide direct operating subsidies to Amtrak for increased passenger rail service, including Illinois, Michigan, Missouri and Wisconsin in the Midwest. While ridership on Amtrak's service overall has been growing, the rise in the number of those taking the train on shorter, regional routes – which are mainly state-supported – has been particularly dramatic. In the Midwest, ridership on these shorter routes increased 20 percent overall between FY 2004 and FY 2006.

Illinois has long provided funding to Amtrak for additional service within the state and to St. Louis, Missouri. In 2006, the state doubled its funding of passenger rail service, from $12.1 million to $24.7 million. The state is now the second largest funder of intercity passenger rail service (only California provides more funding to Amtrak to add frequencies above its long-distance service). Last fall, Illinois began providing the increased passenger rail service. Ridership in the first three months (November through January) in those corridors was up 69 percent from the same period in 2005.

Michigan's ongoing funding of passenger rail frequencies – daily roundtrip service between Chicago and Grand Rapids, Pontiac and Port Huron – has been rewarded with strong ridership increases. Over the past two years, ridership on the state-sponsored *Blue Water* route (to-from Port Huron) has risen 31 percent, while ridership on the *Wolverine* (Pontiac) has risen almost 20 percent and the *Pere Marquette* (Grand Rapids), 16 percent.

Ridership on five of the eight Amtrak long-distance routes that travel through the Midwest is growing, too. Two routes showed significant growth between 2004 and 2006: the *Lake Shore Limited* (which originates in Chicago and travels through Illinois,

Indiana and Ohio before going on to Pennsylvania and New York/Boston) and the *Empire Builder* (Chicago through Wisconsin, Minnesota, North Dakota and west to Portland/Seattle) showed ridership gains of 15.7 percent and 13.7 percent, respectively. The only long-distance route which travels through the Midwest that lost ridership significantly between 2004 and 2006 was, understandably, the *City of New Orleans*.

Amtrak and the states have seen all this growth in ridership and service despite the fact that Amtrak has not been reauthorized since 2002, and talk in Congress about our nation's passenger rail system has largely been confined to the annual battle to just keep what we have going. Also, Amtrak has informed us that there are no more trainsets that can be used for additional service.

Recommendations for legislation

As we look to the future of passenger transportation, the development of frequent, more efficient passenger rail service is an important part of the solution that we can no longer afford to overlook. Passenger rail is the most fuel- and emission-efficient means to move people and goods. Intercity passenger rail can also play a very important role in helping to meet growing demand placed on our highway and aviation systems. While states have begun the work, we have anticipated that a federal partnership would be developed similar to other transportation modes, matching state funds with federal.

The states are ready with the plans. People are taking the train like never before. Passenger rail is less expensive to build than other modes of transportation and its efficiencies once built will serve our nation well. In short, there has never been a better time to put together and pass strong legislation that will give our current passenger rail system the stability it needs, and to fund a first-ever mechanism for a federal-state matching program to provide states with the capital they need to implement their plans.

The MIPRC appreciates that you, Congressman Oberstar, and the rest of the T&I committee are taking the time to receive input on passenger rail needs and priorities before you finish drafting legislation. The MIPRC suggests the following ideas be included in your legislation:

1) **Provide passenger rail with a dedicated source of funding similar to other modes of transportation**. Passenger rail needs to be put on the same level as other modes of transportation. Currently, passenger rail receives less than one percent of total transportation funding, and there is no mechanism established for states to be able to make the capital improvements necessary to build the plans we have developed. The MIPRC is looking to you to create legislation that will establish a first-ever mechanism to provide states with the long-term, dedicated matching funding on an 80/20 federal-state basis. While the *level* of funding does not need to be on par with our highway program, it does need to be substantive enough to allow our states to implement their plans. The state capital grants funding program for the states proposed in S. 294 is

welcomed as a first step, but we look to the House legislation to provide more substantive funding.

2) **Reauthorize Amtrak**. The MIPRC supports the provisions in the Passenger Rail Improvement Act (S. 294) to reauthorize Amtrak for six years, while requiring reforms and improvements.

3) **Create (with state and local input) a comprehensive national plan for passenger rail development.** While states have been developing regional plans, a comprehensive plan for systematic, nationwide development of passenger rail as part of a larger, interconnected, multimodal plan would help ensure that all the states' needs are considered and developed.

4) **Help ensure that passenger rail service can run on time.** Across the country, ridership on passenger rail has seen steady, and sometimes phenomenal, growth. But when trains can't run on time due to freight hold-ups, states have a difficult time supporting service, and ridership can be affected. When disruption is severe, ridership growth can stagnate, and even decline – such has been Missouri's experience. Federal law guarantees Amtrak preferential access to freight lines, and the MIPRC would welcome language in the House bill that helps strengthen that guarantee.

5) **Provide incentives for biofuel usage in passenger trains**. Usage of biofuels in intercity passenger trains in other countries, as well as on commuter trains in this country, show that blends up to at least 20 percent biodiesel can be used in passenger trains without any negative affect on the train's engine. Federal help with getting this effort moving would be appreciated.

Thank you again for holding these hearings, and for inviting me to testify. The MIPRC looks forward to working with you to craft and pass legislation this year that will move our nation's passenger rail system into the 21st century.

Sen. Robert N. Jackman, DVM
Chair
Midwest Interstate Passenger Rail Commission
701 E. 22nd St., Ste. 110
Lombard, IL 60148
630.925.1922
www.miprc.org

MIPRC
Midwest Interstate
Passenger Rail
Commission

Testimony on the

Benefits of Intercity Passenger Rail

before the

Subcommittee on Railroads, Pipelines

and

Hazardous Materials

of the

House Committee on Transportation and Infrastructure

By

Will Kempton

Director, California Department of Transportation

Tuesday, June 26, 2007

STATEMENT OF WILL KEMPTON
DIRECTOR,
CALIFORNIA DEPARTMENT OF TRANSPORTATION
(DEPARTMENT)
BEFORE THE
HOUSE TRANSPORTATION AND INFRASTRUCTURE
COMMITTEE, SUBCOMMITTEE ON RAILROADS,
PIPELINES AND HAZARDOUS MATERIALS

JUNE 26, 2007

CHAIRMAN BROWN, RANKING MEMBER SHUSTER AND DISTINGUISHED MEMBERS OF THE COMMITTEE;

MY NAME IS WILL KEMPTON AND I AM THE DIRECTOR OF THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, ALSO KNOWN AS CALTRANS. I WOULD LIKE TO THANK YOU FOR THE INVITATION TO TESTIFY BEFORE YOU TODAY ON THE BENEFITS OF INTERCITY RAIL.

AS THE DIRECTOR OF CALTRANS, I OVERSEE A DEPARTMENT WITH MORE THAN 22,000

EMPLOYEES, A 12 BILLION DOLLAR BUDGET, AND A STATE HIGHWAY SYSTEM OF MORE THAN 50 THOUSAND LANE MILES. CALIFORNIA IS ALSO HOME TO 2 OF THE COUNTRY'S 5 LARGEST TRANSIT SYSTEMS, THE NATION'S 5th BUSIEST COMMERCIAL AIRPORT, AND TWO OF THE NATION'S BUSIEST PORTS. MOST OF THESE STATISTICS ABOUT CALIFORNIA'S TRANSPORTATION SYSTEM ARE PRETTY WELL KNOWN.

A TRANSPORTATION STATISTIC, HOWEVER, THAT DOES NOT SEEM AS WELL KNOWN IS THAT CALIFORNIA IS ALSO HOME TO THE COUNTRY'S 2nd 3rd, AND 5th BUSIEST INTERCITY PASSENGER RAIL CORRIDORS.

CALIFORNIA'S INTERCITY PASSENGER RAIL PROGRAM DATES BACK TO 1976 WHEN THE STATE AGREED TO PROVIDE FINANCIAL SUPPORT FOR AN ADDITIONAL ROUND TRIP OF AMTRAK'S "SAN DIEGAN" SERVICE. SINCE THAT SMALL STEP 30 YEARS AGO, THE STATE HAS DEVELOPED AN

EXTENSIVE INTERCITY RAIL AND FEEDER BUS NETWORK THAT CONNECTS COMMUNITIES IN ALL CORNERS OF THE STATE. LAST YEAR, MORE THAN 5 MILLION PASSENGERS RODE CALIFORNIA'S INTERCITY RAIL NETWORK MAKING THE STATE SECOND ONLY TO NEW YORK IN TERMS OF TOTAL AMTRAK RIDERSHIP. ONE-FIFTH OF ALL AMTRAK RIDERS NOW COME FROM CALIFORNIA'S 3 CORRIDORS:

- THE PACIFIC SURFLINER CORRIDOR PARALLELING CALIFORNIA'S COAST FROM SAN DIEGO THROUGH LOS ANGELES AND NORTH TO SANTA BARBARA AND SAN LUIS OBISPO IS THE NATION'S SECOND BUSIEST INTERCITY RAIL CORRIDOR SERVING APPROXIMATELY 2.7 MILLION PASSENGERS ANNUALLY. ONLY THE NORTHEAST CORRIDOR IS BUSIER.

- THE CAPITOL CORRIDOR CONNECTS AUBURN THROUGH SACRAMENTO AND OAKLAND TO SAN JOSE. AT 1.5 MILLION RIDERS, THIS ROUTE IS

AMTRAK'S THIRD BUSIEST AND ITS FASTEST GROWING. WITH 16 ROUND TRIPS BETWEEN SACRAMENTO AND OAKLAND, THE CAPITOL CORRIDOR HAS THE SAME LEVEL OF FREQUENCY AS THE NEW YORK-BOSTON SEGMENT OF THE NORTHEAST CORRIDOR.

