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On

WASHINGTON UNION STATION: INTERMODAL USES PRESENT AND FUTURE

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Madame Chair and Members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss Greyhound's potential plans to relocate to Washington Union Station. Greyhound is eager to move its Washington intercity bus operations to Union Station and has been actively engaged in discussions focused on making that happen. I greatly appreciate the strong support for that initiative shown by Chair Norton and Chairman Oberstar and Ranking Member Mica of the full Committee.

Greyhound has been operating at its current terminal location at 1st and K Streets, NE since 1987 when it acquired Trailways, which built the terminal in 1983. Even before the terminal was built, there were discussions about relocating the Greyhound and Trailways intercity bus operations to Union Station as part of Union Station's restoration in the early 1980s. Those discussions have continued off and on over the years, but have never been successful. The primary reasons for the lack of success were the lack of funding to make the needed changes to accommodate a bus station and the inability to agree on a rent structure and space allocation that would enable Greyhound to operate at Union Station in an economically viable manner.

Despite these setbacks, Greyhound has remained very interested in moving to Union Station. We strongly believe in intermodal terminals and are now co-located with other forms of transportation in over 100 intermodal facilities nationwide. That number has been steadily increasing. These intermodal facilities greatly benefit the traveling public by allowing travelers to use public transportation, both local and intercity, to travel seamlessly from origin to destination.

The benefits to the residents of the District of Columbia of Greyhound moving to Union Station are particularly striking. Over 50% of riders at Greyhound's current location get to Greyhound by local transit, either rail or bus. This is so even though those riders who come by Metrorail have to walk three long blocks with their luggage from Union Station or almost the same distance from the new Florida Avenue Metro Station. These riders would benefit tremendously from being able to just ride up or down the escalators to get from Metro to Greyhound. Furthermore, this dramatically improved convenience is likely to lead to increased usage of the Metro-Greyhound connection at a time when the public is searching for affordable and convenient public transportation.

Fortunately, a series of circumstances are converging that provide a unique opportunity to finally move Greyhound's operations to Union Station. When Greyhound first moved to its present location in the 80s, we were pioneers in a neighborhood that was almost entirely lacking in commercial, retail, or residential vitality. Now this neighborhood, known as "NoMa" for north of Massachusetts Avenue, has become a hotbed of new commercial activity and the Washington D.C. City Government has targeted it as one of the most important areas for development in downtown. The Greyhound terminal lies right at the heart of NoMa.

This means that the City has a strong vested interest in moving the Greyhound operations to Union Station so that its property can be redeveloped. The City has always been supportive of Greyhound moving to Union Station because of the public transportation benefits the move would bring, but now they are actively working to make that a reality. It also means that Greyhound has a much greater interest in moving to Union Station sooner rather than later, so that we can sell our present location at a time when it is highly desirable for redevelopment.

At the same time, the Ashkanazy Company, the new landlord at Union Station, has developed preliminary plans for a renovation and expansion of Union Station's interior space, which will enable Greyhound to have its ticket selling facility inside the building, rather than in a freestanding building on the bus deck. This substantially reduces Greyhound's "footprint" and the capital costs of the Greyhound space. Greyhound expects that with the sale of its existing terminal, Greyhound will have the funds to build out its interior space, as well as to construct limited facilities on the bus deck. Also, the fact that there will be no freestanding terminal on the bus deck enables Greyhound to structure its bus loading and waiting areas in a manner that will enable Union Station management to preserve significant space for charter and tour bus parking on the bus deck.

Finally, the support that the leadership of this Subcommittee and Committee has shown for Greyhound's move to Union Station has been very helpful. In a March 20, 2008 letter to David Ball, the President of the Union Station Redevelopment Corporation, Chairperson Norton, Chairman Oberstar, and Ranking Member Mica expressed strong support for the relocation of the Greyhound terminal to Union Station. The letter cited the unique opportunity that existed, and urged all parties to work together to make the move happen, noting that "this transfer will enhance Union Station's role as a true

intermodal transportation center and will serve as an outstanding example for the rest of the country". The letter, copies of which went to Mayor Fenty, Alexander Kummant, Amtrak's President and CEO, and myself, was a catalyst for action.

With all of these favorable developments, the parties have been meeting, and I think it is fair to say that there is a common desire among most of the parties to make the move happen as soon as possible. But there are issues that need to be addressed, as follows:

Amtrak needs to be fully engaged. Although the plans have been drawn to basically separate the bus and rail ticketing and waiting functions on different levels, it is important that there be a dialogue with key Amtrak decisionmakers on these plans. I am planning to meet with Mr. Kummant on this issue today.

The plans for the renovation and expansion of the interior area need to be finalized and approved.

The financial terms of the project need to be negotiated and agreed to. This includes the level of Greyhound's capital contribution and its lease terms for the occupancy of the space. Greyhound plans to pay for the build out of its space, but that contribution needs to be amortized through reduction of its lease payments, and the lease terms must be consistent with Greyhound being able to continue to provide affordable transportation in an economically viable manner.

A timeline for completion of the project must be agreed to so that Greyhound can move forward with the sale of its current property with a transfer date that fits with its projected move in date at Union Station.

I believe that all of these issues can be resolved. This project is a very high priority for Greyhound, and I commit to you that Greyhound will do everything in its power to make it succeed. I have been and will continue to be personally involved. I believe that the other parties have a similar commitment, and if so, I am confident we can succeed.

Thank you for this opportunity to testify. I am happy to answer any questions you might have.