

**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 has and 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 highway 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.