- THE SAN JOAQUIN CORRIDOR CONNECTS THE BAY AREA AND SACRAMENTO WITH THE CITIES OF CALIFORNIA'S CENTRAL VALLEY. IT IS AMTRAK'S FIFTH BUSIEST CORRIDOR SERVING 800,000 PASSENGERS ANNUALLY. THE SAN JOAQUIN ROUTE IS UNIQUE BECAUSE ITS EXTENSIVE FEEDER BUS NETWORK CONNECTS THE TRAIN WITH ALL PARTS OF THE STATE, AND OREGON AND NEVADA, AS WELL.

TOGETHER, THESE 3 ROUTES REDUCED CONGESTION ON THE HIGHWAY SYSTEM BY MORE THAN ONE-HALF BILLION PASSENGER MILES OF TRAVEL.

CALIFORNIA IS ALSO LOOKING AT EXPANDING ITS INTERCITY RAIL NETWORK BY INITIATING SERVICE ALONG THE COAST BETWEEN LOS ANGELES AND THE SAN FRANCISCO BAY AREA, AND EXTENDING OUT TO THE NORTH STATE AND RENO, AND PALM SPRINGS AND THE COACHELLA VALLEY.

IN ADDITION TO HELPING ALLEVIATE HIGHWAY CONGESTION, INTERCITY PASSENGER RAIL PROVIDES ENERGY AND ENVIRONMENTAL BENEFITS.

THE PRESIDENT HAS CALLED FOR A 20 PERCENT REDUCTION IN FUEL CONSUMPTION OVER THE NEXT 5 YEARS. A STRATEGY TO MOVE TOWARDS THAT GOAL ALREADY EXISTS AND IT REQUIRES NEITHER NEW TECHNOLOGIES NOR ALTERNATIVE SOURCES OF ENERGY. INTERCITY PASSENGER RAIL USES NEARLY 20 PERCENT LESS ENERGY ON A PER PASSENGER MILE BASIS THAN AIR TRAVEL AND 15 PERCENT LESS THAN AUTOMOBILES.

IN THE UNITED STATES, MORE THAN 70 PERCENT OF EMISSIONS THAT CONTRIBUTE TO GLOBAL WARMING COME FROM THE TRANSPORTATION SECTOR. INFLUENCING TRAVEL PATTERNS IS ONE OF THE MOST EFFECTIVE WAYS TO INFLUENCE HUMAN ACTIVITY ON CLIMATE CHANGE. HAVING AN EFFECTIVE INTERCITY PASSENGER RAIL NETWORK CAN IMPACT TRAVEL PATTERNS TO REDUCE EMISSIONS.

THE SUPPORT OF CALIFORNIA'S LEGISLATURE AND STATE ADMINISTRATIONS, BOTH DEMOCRATIC AND REPUBLICAN, CONTRIBUTED SIGNIFICANTLY TO THE STATE'S SUCCESSFUL INTERCITY RAIL PROGRAM. AS CRITICAL AS THEIR SUPPORT HAS BEEN, THE MOST IMPORTANT CONTRIBUTION HAS BEEN THE WILLINGNESS OF THE STATE'S VOTERS AND PUBLIC OFFICIALS TO INVEST BOTH OPERATING AND CAPITAL DOLLARS. SINCE 1976, NEARLY 1.8 BILLION STATE DOLLARS HAVE BEEN INVESTED TO BUILD THE SYSTEM—HALF OF THAT SINCE 1990 ALONE. IN ADDITION, ANOTHER 850 MILLION

DOLLARS HAVE ALSO BEEN SPENT SINCE 1976 FOR OPERATING SUPPORT. CALIFORNIA IS POISED TO INVEST AT LEAST ANOTHER 400 MILLION DOLLARS AS PART OF GOVERNOR ARNOLD SCHWARZENGGER'S STRATEGIC GROWTH PLAN AND THE NEARLY 20 BILLION DOLLAR TRANSPORTATION BOND MEASURE PASSED IN NOVEMBER 2006.

ALTHOUGH THESE FUNDS PRIMARILY BENEFIT PASSENGER RAIL, MANY OF THE INVESTMENTS HAVE ALSO BENEFITED THE CLASS ONE RAILROADS OPERATING IN CALIFORNIA WHICH IS VITAL TO BOTH THE STATE'S AND THE NATION'S ECONOMY. IMPROVING THE EFFICIENCY AND INCREASING THE CAPACITY OF THEIR INFRASTRUCTURE, IT HAS ENHANCED THE ABILITY OF THE RAILROADS TO MOVE GOODS TO MARKET AND HAS ALSO HELPED TO REDUCE CONGESTION AND IMPROVE AIR QUALITY BY REMOVING TRUCKS FROM THE HIGHWAYS.

ALTHOUGH CALIFORNIA HAS MADE SIGNIFICANT INVESTMENTS IN ITS INTERCITY PASSENGER RAIL SYSTEM, IT AND OTHER STATES CANNOT CONTINUE TO DO IT ALONE. IF WE ARE SERIOUS ABOUT REDUCING OUR DEPENDENCE ON FOREIGN ENERGY SUPPLIES, ENHANCING THE ENVIRONMENT, IMPROVING THE MOBILITY OF OUR CITIZENS AND STRENGTHENING OUR ECONOMY, A STRONG FEDERAL PARTNER IS NEEDED.

WE THINK THE ACTION OF THE APPROPRIATIONS COMMITTEE PROPOSING 50 MILLION DOLLARS FOR STATE MATCHING GRANTS IN THE AMTRAK BUDGET IS A POSITIVE FIRST STEP. THE NEEDS FOR FUNDING, HOWEVER, IS SIGNIFICANTLY GREATER. IN 2002, AASHTO IDENTIFIED A NEED OF NEARLY 17 BILLION DOLLARS FOR THE NEXT 6 YEARS ALONE—ESSENTIALLY 3 BILLION PER YEAR.

IN CALIFORNIA, THERE IS A BACKLOG OF PROJECTS IN EXCESS OF 600 MILLION DOLLARS. THESE ARE

PROJECTS WHICH COULD BE READY FOR ADVERTISING WITHIN 18 MONTHS.

THIS COMMITTEE IS A UNIQUE POSITION TO CHART THE COURSE OF THAT PARTNERSHIP. AS YOU LOOK AT THE MYRIAD OF ISSUES AFFECTING THE FUTURE OF INTERCITY PASSENGER RAIL IN THE UNITED STATES, THE CALIFORNIA DEPARTMENT OF TRANSPORTATION ENCOURAGES THE COMMITTEE TO GIVE CONSIDERATION TO THE FOLLOWING:

ESTABLISH A CAPITAL MATCHING PROGRAM:

- CREATE A MULTI-YEAR FEDERAL CAPITAL MATCHING GRANT PROGRAM TO ENCOURAGE STATES TO INVEST IN INTERCITY PASSENGER RAIL. THE FEDERAL/STATE RATIO SHOULD BE CONSISTENT WITH OTHER TRANSPORTATION CAPITAL GRANT PROGRAMS.

- THIS NEW GRANT PROGRAM SHOULD NOT COME AT THE EXPENSE OF OTHER PROGRAMS AND

SHOULD BE DEDICATED, STABLE, AND LARGE ENOUGH TO ENCOURAGE STATE INVESTMENT.

- BALANCE CAPITAL GRANT FUNDING BETWEEN REGIONS.

- COUNT PREVIOUS STATE INVESTMENTS MADE WITHIN THE LAST TWO TO FIVE YEARS AS PART OF THE STATE'S MATCH FOR FUTURE CAPITAL FUNDS.

- ESTABLISH A FEDERAL PROGRAM OF INVESTMENT IN JOINT USE (PASSENGER AND FREIGHT) CORRIDORS TO ENHANCE GOODS MOVEMENT OPPORTUNITIES AND LEVERAGE STATE PROGRAMS.

- DO NOT IMPOSE UNREASONABLE PLANNING REQUIREMENTS ON THE PROCESS FOR APPLYING FOR GRANTS

ORGANIZATION AND OPERATING RECOMMENDATIONS:

- STABILIZE AMTRAK BOTH FINANCIALLY AND ORGANIZATIONALLY TO ALLOW STATES TO MORE EFFECTIVELY PLAN AND BUDGET FOR SERVICES.

- DO NOT SHIFT COSTS FROM AMTRAK TO THE STATES WITHOUT A FUNDED FEDERAL/STATE MATCHING PROGRAM.

- TREAT STATES EQUITABLY WHEN ESTABLISHING THE LEVEL OF STATE CONTRIBUTION TO AMTRAK OPERATING COSTS.

- ALLOW STATES TO CONTRACT WITH THE PRIVATE SECTOR FOR ACTIVITIES CURRENTLY PERFORMED BY AMTRAK.

FINALLY:

AND, THIS MAY BE THE THORNIEST ISSUE CONFRONTING THE COMMITTEE--

"INCENTIVIZE" RELIABLE, ON-TIME PERFORMANCE FOR PASSENGER RAIL SERVICES OPERATING OVER THE CLASS I RAILROADS BY REQUIRING THAT PUBLIC DOLLARS INVESTED IN CAPACITY OF THE PRIVATE RAILROADS, BE PRESERVED FOR THE PUBLIC'S BENEFIT.

CLOSING:

THAT CONCLUDES MY PREPARED REMARKS, I'LL BE HAPPY TO TAKE ANY QUESTIONS.

TESTIMONY FOR THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS
JUNE 26, 2007
ILLINOIS STATE REPRESENTATIVE ELAINE NEKRITZ

Chairwoman Brown, members of the Rail Subcommittee of the House Transportation & Infrastructure Committee, I am Illinois State Representative Elaine Nekritz. In my role as the Chair of the newly created Illinois House Rail Committee and as a Commissioner from Illinois to the Midwest Interstate Passenger Rail Commission, I am honored to share with you Illinois' exciting news about passenger rail, as well as a little bit about the challenges we face, and our vision for the future of passenger rail, both in Illinois and throughout the Midwest region.

Illinois' Investment in Passenger Rail

For many years, the State of Illinois has made an investment in passenger rail by purchasing Amtrak service along four corridors. The schedule, however, was inconvenient and did not necessarily allow for easy round trip travel between Chicago and downstate communities. Despite these difficulties, Illinois saw a 40% increase in ridership between 2003 and 2006.

