JIM DOYLE

GOVERNOR
STATE OF WISCONSIN

TESTIMONY

Before the United States House Committee on
Transportation and Infrastructure

On the Passenger Rail Provisions of the
American Recovery and Reinvestment Act of 2009

by
Governor Jim Doyle
State of Wisconsin

Thursday
January 22, 2009

Chairman Oberstar, Ranking Member Mica and Members of the Committee, my name is Jim Doyle. I am Governor of the State of Wisconsin and am here today representing the views of the States for Passenger Rail Coalition (SPRC). As you know, Frank Busalacchi chairs the States for Passenger Rail Coalition and is also my Wisconsin DOT Secretary. I am pleased to testify today on behalf of the SPRC and the need for funding in the American Recovery and Reinvestment Act of 2009 to address the nation's passenger rail needs.

First, let me applaud the efforts of Chairman Oberstar on the recommending a transportation package for stimulus package and President Obama and his team, who have worked painstakingly with Chairman David Obey of Wisconsin on the bill proposed by the House Appropriations Committee. I am optimistic that this bill will begin to address the needs of individuals, businesses and state and local governments as we work through the current economic recession and try to minimize its harmful effects on our citizens. I firmly believe that out of adversity comes opportunity, which is what this bill will mean to Americans.

Passenger Rail – The Missing Link in our National Transportation Network

Funding for passenger rail, but for Amtrak, has been substantially lacking in the federal transportation budget for decades. Since the 1940s, this country has disinvested in passenger rail while countries in Europe and Asia have made passenger rail the centerpiece of their transportation systems.

Late last year, Congress changed that trend by enacting the Passenger Rail Improvement and Investment Act (PRIIA), which represents a dramatic shift in national transportation policy. Specifically, Congress now recognizes the states as partners, not only highway and transit infrastructure, but also rail infrastructure.

Over five years, PRIIA authorized $1.9 billion for grants to states to support their efforts to build robust state-supported rail corridor networks to enhance the Amtrak rail network. PRIIA was a long awaited authorization bill for Amtrak and passenger rail, enacted in the spirit of bipartisanship, proving that transportation is not a partisan issue. The next important step is securing funding for the programs authorized in PRIIA from the Appropriations Committee.

States have long believed that passenger rail is the missing link in our national transportation policy. Wisconsin has been a leading advocate in this national dialogue, even when those who believed that

passenger rail could be a funded priority by the federal government were few and far between. In the mid-1990s, a nine-state group in the Midwest developed the Midwest Regional Rail Initiative, a plan for state-supported passenger rail service in the Midwest. This coalition recently received a Federal Railroad Administration (FRA) grant to further refine the Midwest Regional Rail Coalition's planning and environmental work, which will allow the states in the corridor to develop their projects for construction.

The States for Passenger Rail Coalition (SPRC)

The States for Passenger Rail Coalition was formed in 2000. Its membership has grown to include 31 states and two authorities. Fourteen states support rail corridor services with their state funds, including Wisconsin. At least 35 states are developing plans for expansion of services or new services. States have funded many intercity passenger rail corridor improvement projects, providing track and signal improvements, grade crossing improvements, stations and operating equipment.

The SPRC has focused its advocacy on the following issues:

- Recognition in federal transportation policy and funding that passenger rail is a critical transportation element of the national and state networks and should be part of our intermodal transportation network.
- Provision of an 80 percent federal/20 percent state funding program for states to plan, design and implement passenger rail.
- An ongoing source of federal revenue to fund the program – again, similar to the highway and transit programs.
- Establishment of program and funding policies similar to highway and transit programs, which provide efficient and effective grant distribution to the states.

Without a strong federal partnership, only a handful of states will be able to develop and deliver passenger rail service. Other national policy goals are currently making the expansion of rail service an even more significant element of our transportation future. The nation needs a multi-modal transportation system that addresses the national priorities of energy conservation and global warming and provides funding for passenger rail that is predictable, stable and environmentally responsible.

Passenger Rail Needs

A number of national organizations have recently outlined passenger rail needs for the nation. Unlike the highway and transit systems, US DOT does not provide conditions and performance reports for the nation's passenger rail network; this should change and change soon. Amtrak has estimated the needs of the Amtrak System, and over the past decade, the states have recognized the value of passenger rail in addressing their mobility issues and have begun to implement service.

The National Surface Transportation Policy and Revenue Study Commission released its estimates of national needs for the passenger rail network as part of its January 2008 report. Based on the Passenger Rail Working Group report, commissioned by the National Commission, the federal share of the network needs is estimated at approximately $5 to $6 billion per year. In its reauthorization policy, the American Association of State Highway and Transportation Officials (AASHTO) recommends federal funding of $5 billion annually for passenger rail planning, design and development. The AASHTO numbers were derived from the Passenger Rail Working Group analysis with further focus on states' passenger rail service planning efforts.