Responding to this demand, Governor Blagojevich and the Illinois General Assembly committed an additional $12 million, for a total of $24 million, to state sponsored Amtrak service last year. Starting on October 30, 2006, we purchased one additional daily round trip on both the Chicago to Carbondale and Chicago to Quincy corridors and two additional round trips on the federally designated high speed rail corridor between Chicago and St. Louis.

When the new service was announced, it was widely applauded by the media, local elected officials and citizens all across the state. But no one could have anticipated the response from riders. In the first six months of the service, ridership is up dramatically – from 60% on the Chicago/Quincy line to over 100% on the Chicago/St. Louis line.

And these numbers continue month after month despite problems with on time performance and equipment break downs.

These results clearly demonstrate the significant pent up demand for passenger rail service in Illinois and the Midwest.

Obstacles to Providing New Passenger Rail Service

Providing this new service is only the beginning for Illinois. In order to continue the service, and to have any chance at building on our success, we must overcome some hurdles.

The first is the lack of trainsets. With the new service, Illinois has used up all of Amtrak's remaining inventory of locomotives and cars. Thus, when there are breakdowns, we experience delays. When trains are sold out – which happens more often than we could have anticipated – there are no cars to add to accommodate additional passengers. And we clearly cannot provide any new service until this problem is resolved.

Our second hurdle is the infrastructure on the host rail lines – both the quality of maintenance and conflicts with freight traffic. The Union Pacific line between Chicago and Springfield has nearly 20 slow orders that require Amtrak to run at reduced speeds, sometimes no more than 10 miles per hour. The conditions and lack of adequate sidings on all the lines prevents passenger and freight trains from passing each other in an orderly fashion. All these issues add to delays and impact on time performance.

Third, while Illinois has upgraded a portion of track on the Chicago/St. Louis line to accommodate trains at 110 mph, more needs to be done to make passenger rail run fast enough to truly be a viable alternative for both business and leisure travel.

Fourth, we need to expand beyond existing routes and connect to cities such as Rockford, the Quad Cities, Decatur, Peoria and Galena. The Mayors of these communities have already expressed strong interest in pursuing new train service and the Illinois Department of Transportation is actively engaged in studies to determine the viability of such service.

Federal Investment in Passenger Rail

To be truly successful, the State of Illinois needs partners. We already have a partner in Amtrak and the freight railroads. We are hopeful that the federal government will also join us as a partner.

I applaud Congress for continuing to provide funding for Amtrak. This year, Amtrak has requested $1.55 billion for operations and the Senate has proposed $1.78 billion. I would encourage the House to join the Senate in supporting Amtrak at the higher level.

In addition to reauthorizing funding for Amtrak, a federal matching program similar to that provided for other modes of transportation would give states the boost they need to meet the demand for passenger rail service. An 80/20 match could provide the incentive for Illinois, for example, to purchase or lease additional trainsets, invest in the rail

infrastructure, upgrade for higher speeds and meet the demand for service to additional cities.

Let me give you just one other example of how passenger rail could benefit from a matching program. Freight traffic in the Chicago region is predicted to increase by 60 to 70% by 2020. While the freight railroads are making capital investments that will allow them to carry additional traffic, that investment does not necessarily benefit passenger rail. Those dollars must come from the public sector but Illinois alone cannot carry that burden.

A matching program would also put us much closer to realizing the vision of the Midwest Regional Rail Initiative to connect the entire Midwest region with high quality passenger rail. The benefits of such service will extend beyond enhanced travel options – as I am sure you will hear today.

Finally, federal support is critical for the Chicago Region Environmental and Transportation Efficiency Project, otherwise known as CREATE. As you are well aware, CREATE was designated a "project of national significance" in the recent transportation reauthorization legislation, SAFETEA-LU. While CREATE is vital for improving the transport of freight across our nation, it also provides benefits to passenger rail. I am working with my colleagues in the General Assembly to include as much as $500 million for CREATE in any capital program authorized by the State. But without support from the federal government, this project cannot provide the full benefits that are so desperately needed.

Again, thank you for this opportunity. The State of Illinois is committed to improving our passenger rail service and it can be even better for my state and the entire region with the involvement of the federal government.

State Representative Elaine Nekritz
Chair, Illinois House Rail Safety Committee
24 South River Road, Suite 200
Des Plaines, Illinois 60016
(847) 257-0450
enekritz@repnekritz.org

Testimony of the American Passenger Rail Coalition
Presented by Harriet Parcells
Before the Subcommittee on Railroads, Pipelines and Hazardous Materials
Transportation and Infrastructure Committee
on the Benefits of Intercity Passenger Rail
U.S. House of Representatives June 26, 2007

Chairwoman Brown and members of the Subcommittee on Railroads, Pipelines and Hazardous Materials, thank you for the opportunity to testify today on the benefits that investments in intercity passenger rail provide for the nation. My name is Harriet Parcells and I am the Executive Director of the American Passenger Rail Coalition (APRC), a national association of railroad suppliers and businesses.

Our nation's passenger railroad, Amtrak, is a success story. Ridership has steadily increased for the past four years and is up again five percent in the current fiscal year over the same period last year. Amtrak management has reduced operating costs and management and workers together have maintained an outstanding safety record. These accomplishments are particularly noteworthy given that Amtrak has been granted barely enough funding to meet its capital and operating needs each year for many years.

By failing to provide the funding our nation's passenger railroad needs to make investments that would greatly enhance passenger service, especially in congested metropolitan corridors, the U.S. is missing out on enormous economic, social and environmental savings. These savings would make the country more productive and competitive in the global marketplace. Results of a study for the World Bank show that cities with significant sustainable transportation systems are the least costly in terms of a range of parameters including the amount of funds spent on roads, transit operating cost recovery, road accidents, air pollution and, overall, the percent of city wealth that

1629 K Street NW, Suite 300 Washington D.C. 20006 tel: 202-349-5862

goes into transportation. The data show that the most rail-oriented cities have the lowest transportation costs and the cities with the most roads have the highest costs. The study found that the single most important variable relating to transportation efficiency is the density of the city—the most sprawling cities are the most costly. Thus, strategies to contain sprawl, reurbanize, build new light rail systems into auto dependent suburbs with focused subcenters and to facilitate biking and walking all appear to add to the economy of a city.[1] Investments in intercity passenger rail routes that efficiently connect cities to one another and refocus development back into urban downtowns are an integral part of building more sustainable cities.

The costs of continuing to shortchange passenger rail are mounting.

Highway and Airport Congestion Relief:

Highway congestion drains $63 billion annually from the economy in wasted time and fuel. A total of 2.3 billion gallons of gasoline are wasted every year in cars sitting on congested roadways.[2] Investments in passenger rail benefit not only those riding the trains but, drivers on the highways or traveling by air by diverting substantial numbers of trips from crowded roads and airways. Over 12 million passengers annually ride Amtrak trains on the Northeast Corridor. Without this vital transportation service, the Northeast region's productivity would suffer and the cost to expand runways and highways—where this is even a practical option—would be far greater than the cost of the rail investments.

Investments to improve rail service in other corridors of the nation will also return large benefits. Studies for the nine state Midwest Regional Rail Initiative (MWRRI) estimate that nearly 5.1 million highway trips and 1.3 million air trips will be diverted by the improved regional passenger rail network.[3] Rail travel time between Chicago

and the Twin Cities would drop from the current eight hours to less than six and travel between Chicago and Detroit would drop from six hours to less than four. States in the Southeast are looking to improved passenger rail service to help the region accommodate the tremendous population growth that will occur over the next several decades, which will overwhelm the existing transportation infrastructure. The population of Florida is projected to increase by over 200% over the next 40 years; North Carolina and South Carolina by 71% and 62%, respectively; Georgia by 100% and Virginia by 76%. Business and government leaders throughout the region see improved passenger rail service as a cost-effective way for the region to remain productive and competitive.[4]

Economic Benefits

Public investments in intercity passenger rail reduce trip travel times and create new connections between cities that open up new business opportunities and generate jobs, higher household incomes and tax revenues and increased property values. Investments in intercity passenger rail focus development back into urban areas and encourage more efficient, compact development patterns that are more sustainable and less costly than auto-dependent sprawl development. Investments in rail will also bring a renaissance in the U.S. railroad supply industry which will result in new jobs and tax revenues for cities and states across the country. The U.S. railroad supply industry currently contributes $20 billion to the economy and provides over 150,000 jobs.

Evaluations of the Midwest Regional Rail Initiative estimate that the improved rail network (with trains operating at top speeds of 110 mph, increased frequencies, improved connections and new equipment) will generate nearly 58,000 long-term jobs in the nine state region and increase the region's income by over $1 billion per year over the life of the project. The rail network will create significant opportunities for public-private development partnerships, estimated at around $5 billion, with half of this coming from the private sector.[5] Studies by North Carolina of the high-speed rail

corridor for the Southeast region show that the regional rail network will generate $700 million in new tax revenues and 19,000 new jobs from enhanced economic development in North Carolina alone. The economic benefits for the entire region would be substantially greater.[6]

Investments in improved passenger rail service also bring needed economic renewal to rural communities. The *Downeaster Service* that operates between Boston and Portland, Maine has carried over 1.5 million riders since its inception in December 2001 and is consistently ranked by Amtrak riders as one of the best routes in the nation in customer service. The *Downeaster* has generated over $15 million in economic benefits from rail passengers who spend money on hotels, food, recreation and other needs. The service is generating returns of $6-11 for every dollar invested. The economic benefits continue to pump benefits into the regional economy. In the coastal community of Orchard Beach, Maine, the rail service has stimulated construction of 27 new condominiums in walking distance of the station, redevelopment of the pier, construction of an upscale "Grand Victorian" condominium/hotel complex, modeled on the turn of the century hotel that burned down, and conversion of a parking area next to the station into a landscaped city park. Study of an extension of the passenger rail service to Brunswick is generating development around the planned stations in cities along the route. An $80 million commercial/retail development is being planned in Freeport that will link the train station with the L.L. Bean manufacturing site.

Montana published an analysis of the economic benefits that Amtrak's Empire Builder service brings to the state. The study found that the service is "an essential transportation service for which there is, by and large in most parts of the Montana communities served, no reasonable alternative;" that direct spending by visitors arriving by Amtrak in Montana and spending by Amtrak itself to procure goods and services

totals between $5.3-5.7 million annually and that the benefits associated with using the Empire Builder service (money saved, lower accident probability, reduced highway maintenance, etc) total at least $7.6 million annually.[7]

Development Potential at Train Stations:

Train stations offer the potential for considerable joint development in public-private partnerships. The train stations can serve as critical development nodes that attract commercial, retail and residential development in the surrounding area, bringing jobs, tax revenues and other benefits to cities. Moreover, by converting the stations into multi-modal transportation hubs that bring together intercity trains, rail and bus transit, intercity buses and local taxis, the stations facilitate transfers between modes and make it more attractive for people to use all forms of public transportation.

Using federal funds first made available through ISTEA, and subsequently through TEA-21 and TEA-LU, more than 155 communities around the country have restored their historic train stations. The federal funds have leveraged state, local and private dollars and resulted in economic revitalization of the stations and the downtown areas around them. Restoration of Union Station in Washington D.C. and its conversion into a multi-modal transportation center, anchored substantial economic development around the station. The restaurants, shops, movies and other attractions within the station have made it one of the region's most visited destination points.

Energy Benefits

The transportation sector of the economy accounts for about two-thirds of the petroleum used in the United States. U.S. dependence on imported oil has grown to 66 percent of daily supply (13.7 million barrels per day). While other sectors of the economy have greatly reduced their dependence on petroleum (through efficiency and

substitution of other forms of energy), the transportation sector has room for substantial improvement. The amount of petroleum used by the transportation sector each year is nearly equal to the country's total daily petroleum imports. This heavy reliance on foreign oil drains vast sums of money out of the country. In 2006, the U.S. spent $300 billion for oil imports, triple the $102 billion spent just five years ago.

Table 1

U.S. Payments for Petroleum Imports[8]
(millions $)

Year	Exports	Imports	Balance	Total trade deficit	Oil Import $ as % of the trade deficit
1990	$ 6,901	$ 61,583	-$ 54,682	- $102,496	60%
2000	$10,192	$119,251	-$109,059	- $436,104	27%
2002	$ 8,569	$102,663	-$ 94,094	- $468,263	22%
2004	$13,130	$179,266	-$166,136	- $650,930	28%
2006	**$28,131**	**$300,066**	**-$271,885**	**-$818,002**	**37%**

The heavy U.S. dependence on oil imports sends billions of dollars overseas that could be invested here at home to improve the economy and quality of life and it undermines U.S. national security. Increased investments in intercity passenger rail are part of the solution toward building a more sustainable, energy-efficient transportation network. If U.S. cut its oil import dependence enough to save just 1.25% of the $300,066 spent on oil imports last year, it would fund the entire Midwest Regional Rail Initiative.

Travel by intercity passenger rail is highly energy-efficient compared to travel by automobile or commercial airline. Gasoline prices of $3.17 (or more) per gallon are up 26 percent since last year.[9] Consumers are feeling the economic pinch. If fast, attractive intercity passenger rail service was offered in key metropolitan corridors, many more citizens would leave their cars behind and try rail. Consider the recent

experience in Illinois. Last year, in its FY 2007 budget, Illinois doubled its commitment to Amtrak rail service in the state and added several daily frequencies on trains between Chicago and Quincy, Carbondale and St. Louis. The results? Between November and May of this year, ridership on the Chicago-Qunicy route is up 45%, the Chicago-Carbondale route is up 72% and the Chicago-St. Louis route is up 107%. These are not high-speed trains. The results for a high-speed, interconnected regional network with new equipment would generate far greater ridership gains and other benefits.

TABLE 2
Energy Efficiency of Passenger Modes of Travel [10]

Mode of Travel	Btu's per passenger mile
Amtrak	2,935
Commuter rail	2,751
Rail transit (LRT, subway)	3,228
Airline (commercial)	3,587
Automobile	3,549

Air Quality and Global Warming

Global warming is a threat to the health of the entire planet. The U.S. accounts for nearly one-quarter (23%) of the world's carbon dioxide emissions, the major global greenhouse gas. And, nearly half of U.S. carbon emissions are from oil use, with transportation the major consumer. Within transportation, motor fuel consumed by the country's fleet of cars and trucks, has been responsible for about 60% of U.S. carbon dioxide emissions over the last twenty years. Countries throughout the world have made, and continue to make, substantial investments in passenger rail because they understand that rail emits far lower levels of emissions than auto and air travel and will make their economies more productive and competitive in the global marketplace.

TABLE 3

Global Greenhouse Emissions by Transport Mode [11]

Transport Mode	CO		NO_x		VOC	
	Millon Short Tons	%	Million Short Tons	%	Million Short Tons	%
Highway Vehicles	62.2	55.5%	7.37	34.9%	4.54	27.5%
Aircraft	.3	.2%	.08	.4%	.02	.1%
Railroads	.1	.1%	.89	4.2%	.03	.2%
Vessels	.1	.1%	1.01	4.8%	. 03	.2%
Other off-road	23.8	20.0%	2.11	10.0%	2.61	15.8%
vehicles	86.6	77.3%	11.45	54.3%	7.23	43.7%

Within rail, there are opportunities to obtain greater energy-efficiencies. For example, General Electric, a member of the APRC Board of Directors, is introducing new technologies to improve the efficiency of its locomotives. GE has developed a new Evolution Hybrid locomotive that has the ability to reduce fuel consumption by 10 percent compared to the existing Evolution locomotive. This, in turn, reduces emissions of carbon dioxide, NOx and particulates a similar amount. The hybrid locomotive stores some of the energy generated during braking in a series of specially designed lead-free batteries. When needed, the batteries supply the locomotive with extra power that can be used to reduce fuel consumption and emissions. A second technology optimizes fuel efficiency by managing the speed and throttle settings to minimize fuel consumption without adverse impact on the train's arrival time.

Policy Recommendations

As the Transportation and Infrastructure Committee develops its intercity passenger rail reauthorization legislation, APRC urges you to:

1. Provide strong capital and operating funding for Amtrak, including funding to bring the Northeast Corridor to a state of good repair;

2. Establish a federal-state partnership for capital investments in rail corridors. Other modes of transportation such as highways and transit have long benefited from a federal-state partnership but rail has been neglected. When a city or state is considering ways to solve congestion problems, the fact that a highway investment will bring a 90% federal match whereas rail, even if it is the better solution, will bring no federal dollars, biases decision-making against the rail choice. A federal-state partnership for intercity passenger rail will help change that and provide greater incentives for states and cities to invest in intercity passenger rail.

3. APRC would like to see the Committee bill include a provision create a Next Generation Corridor Train Equipment Pool under which FRA, Amtrak and states would work together to develop specifications for procurement standards for next generation rail corridor equipment. S. 294, the Senate intercity passenger rail reauthorization bill Includes such a provision.

4. Although tax measures are outside the jurisdiction of the Committee, we urge you to work with members of the Ways and Means Committee to develop creative ways to finance the substantial capital investments that are needed to achieve a new level of U.S. intercity passenger rail service. Sufficient funding is not available through the annual appropriations process. APRC supports proposals have been put forth in past years to finance rail capital investments through tax credit or tax-exempt bonds. Years ago, there was also discussion of a "penny for rail." Each penny generates over $1 billion annually that could be used for investments in intercity passenger rail. Gasoline prices have jumped 26% since last year but none of the gain is captured for public benefit. It may be time to reexamine to consider directing a small amount of the increased gasoline costs, which presently go to the oil industry, to investments to develop high quality intercity passenger rail in the U.S.

Footnotes

1. Peter Newman, "Sustainable Transportation and Global Cities," Institute for Sustainability and Technology Policy, Murdoch University, Australia.
2. Texas Transportation Institute, 2005 Urban Mobility Report.
3. Midwest Regional Rail Initiative, updated November 2006.
4. Southeast Economic Alliance, Southeast High Speed Rail: Building 21st Century Transportation Infrastructure.
5. Midwest Regional Rail Initiative, op. cit.
6. Southeast High Speed Rail, op. cit.
7. R.L. Banks & Associates for Montana Department of Transportation, Analysis of the Economic Benefits of the Amtrak Empire Builder Service to Montana.
8. Petroleum Monthly Review, May 2007, U.S. Department of Energy, Energy Information Agency.
9. U.S. Department of Energy, Energy Information Agency, web site.
10. Oak Ridge National Laboratory, Transportation Energy Data Book, Volume 25, Table 2.12
11. Transportation Energy Data Book, Table 12.1, op. cit.

Testimony of

Colin F. Peppard

Transportation Policy Coordinator,
Friends of the Earth, U.S.

Submitted to the
United States House of Representatives
Committee on Transportation and Infrastructure

on

The Role of Intercity Passenger Rail in Reducing Greenhouse Gas Emissions

Tuesday, June 26, 2007

Introduction

Good morning. Chairwoman Brown and Ranking Member Shuster, thank you for the opportunity to appear today before the Railroads, Pipelines, and Hazardous Materials Subcommittee of the House Transportation and Infrastructure Committee to discuss the benefits of passenger rail, and its role in addressing global warming. My name is Colin Peppard and I am the Transportation Policy Coordinator for Friend of the Earth. Friends of the Earth is a national advocacy organization in the United States founded in 1969 and the U.S. arm of Friends of the Earth International, the world's largest environmental federation, with groups in more than 70 countries worldwide.