The states have been at the center of this passenger rail renaissance, investing our state transportation funds in corridors that enhance existing Amtrak service. Wisconsin has invested almost $7 million per year on operating costs associated with providing additional frequencies on the Hiawatha service between Milwaukee and Chicago. We share these costs with the state of Illinois, and this partnership has endured through changes in administrations in both states.

Ridership on the Hiawatha service continues to increase, even when gasoline prices fall. Year to date, the ridership on this line is almost 28 percent higher than the comparable 2007 timeframe.

Rail Funding in the ARRA

Over the past week, Congress has unveiled its stimulus legislation. I am pleased the draft Appropriations Committee bill provides an additional $1.1 billion for passenger rail – $800 million for Amtrak and $300 million for state investments. Rail advocates are grateful for the recognition of the need for passenger rail investment and the over $1 billion in new passenger rail funding provided by the Appropriations Committee.

This is a critical time to recognize the opportunity for expanding passenger rail. As indicated earlier in my testimony, states want to invest and, with the opportunity to carry out their plans with a federal partner, they will lead this nation on its path to a new era of passenger train travel. I'm thrilled to have an administration that believes in this promise as well.

SPRC Project List for American Recovery and Reinvestment Act (ARRA)

Some may question the ability of states to deliver projects in the timeframe recommended in the ARRA. While long-term investments are needed as well, the SPRC has identified over $1.6 billion in ready-to-go construction projects with completed environmental work or categorical exclusions, for which funds can be obligated within 90 to180 days. Wisconsin has $80 million in bonding authority just waiting for a federal funding partner.

The projects identified by the SPRC are "ready to go," defined by the following characteristics:

- Projects that have all environmental approvals under NEPA or "categorical exclusions" that can be more quickly obtained for routine work within existing rights of way;
- Capital maintenance activities such as tie replacement, that can be pursued and obligated quickly;
- Programmed grade-crossing improvements on passenger rail corridors that can also be obligated quickly; and
- Projects that can be done by freight railroad partners using their own staff or contractors. This "force account work" will allow fast obligation of funds through state-freight railroad agreements and contracts.

Most projects submitted by states are part of larger development plans to enhance passenger rail service and will provide capacity and operational benefits to both passenger and freight operations. Proposed projects include:

- Track improvements such as double tracking, welded rail and tie replacement to increase capacity and reliability;
- Sidings to allow fast passenger trains and slower freights to pass each other;
- Universal crossovers to provide capacity for shared-use corridor passenger and freight operations;
- Grade crossing safety improvements such as gates and lights;
- Advanced signal and train control systems to increase safety and operational efficiency of both passenger and freight rail operations;
- Station improvements; and

Administrative Challenges at the Federal Level

The most significant challenge with ARRA funding for passenger rail may be the administration of discretionary stimulus grants by the Federal Railroad Administration and the USDOT. As far as we know, the FRA has not issued grant offers to any states, including Wisconsin, in its $30 million solicitation for the existing 50/50 grant program. Grants for this relatively new program were announced this past September.

The SPRC has recently met with FRA to discuss these issues and the response from FRA is positive. They recognize the challenge and have assured the states they are willing to work together to achieve the stimulus objectives. SPRC has specifically suggested that the FRA streamline its project review process along the lines used by FHWA, where states certify compliance with various federal requirements rather than FRA attempting to do so on a case-by-case basis.

Coalition members have also discussed with FRA that each of our freight rail partners has a unique approach to design and project documentation. FRA should defer to railroad expertise in this area rather than dictating a "one size fits all" approach that will slow projects down. Freight railroads have demonstrated their project delivery capabilities.

FRA has asked for a waiver on certain "Paperwork Reduction Act" review provisions, which can slow projects down. The Coalition supports this and other administrative refinements to streamline the project review and approval process.

FRA is willing to generously interpret P.L. 110-432 state plan conformance provisions to grandfather existing state plans in the interest of speeding projects along – a provision that state Coalition members strongly support.

Finally, the Coalition supports the FRA's use of NEPA "categorical exclusion" provisions where improvements are entirely within an existing corridor to reduce the time required for environmental compliance. The SPRC believes each of these issues will help provide an expedited project review and grants administration process. Ultimately, it is clear that as Congress invests more in passenger rail, FRA will need more staff to administer funds. This is a new business to FRA. They are working hard to achieve results, but they need additional administrative resources and SPRC supports FRA's efforts to secure these resources.

States are ready to be partners in the development and delivery of new passenger rail service in our nation. We have proven that the partnership works in the highway and transit modes. I hope we can maximize this golden opportunity to make a real down payment on a passenger rail system for the 21st century.