Global Warming and Transportation

The transportation sector in the United States is a significant consumer of energy and an enormous source of global warming pollution. Currently, nearly one-third of total U.S. carbon dioxide (CO_2) emissions, the primary cause of global warning, originate from our transportation sector[1]. Cars, trucks and other "on-road" vehicles account for approximately 80 percent of all transportation-based CO_2[2]. While efforts to increase vehicle efficiency and develop low-carbon alternative fuels will help reduce these numbers, these policies only take us part of the way to the CO_2 reductions necessary to stabilize our climate.

Unfortunately, U.S. transportation policy overwhelmingly favors highway and road projects over low-carbon, non-highway alternatives such as passenger rail and transit. As a result, the total number of miles Americans drive each year is forecast to increase 50 and 60 percent by 2025[3]. At this rate, even if Congress adopted the strict clean cars standards that have been proposed in California, estimates show that transportation-sector CO_2 emissions would still increase nearly 18 percent over that time period[4].

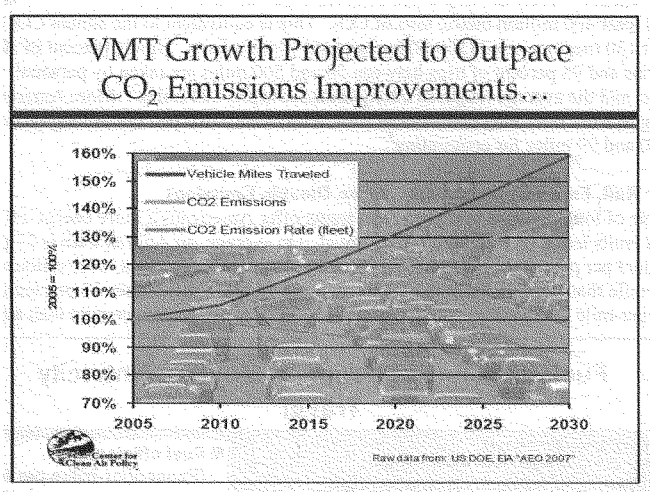
To meaningfully address global warming, we must provide Americans with low-carbon, energy-efficient transportation alternatives that can help them reduce the amount they drive each day. Several recent trends indicate that Americans are demanding such alternatives to automobiles, and will change their transportation choices when both incentives and sound alternatives exist. In 2005, amidst rising gas prices, both Amtrak and numerous transit systems around the country experienced record levels of ridership. That same year, Americans drove less per capita for the first time in twenty-five years. The following year, in 2006, U.S. voters approved 70 percent of local referenda to fund transit services, and states dedicated significant amounts of new money to passenger rail service[5].

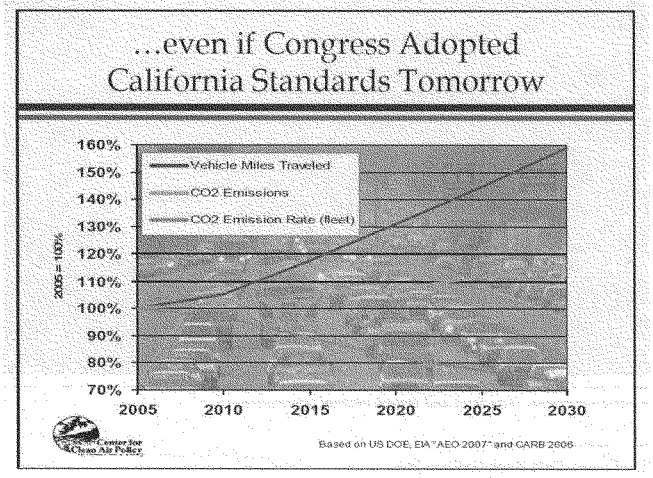
Congress should encourage these trends on a broader scale. By promoting efficient alternatives to the automobile and other strategies, we can address transportation-based CO_2 emissions, as well as a host of other problems including air and water pollution, oil consumption, and poor land use. At the local level, this means developing transit systems such as light rail, commuter rail, and rapid bus service. For longer-distance intercity travel, especially for trips between 50

---

[1] Energy Information Agency
[2] Transportation Energy Data Book (Edition 26)
[3] Polzin, Steven E., Ph.D. Center for Urban Transportation Research. 2006
[4] Winkleman, Steven. Center for Clean Air Policy. 2006
[5] Center for Transportation Excellence. 2006.

and 500 miles, passenger rail, such as the service provided by Amtrak and several state transportation departments, is an energy-efficient option that can help reduce the CO_2 emissions of long-distance travel.

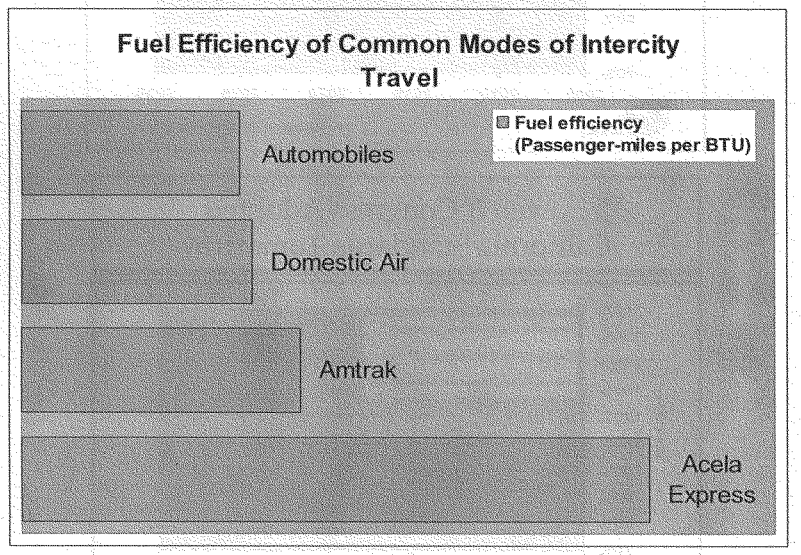




Graphs courtesy Center for Clean Air Policy

Long-Distance Travel in the U.S.
In 2001 (the most recent year for which complete data is available), Americans took about 2.6 billion long-distance trips (defined as intercity trips of more that 50 miles one way) totaling over 1.1 trillion miles[6]. Ninety-seven percent of those trips were taken by airplane or automobile, emitting at least 400 million metric tons of CO_2. This is equivalent to the annual CO_2 emissions from about 130 medium-sized (300-500 megawatt) power plants. Ninety percent of all long-distance trips and 95 percent of trips between 50 and 500 miles are taken by personal automobile, and the average length of a long-distance trip is 194 miles[7]. More Americans are commuting to work over long distances as well, with twenty-two percent of long-distance trips between 50 and 99 miles for commuting[8].

Passenger Rail, Fuel Efficiency, and Carbon Dioxide Emissions
For this type of long-distance trip, passenger trains offer Americans a more energy-efficient option that emits less CO_2 than automobile travel. On average, an Amtrak train is 27 percent more efficient per passenger-mile than automobile travel, and 20 percent more efficient per passenger-mile than domestic airline travel[9]. In other words, Amtrak uses 17 percent less energy per passenger-mile than airlines and 21 percent less energy per passenger-mile than autos.



Source: Transportation Energy Data Book and Amtrak internal information.

[6] Transportation Energy Data Book (Edition 26)
[7] U.S. Bureau of Transportation Statistics: National Household Travel Survey, 2001.
[8] U.S. Bureau of Transportation Statistics: National Household Travel Survey, 2001-2002.
[9] Transportation Energy Data Book (Edition 26)

The efficiency of a transportation mode is directly related to its CO_2 emissions, meaning that a passenger train emits at least one fifth of the CO_2 per passenger mile than air travel and a quarter of the CO_2 per passenger mile than automobile travel. Driven by electricity produced at large-scale, centralized power plants, electrified trains such as Amtrak's Acela express are even more efficient, further cutting CO_2 emissions. Though no government data exists to measure the efficiency of electrified trains, technical specifications for the Acela trainsets show that these trains are more than twice as efficient as traditional Amtrak trains. As renewable energy become a large part of the electricity mix in the U.S., and as more standards requiring its development are put in place, the CO_2 caused by electrified passenger trains will continue to fall. Further, Acela Express and other electric locomotives have begun using regenerative braking systems, which return electricity back to the electric grid. This has enabled Amtrak to reduce energy consumption -- and CO_2 emissions -- by eight percent[10]. Finally, if and when carbon capture and sequestration technologies become commercially viable, it is easier to control emissions from a large stationary power plant than from many small mobile sources.

Passenger rail travel offers additional benefits that are difficult to capture in statistical data. Rail often stimulates development at and around stations that is higher in density than traditional development, with a mix of residential and commercial land use. Stations are also frequently connected to other forms of mass transportation which are also more efficient that automobiles. This style of development encourages walking, cycling, and transit use, all of which further reduce CO_2 emissions from the transportation sector.

In practice, Amtrak's energy efficiency has a substantial positive impact on CO_2 emissions per passenger-mile. In 2005, Amtrak carried more than 5.2 billion passenger-miles, putting out approximately 670 thousand metric tons of CO_2. Had these miles been logged in airplanes or automobiles, CO_2 emissions would have been four to five times greater, amounting to approximately 3 million metric tons.

Potential of Passenger Rail to Reduce Carbon Dioxide Emissions

Energy-efficient, high speed passenger trains move passengers swiftly and safely between cities around the world. Passenger rail networks abroad are far more developed than in the U.S. however, and offer travelers a competitive transportation option, especially for trips in the range of 50-500 miles. We can see the potential for the use of passenger trains in the U.S along rail routes such as the Northeast corridor, between Boston and Washington, D.C. High speeds and frequent trains make this corridor highly competitive with both highway and air travel options between these cities. The result is that the Northeast Corridor accounts for the majority of Amtrak use, even though it represents only a small percentage of Amtrak's total route system.

One useful way of looking at the potential of passenger rail to reduce CO_2 emissions in the transportation sector is to estimate the equivalent number of cars the average Amtrak train takes off the road, based on CO_2 emissions. A full Amtrak train carrying 400 or more passengers removes the CO_2 equivalent of 250-350 cars from the road.

[10] Amtrak 2006 energy use data

The Potential of Biofuels to Further Reduce Emissions
Amtrak currently uses more than 66.6 million gallons of diesel fuel each year[11]. Although passenger trains use energy more efficiently than other forms of transportation, Amtrak's diesel fuel consumption still emits more than 1.3 million metric tons of greenhouse gases each year. Utilizing clean, renewable, sustainably-produced fuels such as biodiesel will improve the environmental performance of passenger rail in the U.S. Biodiesel can reduce carbon dioxide emissions by as much as 78 percent over petroleum diesel[12]. A ten percent blend of biodiesel and conventional petroleum diesel would therefore reduce CO_2 emissions from passenger rail travel by an additional 7.8 percent. With trains running on 10% biodiesel, running a full Amtrak train would be equivalent to taking 450-600 cars off the road. And unlike other biofuels, biodiesel use in locomotives requires no expensive modifications, and generally works with few modifications at all. In tests by the National Renewable Energy Laboratory, no operational problems were encountered using biodiesel in passenger locomotives[13].

In fact, rail service providers in the U.S. and around the world are currently using biodiesel in passenger locomotives. In 2003, a Brazilian rail company decided to run its 580 trains on 20 percent biodiesel, and in May 2006, Britain's Virgin rail service announced plans to run 78 trains on 15 percent biodiesel. In the U.S., three month experiment conducted by Tri-County Commuter Rail Authority in Florida found that it was possible to run locomotives on 100 percent biodiesel, and New Mexico's Rail Runner Commuter Rail currently operates on a 20 percent blend of biodiesel. Unfortunately, unless changes are made, the use of biofuels often voids the manufacturers' warranty on the engine, creating a barrier to their use.

The Future of Passenger Rail as a Strategy to Fight Global Warming
Amtrak and passenger rail service in the U.S. currently provides an intercity transportation option that is more efficient than most other forms of long-distance travel. While all passenger rail travel compares favorably to auto and air travel, corridor trains that run along 50-500 mile intercity corridors offer the most potential. Corridor trains regularly carry far more passengers, and they hold the greatest potential for ridership growth via new, faster, better, and/or more frequent service. This is where most of the potential for CO_2 benefits exist, since the car trips this service would replace are more frequent by nature (commuting, business travel, regular long distance travel), and the short air trips this service would replace are the most fuel inefficient (most of the energy consumption in air travel occurs during take off). These corridors also have the greatest potential for electrification and low-carbon biofuel use.

Unfortunately, for many Americans, passenger rail service in the U.S. is not currently a viable option. Amtrak's service is unreliable along many routes, due to conflicts with freight companies. Frequency of service is insubstantial in many places; some stations are only serviced once or twice a day, sometimes in the middle of the night. Many areas of the country lack rail service altogether. However, the success of other rail systems around the world show us that if a good product is offered, ridership will be high, and mobility will be increased. To accomplish this, investments must be made to improve service frequencies, increase speeds, expand service

[11] Transportation and Energy Data Book (Volume 26)
[12] National Biodiesel Board
[13] NREL Evaluation of Biodiesel Fuel in an EMD GP38-2 Locomotive

areas, and refurbish stations. With strong state and federal support, we can develop a robust system of high-speed, energy-efficient intercity passenger rail service that can reduce CO_2 emissions, helping us to meet the challenge posed by global warming.

Thank you again for the opportunity to testify, and I look forward to answering any questions the subcommittee may have.

CEO COUNCIL
FOR GROWTH℠ 200 S. Broad Street, Suite 700 Philadelphia, PA 19102-3896 | 215-790-3777 | 215-790-3720 | selectgreaterphiladelphia.com

Testimony of Gov. Mark Schweiker

Chairman of the CEO Council for Growth and

President and CEO of the Greater Philadelphia Chamber of Commerce

Before the Subcommittee on Railroads, Pipelines and Hazardous Materials

Committee on Transportation and Infrastructure

United States House of Representatives

June 26, 2007

Thank you Madam Chair and Representative Shuster for inviting me to testify before you today on behalf of the business community. For the record, I am Mark Schweiker, President and CEO of the Greater Philadelphia Chamber of Commerce, which is the premier advocate of the region's business community, representing 5,000 companies and organizations in 11 counties across three states – Southeastern Pennsylvania, Southern New Jersey, and Delaware.

I am here today in my role as Chairman of the CEO Council for Growth, which is a group of prominent business executives committed to Greater Philadelphia's growth and prosperity and an affiliate of the Chamber. The CEO Council's mission is to help transform the Greater Philadelphia region into one of the nation's top business locations. Today I am here to discuss why an enhanced federal commitment to Amtrak's Northeast Corridor is central to the future economic growth of our region.

I will limit my comments specifically to the region from Wilmington, Delaware to Trenton, New Jersey as this is the footprint that my organization serves and the region of which I am most familiar. As a matter of fact, we are the only region in the country with three big Amtrak stations: Trenton, Philadelphia, and Wilmington. I will say more on this in a moment.

First let me say, the Greater Philadelphia region is blessed with a rich array of transportation assets. There are three major transportation gateways into our tri-state region: Philadelphia International Airport, three Amtrak stations, and I-95. Each of these gateways is faced with both capacity and infrastructure challenges.

Philadelphia International Airport (PHL) is the second fastest growing airport in the world (second only to Beijing) and the fastest growing airport in the country when ranked by investment and square feet. PHL is now one of the top 15 airports in the country for passengers and ninth in flight operations. While demand for more service continues to grow, capacity at PHL is constrained both in the air and on the ground. We are hoping that the airspace redesign proposed by the FAA will help to reduce the consistent delays airport travelers too frequently experience, while a runway expansion may add some new capacity. Both projects are vital for the region's economic growth.

I-95 is a central component of the mobility options along the Northeast corridor. Unfortunately, it is also congested and at times more resembles a parking lot than an interstate highway. In a region that is relatively mature and highly developed, opportunities to expand I-95's capacity are limited and we will struggle to maintain a reasonable traffic flow as the region's population continues to grow.

Finally, Greater Philadelphia has three of the busiest Amtrak stations in the country—Philadelphia, Wilmington and Trenton. Over 3.5 million Amtrak passengers used 30th Street Station in 2006, with the top destination being New York City, followed by Washington, DC. The top two destinations from both Trenton and Wilmington were New York City and Washington, DC as well.

When it comes to attracting new businesses and a highly skilled workforce, our region's easy access by train to the nation's financial capital in New York and its political capital in Washington is one of our primary competitive advantages. We have several strong and growing industry clusters, including the pharmaceutical industry, chemicals and IT that continues to attract foreign companies who want to establish a US headquarters; our close proximity to both New York and Washington, along with our relatively low commercial and residential real estate costs, is a major part of our region's value proposition.

One example of how attractive the location between New York City and Washington, DC can be for a company is the development of the Cira Centre, which was at the time of completion last year the first high-rise office building built outside of Center City Philadelphia in 12 years. Comprised of over 700,000 square feet, the Cira Centre is located literally adjacent to 30th Street Station. It has 22 tenants who collectively occupy 100% of the building. The location -- connected by an enclosed walkway to an Amtrak station -- allowed the building to attract major tenants from outside Pennsylvania, including McKinsey & Co, BlackRock, and Brandywine Global Investments, whose employees travel for business on Amtrak's Northeast Corridor. This project has been so successful that discussions have begun about the possibility of developing a second building next to the Cira Centre.

The Greater Philadelphia region would not be as competitive without Amtrak's intercity service and we cannot meet our future goals for economic growth without continued and improved Amtrak service. Let me add that the quality of Amtrak's infrastructure is critical for the operation of our regional transit systems, with 50 percent of SEPTA commuter trains and 60 percent of New Jersey Transit trains dependent on Amtrak's tracks and signal systems.

In 2004, the CEO Council for Growth conducted a Journey-to-Work Economic Analysis to explore regional interconnectedness by examining the commuting patterns of workers in the Greater Philadelphia tri-state region of Pennsylvania, New Jersey and Delaware.

Using data from the 1990 and 2000 Census, the study showed that about 8 percent or nearly 211,000 daily business commutes in 2000 were interstate. And 32 percent or nearly 818,000 daily business commutes in 2000 were intercounty (of which interstate is a component). Of note, the study indicated a significant increase in commuting between Pennsylvania and Delaware between 1990 and 2000. Clearly, mobility options such as those afforded by intercity commuter and Amtrak trains are central components to the economic success of this region.

While I have focused my comments on Amtrak service as the economic spine of the Greater Philadelphia region, it is vital to the entire Northeast. Interstate I-95 is congested from Boston to Washington and four of the five airports with the most delays nationally are in the New York-New Jersey-Philadelphia region, with Boston's Logan Airport close behind. Intercity rail is a vital transportation alternative and for the Northeast to be successful in the future, Amtrak must play an even bigger role in our transportation network.

The Regional Plan Association in New York has estimated that the Northeast megaregion will grow from 49 million people today to nearly 70 million by 2050. If our transportation system is going to continue to function, we will need significant new capacity in all modes of transportation and the greatest near-term opportunities lie with rail. We simply will not be competitive without fast, frequent and reliable intercity rail service linking our major urban centers and relieving overburdened highways and airports.

Nationally, we hope other regions of the country have a chance to experience the benefits that regional high-speed Amtrak service can provide. The quick and easy access that Amtrak provides between Boston and Washington, DC and points in between can be replicated in other major regional growth corridors throughout the country. States like Pennsylvania, Illinois, Washington and California are initiating their own federal-state partnerships to make investments towards improving and expanding their intercity rail service. We believe that many urbanized regions of the country experiencing population and employment growth will benefit from a federal capital investment program designed to make rail a competitive transportation alternative.

It is my hope that yearly battles over whether or not Amtrak should exist will cease to occur and I am pleased to be here today talking about how to give Amtrak a brighter future rather than defending its very existence. I have no doubt that continued reform and improvement of the railroad's operations are necessary and I hope that you will continue to push Amtrak to operate more efficiently. But let me leave no doubt, as the former Governor of Pennsylvania and now a leader in the Greater Philadelphia business community, Amtrak's future is closely linked to our region's economic future.

As you develop your reauthorization proposal, I would respectfully make four recommendations:

1. Find a secure source of funding for intercity passenger rail.

   The Northeast Corridor is too important to be held hostage to yearly crises where Amtrak is threatened with bankruptcy by the Administration or Congress. Not only is Amtrak's intercity service critical to our region's economy, but half of all SEPTA commuter trains travel on Amtrak-owned right of way.

2. Define "state of good repair" and provide the funding to achieve it.

   For years the Northeast Corridor rail infrastructure suffered from neglect and is now showing its age. Amtrak has made significant progress in addressing the backlog of needed infrastructure improvements over the past few years, but there is more work to be done. I hope that this Committee can work with Amtrak and the Northeast Corridor's other stakeholders to define the scope of work that is still needed to restore the Corridor to a state of good repair and ensure that Congress provides the funding to accomplish this important goal.

3. Improve the trip time on the Northeast Corridor.

Today's fastest Acela trains make the trip from New York to Washington in 2 hours, 45 minutes, just four minutes faster than Metroliner trains made the trip back in 1984. We need to do better. I hope that you will work with Amtrak to develop and fund a plan to reduce trip time on both the north and south ends of the Corridor.

4. Require Amtrak to work with the states and the commuter railroads along the Northeast Corridor to develop a plan to increase the capacity of the corridor.

Increased capacity is critical because our ability to add lanes on I-95 and many of our major roadways is limited, as is our ability to increase capacity at Philadelphia International Airport. For our region to continue to grow, we need commuter rail and Amtrak intercity service to continue to grow as well. As everyone knows, our transportation system is increasingly congested and we need to take advantage of every opportunity to add capacity. One of our best opportunities is to increase the number of people who use commuter rail and Amtrak.

Increased capacity is also central to reliability. Amtrak's reliability has significantly improved recently as a result of the work on the Northeast Corridor infrastructure over the past five years. We need to make sure that on-time performance continues to improve, not only for Amtrak's trains, but for the commuters as well.

I hope that this Subcommittee's reauthorization proposal will address each of the issues that I have just outlined. However, perhaps most important, I urge you to encourage Amtrak and the states and cities along the Northeast Corridor to work together to develop a long-term vision for the Corridor. We need to develop consensus around a detailed vision that includes a plan to return the Corridor to a state of good repair, increase the Corridor's capacity for intercity and commuter service, reduce trip times and enhance on time performance. For the Northeast region to continue to grow and thrive, we need a real commitment to the future of the Corridor and a state-federal partnership to secure the funds necessary to continue to develop the premier rail corridor in North America.

I know that if there was an agreed-upon vision for the future of the Corridor that would enhance the economic competitiveness of our region and benefit both intercity and commuter passengers, you would have the business community united in support of your efforts to secure the federal and state funding necessary to achieve that vision. We have begun discussions with other business groups throughout the Northeast who share our interest in promoting intercity passenger rail as a travel alternative and I know that we can deliver strong support for such a vision. The business community, our governors and our mayors understand what an important resource we have in the Northeast Corridor. I ask you to help provide a vision for the future of the corridor that we can unite behind.

With shared commitment and vision, the Northeast Corridor can be the first class railroad corridor that the nation needs. I am here today to offer the support of the Greater Philadelphia region's business community.

Thank you Madam Chair, Congressman Shuster, and Members of the Subcommittee for the opportunity to address you this morning. I am happy to answer any questions.

Testimony of
The Honorable Velma H. Williams
Commissioner
City of Sanford, Florida

Sanford City Hall
300 North Park Avenue
Sanford, Florida 32771

407.330.5602
williamv@ci.sanford.fl.us

Before the
United States House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines and Hazardous Materials

June 26, 2007

I am Commissioner Velma Williams from the City of Sanford, Florida and I am honored to be invited to testify before you today regarding the benefits of intercity rail passenger service.

I also want you to know how proud we are in my community to be represented here in Washington by Congresswoman Corrine Brown, the Chair of this Subcommittee, and Congressman John Mica, the ranking Republican Member of the Committee on Transportation and Infrastructure.

The City of Sanford is about twenty miles north of downtown Orlando. We are the original "big city" in Central Florida. This was because of our location on the St. Johns River and a very early connection with railroads. In 1880, the South Florida Railroad was completed between Sanford and Orlando to carry passengers and freight from our port to inland destinations, including a small settlement to the south named Orlando. In 1881, the railroad was extended west to Tampa.

Today, Sanford is a thriving community of 52,000 people. We are the largest city in Seminole County and we serve as the county seat. Our economy had been based on agriculture but, like much of Florida, the landscape changed quickly. We are fortunate to have a growing and diverse economy. Traditional cities like Sanford are being revitalized and new developments are being sited in a manner to preserve much of the "natural Florida" that residents cherish.

Our region's transportation system has played an important role in the City of Sanford's evolution. We are served by Interstate-4, the GreeneWay (which is our equivalent of a "beltway"), an extensive network of local roads, Orlando Sanford International Airport, Lynx bus service and Amtrak.

Traffic congestion, especially on Interstate-4, is a chronic problem. Additional lanes have been added in recent years, interchanges have been rebuilt and a major regional chokepoint was fixed with the construction of a new bridge across the St. Johns River. Even with these improvements, Interstate-4 -- which is the spine of our region's transportation system -- is the road that Central Florida drivers want to avoid. This often causes problems for visitors and freight movement as well.

Our national transportation policy in recent decades has focused on highways and automobile travel. The Interstate Highway System has been the centerpiece of this policy. Designed in the 1950's and completed just recently, it was an extraordinary accomplishment. It has connected metropolitan areas across our great nation and set a standard that is the envy of most countries throughout the world. State and regional transportation policies have, for the most part, also emphasized highways and automobile travel.

Many will say that these policies have served us well -- and there is a great deal of truth to this -- but something happened along the way. We somehow forgot about the important role that railroads have played in our nation's history and we have failed to see the opportunities they

hold for our future. It is time for a change, and that can begin today with this hearing.

Our national rail passenger system - Amtrak - has a long and complex history. I am not an expert on this but I can speak to what people see today, at least in Central Florida, and what I believe people would like to have as part of our future.

Amtrak provides an attractive and reasonably priced alternative to the automobile in the Northeast corridor between Washington and Boston. In addition, I have heard it is popular in some areas of California. However, beyond that, Amtrak does not have the financial means to provide the type of service that most people demand today.

In Central Florida, Amtrak provides several trips a day in each direction between Miami and points north. Service for regular passenger trains is provided at three stations - one in downtown Orlando, one in Winter Park and one in Kissimmee. Amtrak's Sanford Station for regular passenger trains was closed a number of years ago to reduce operating costs. I would like to have this historic station reopened by Amtrak. This would increase ridership and avoid having people travel south to Winter Park or Orlando to use Amtrak trains. It also would be a nice

complement to the start-up of the Central Florida commuter rail service in the Year 2010.

Amtrak continues to operate the AutoTrain station in the City of Sanford. This is an innovative service that has proven to be very popular. Passengers - along with their cars -- travel in comfort on overnight trips between Lorton, Virginia (just outside Washington, D.C.) and Sanford, Florida. This takes cars off Interstate-95 and Interstate-4. When travelers arrive in the City of Sanford, they can enjoy all that Central Florida has to offer or continue their trip to Tampa, southwest Florida or Miami via Florida's Turnpike. This service is unique in the country. It serves as a wonderful example of how the market responds to innovative ideas. I was very pleased to hear recently that Amtrak is planning to make improvements to the Sanford AutoTrain station.

Last year, nearly 400,000 passengers used the Amtrak stations in Central
Florida. This number has fluctuated in recent years. There are a number of suspected reasons for this, including many bargain airline fares between northeast cities and Orlando. However, I firmly believe that if trains were more frequent and trains operated at higher speeds, there could be a significant increase in Amtrak passengers.

I also believe the potential is enormous for quality, high speed rail passenger service between Florida's major cities. At a minimum, this would need to include Jacksonville, Tallahassee, Orlando, Tampa and Miami. In the Year 2000, Florida voters approved an amendment to the Florida Constitution to provide for the construction of an intrastate high-speed rail passenger system. A good deal of planning was done to advance the project as an innovative, public-private partnership. However, some in key state leadership positions did not favor the project and, four years later, voters were persuaded to remove the mandate from the Florida Constitution. This was a major setback for those promoting a more balanced transportation system, especially with so many of Florida's interstate highways being overwhelmed with traffic congestion. According to the Florida Department of Transportation, conditions on these roads are expected to deteriorate even further in the coming years as automobile travel and freight traffic continue to grow.

Conditions in my region and throughout the State of Florida are, in my opinion, ideal for a rebirth of passenger rail service. But today I am asking the distinguished members of this Subcommittee to image the possibilities for an ambitious passenger rail program on a national scale. This will involve upgrading existing lines, establishing new routes, refurbishing existing stations, building new stations, investing in new equipment and providing new services. In addition, it will probably

involve new ways of doing business, perhaps in cooperation with the private sector and local communities.

We have an exciting opportunity before us with work that is now about to get underway on the next federal transportation bill. The current legislation, SAFETEA-LU, will expire in September 2009. The new legislation will define our national transportation policies and identify how we will pay for needed improvements. This is an enormous undertaking. We look to our elected officials serving in Washington for leadership in this critical area.

I believe the time has come for a bold new vision that will carry us through the next century. Yesterday's solutions have generally served us well but today's problems require broader solutions. And beyond today's problems, we need to think about the challenges that will face us in the coming years. Our national transportation agenda needs to move us in a new direction for a sustainable future. A robust, national passenger rail program can play an important role. We can look to countries throughout Europe and Asia where billions of dollars are being invested in passenger rail projects. These countries see the benefit of investing in rail passenger service, and the same can be accomplished here.

Deliberations regarding the new federal transportation bill must include an expanded role for Amtrak passenger rail service. A number of market realities support this position. These include:

- Traffic congestion levels. Many sections of the interstate highway system are strained or failing. Even after huge investments are made, predictions call for conditions to get worse. Intercity passenger rail can move more people in a more efficient manner.

- Community impacts. It is simply not practical to widen some highways beyond the number of lanes they have today. In major metropolitan areas, downtowns and many neighboring communities would be obliterated. So while cost is often cited as a reason for not widening roads, community impacts should receive equal attention. Intercity passenger rail can protect communities and add to their vitality.

- Freight Movement. As changes have happened in our national economy and international trade has flourished, freight truck volumes have soared. Freight traffic - long-haul and short-haul -- is expected to grow at a faster rate than overall travel demand. Intercity passenger rail service can take some automobiles off the road to improve the movement of freight truck traffic.

- Air Travel. Many airports, especially in metropolitan areas, have no room for further expansion. A first-class rail passenger system can serve many short to mid-range intercity trips, freeing up airport capacity to handle long-distance flights.

- Energy Independence. This needs to be a centerpiece of our new national transportation policy. As gas prices climb putting a strain on family budgets and with the international oil supply situation getting more volatile, reducing our dependence on foreign oil must be a top national priority. Intercity passenger rail service can help.

- The Environment. There is no denying that our transportation choices have a profound impact on our environment. This includes such things as impervious ground, water run-off and the impact of vehicle emissions on air quality. Providing people with the option of intercity rail passenger service will reduce harmful environmental impacts.

President Abraham Lincoln, with the support of Congress, brought about the construction of the transcontinental railroad in the 1860's. This railroad unified our nation at a critical time and shaped our future. Nearly 100 years later, President Dwight Eisenhower had the vision to create the Interstate Highway System. Again, Congress supported this

over decades to meet our nation's needs. This too shaped our future and brought us to where we are today. Each of these actions took courage and bold leadership. History shows us that the pay-offs were enormous.

So let us ask ourselves, what is the next bold initiative that will shape our nation's transportation future and where will it come from? I urge you to make the development of an ambitious national rail passenger system part of the next federal transportation bill. This will mean expanding the role of Amtrak and looking at new business models. It also will mean challenging industry to develop more cost-effective construction methods and new passenger rail technologies.

If this national passenger rail system is developed, local elected officials throughout the country, like me, will need to be responsible for local and regional rail projects to connect with the national rail system. This is the same as we do with providing access roads to interstate highways . . . but with a new mindset.

In closing, I encourage you to think big. I encourage you to be bold. I encourage to embrace change. These are qualities that have made our country what it is today . . . and these same qualities will define our future.

I appreciate the opportunity to testify before you today. This has been a true honor for me as a humble, local elected official. And thank you for the good work that you do and for your leadership on this important issue.

"Benefits of Intercity Passenger Rail"

Gina Garbolino
Chair
Board of Directors
Placer County Transportation Planning Agency
Auburn, California

Statement for the Record
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives

June 26, 2007

Madame Chairwoman and Members of the Subcommittee, my name is Gina Garbolino and I am Chair of the Board of Directors of the Placer County Transportation Planning Agency (PCTPA) of Northern California. On behalf of PCTPA, I am writing in strong support of Amtrak and specifically for reauthorization legislation that funds Amtrak at the highest possible levels and that provides an 80 percent Federal, 20 percent state/local match for Amtrak rail capital/operations. The latter, in particular, would be a huge benefit to Placer because it would allow us to leverage our 100 percent state funding for the Capitol Corridor with a Federal match that would make our dollars go five times farther.

Madame Chairwoman, at the outset I want to commend you for your vision and leadership on this important issue, and for the opportunity to submit this statement for the record. As you well know, the United States needs a financially healthy and efficient intercity passenger rail system as a vital component of the country's transportation network. Strong Federal leadership and funding have been essential to the development of the Nation's high-quality highway and aviation systems. It is time now for the Federal government to make a similar commitment to our national passenger rail system.

Madame Chairwoman, as a matter of background, PCTPA was created as the transportation planning agency for Placer County excluding the Lake Tahoe basin. PCTPA represents Placer County and six incorporated cities located within the political boundary of the County. In total, Placer County contains 1,506 square miles ranging in elevation from 160 feet to nearly 9,500 feet.

The mission of PCTPA is derived from its numerous state and local designations. The agency has been designated in state law as the Regional Transportation Planning Agency for Placer County. PCTPA is also the County's Congestion Management Agency, a statutorily designated member of the Capitol Corridor Joint Powers Authority (CCJPA), and the airport land use planning body and hearing board for Lincoln, Auburn, and Blue Canyon Airports. As part of their Joint Powers Agreement, PCTPA is the designated administrator for the South Placer Regional Transportation Authority. Under an agreement with the Sacramento Area Council of Governments, PCTPA also represents Placer jurisdictions in Federal planning and programming issues. PCTPA is also eligible to administer Federal projects.

The nine-member PCTPA Board of Directors consists of one councilmember from each of Placer County's six incorporated jurisdictions, two members of the Placer County Board of Supervisors, and one citizen representative.

As noted above, PCTPA is a member of the Capitol Corridor Joint Powers Authority, a consortium of transportation agencies that manage the Capitol Corridor rail service between San Jose and Auburn. The service is operated by Amtrak.

The Capitol Corridor intercity passenger train system provides a convenient alternative to traveling along the congested I-80, I-680 and I-880 freeways by operating fast, reliable and affordable service to 16 stations in 8 Northern California counties:

Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, San Francisco, and Santa Clara, a 170-mile rail corridor. The Corridor addresses critical, much-needed service to these counties and their constituents.

Since the inception of the Capitol Corridor service, over $736 million has been invested to build and renovate stations, upgrade track and signal systems, construct train maintenance/layover/storage facilities, and add trains/rolling stock. Primary funding for CCJPA capital projects has been & will continue to be State general obligation bonds (Props 108, 116, 1A & 1B) and the biennial State Transportation Improvement Program . Special programs or direct allocations have periodically supplemented these primary capital fund sources. CCJPA has currently secured $108 million for projects underway or soon to be underway.

The most significant potential capital funding source for the next several years is the Prop 1B State Transportation Bond approved by California voters in November 2006. This bond measure includes several sub-components that could enhance various aspects of CCJPA service, such as $400 million in capital funds for California's intercity rail, with $125 million for additional rolling stock. For the Capitol Corridor, these bond funds will address track capacity limitations that continue to affect on-time performance, and allow the acquisition of new rolling stock to provide additional seating to maximize the potential of the August 2006 service expansion, which is a major step toward CCJPA's goal of providing hourly train service in corridor.

Also included in the voter approved bond are funds for Trade Corridor Goods Movement, which are meant to be combined with a matching source of non-state funds to pursue track capacity enhancements in corridors that benefit the movement of goods via freight rail. The Capitol Corridor is a prime candidate for these funds as the UPRR tracks that CCJPA operates over are considered part of the Central Corridor, which connects Chicago with the Port of Oakland (and points in between). In all, the Corridor's continued operation at viable funding levels with the potential for future expansion is very important to the Placer County region.

In that regard, I am pleased to report that ridership on the Corridor has steadily grown: 7.8 percent overall in the past 12 months, an increase of approximately 100,000 riders; and 3.5 percent overall in the past 12 months. Revenues are also on the increase: as of May, 2007, 20 percent over FY2006, with fare recovery at 48 percent of operating cost, but to achieve even higher levels of both we need a national Amtrak system that has both the funds and the tools to do the job right.

That is why we are concerned that the President's FY2008 Budget proposes to provide Amtrak with a total of only $800 million in FY2008, compared to $1.294 billion enacted in FY2007. Out of the $800 million for FY2008, the President's Budget proposes to zero-out grants to Amtrak for operating assistance, provide Amtrak with $500 million in grants for capital improvements, and provide the Secretary of Transportation with $300 million for efficiency incentive grants, which may be provided to Amtrak at the Secretary's discretion. This compares to $490 million in operating

assistance, $772 million in capital grants, and $31.3 million in efficiency grants enacted in FY2007.

In addition to the $800 million for Amtrak, the President's Budget proposes $100 million for creation of an Intercity Passenger Rail Grant Program. Under this Program, states would apply to the FRA for grants up to 50 percent of the cost of capital investments necessary to support improved intercity passenger rail service that either requires no operating subsidy or for which the state agrees to provide any needed operating subsidy.

In all, the President's FY2008 funding levels for Amtrak are woefully inadequate. That is also why PCTPA was pleased when the Full Committee on Transportation and Infrastructure, in its March 15 FY2008 Budget Views and Estimates, stated its support for funding Amtrak at $2 billion annually for the next three fiscal years. If this is the most we can do, it is the very least we must do to preserve and enhance our Nation's critical intercity passenger rail system.

In addition, PCTPA also supports in reauthorization legislation an 80/20 match for Amtrak rail capital funding. With an 80/20 Federal/state split, the CCJPA could receive over $350 million in Federal funds, which would be invested in numerous long-term projects aimed at improving service reliability, reducing travel times, upgrading track infrastructure, and improving passenger amenities.

Madame Chairwoman, oftentimes Amtrak is blamed for failing to show a profit; the assumption being it ought to pay for itself. The fact is that no transportation mode in the United States pays for itself. All modes have always been subsidized. Highways do not pay for themselves; they are financed by taxes on motor fuels, taxes not necessarily related to use of highways. Air travel is subsidized as well. Hence the decision to reject subsidies for intercity passenger trains is arbitrary and inconsistent with Federal transportation public policy. By shortchanging Amtrak, the government is creating more problems for the railway. The more problems it has, the less people will travel on it. That equals less revenue. It is a destructive cycle. Accordingly, I urge the Subcommittee to move expeditiously on Amtrak reauthorization legislation, and PCTPA supports its efforts to do so.

Thank you.

○