

The Orange County Transportation Authority

**Written Testimony of Peter Buffa, Chairman of the Board of Directors
Wednesday, January 28, 2009**

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

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Madam Chair and Members of the Subcommittee:

My name is Peter Buffa, and I am Chairman of the Orange County Transportation Authority (OCTA). It is an honor to have the opportunity to testify before you Madam Chair, and before this Subcommittee, which plays such a major role in determining national transportation rail policy and will be involved in writing the next transportation authorization legislation.

The Orange County Transportation Authority

OCTA was established as a multimodal transportation authority in 1991, in order to bring about a more efficient and comprehensive approach to transportation by consolidating seven separate transportation agencies. Since that time, Orange County has grown to be the fifth most populous county in the nation with over 3.2 million residents. OCTA has kept pace of that growth, and now operates a multimodal transportation system which includes the twelfth busiest bus system in the nation and the 91 Express lanes, a highly successful ten mile toll road connecting Orange and Riverside Counties.

In order to meet our growing mobility needs, we also provide regional commuter rail service, operated by Metrolink under the direction of OCTA and Los Angeles, Riverside, San Bernardino and Ventura counties. Metrolink is now providing over 4 million rail passenger trips annually in the three commuter rail lines which serve Orange County. This is the highest annual ridership since inception of service in 1994.

Rail service in Orange County is provided along two major corridors. The first major rail corridor in Orange County is the Burlington Northern Santa Fe (BNSF) corridor from the ports of Los Angeles and Long Beach through Orange County and east to San Bernardino and Riverside Counties, and ultimately to the remainder of the United States. While there is a large and growing commuter ridership on this corridor, the major use of the corridor is national freight movement into and out of the ports.

The second major Orange County rail corridor is between Los Angeles, Orange County and San Diego. This corridor, often referred to as the LOSSAN corridor, is the second busiest passenger rail corridor in the nation, surpassed only by the Northeast Corridor. Ridership on the LOSSAN Corridor has grown from 1.6 million annual trips in the 1990's to 8.5 million annual trips today.

I would like to focus my remarks today on an in-depth description of the rail capacity opportunities and challenges presented by these two nationally significant rail corridors. As we seek to implement the Passenger Rail Investment and Improvement Act of 2008 and draft new transportation authorization legislation, I hope that OCTA will be able to rely on the Federal government as a financial partner in addressing these challenges.

The BNSF Corridor and the Ports of Los Angeles and Long Beach.

Running across the northern part of Orange County, the BNSF corridor is one of the nation's major goods movement distribution corridors serving the ports of Los Angeles and Long Beach. This port complex is the largest in the United States and the fifth largest in the world. In 2007 nearly 16 million cargo containers traveled through these ports to or from the rest of the country. This container traffic represents more than the total container traffic in Seattle, Portland, Oakland Ventura and San Diego, combined.

The accompanying map illustrates commodity flows between Southern California and its local, regional and national markets. The map demonstrates the importance of both domestic and international trade shipments between Southern California and the rest of the nation and the need for effective transportation networks to link the region's economy to the rest of the country.

There is little doubt that goods movement is an important source of good jobs. In Southern California alone, goods movement has fueled the creation of 700,000 jobs, including 107,000 goods movement related jobs in Orange County. In turn, these jobs have generated a payroll of more than \$6 billion. Regionally, ports have delivered over \$256 billion in international trade to the rest of the country.

However, goods movement also presents a number of challenges for those areas impacted by goods movement activity. Even the present levels of trade volumes are challenging our rail system capacity and providing heavy congestion impacts. The future can only be expected to bring greater challenges. In 20 years the number of containers moving through southern California is expected to triple to an estimated 48 million. In 2025 daily freight trains moving through Orange County on the BNSF are expected to increase 123% from 112 to 250. By 2010 freight train traffic will increase street and road traffic delays from about 30 minutes to up to 206 minutes.

The result from this goods movement today in Orange County is persistent grade crossing congestion. In addition, this increased goods movement activity in southern California negatively impacts air quality and promises greater health-related and productivity impacts, including increased respiratory diseases and lost work days.

The southern California region has come together to recognize the challenges regarding goods movement and is working to identify those rail improvement projects which help to mitigate the adverse local impacts of goods movement. A Multi-County Goods

Movement Action Plan has identified \$50B in needed projects to address capacity improvements and mitigation projects related to goods movement.

Critical to the capacity needs on both the BNSF and LOSSAN corridors are nineteen new railroad grade separation projects in Orange County (shown on the attached map). The cost to complete these grade separations exceeds \$1.1 billion. Yet only a little more than \$400 million is available for these projects from existing state and local funding sources.

No one in the region doubts the need for new revenue sources to address the dual objectives of keeping these ports competitive and mitigating the congestion and air quality impacts of a viable rail distribution corridor. Several bills on this subject have been introduced in Congress, but none have yet been enacted. State legislation passed last year would have assessed a \$15 per container fee for mitigation and infrastructure projects in the region. Unfortunately, the Governor vetoed this legislation. The ports themselves adopted an infrastructure cargo fee in January of 2008. Beginning this summer, a \$6 dollar per container fee will be placed on cargo containers entering or leaving any terminal by truck or train and will be used for goods movement-related projects along the entire corridor, including projects such as grade separation in Los Angeles, Orange, Riverside and San Bernardino Counties. Even if this local fee can be successfully implemented, more needs to be done, and should be done at the federal level to address this issue of national significance.

The LOSSAN Corridor.

Currently, three passenger rail services, Amtrak, Coaster, and Metrolink and one freight carrier, Burlington Northern Santa Fe Railway, operate along this corridor. Amtrak, with state financial assistance, operates the Pacific Surfliner intercity rail and bus service between San Luis Obispo and San Diego. The Southern California Regional Rail Authority (SCRRA), a joint powers authority created by the OCTA and the four other southern California counties, operates Metrolink commuter rail service between Los Angeles and Oceanside, and Los Angeles and Oxnard. The North County Transit District (NCTD) operates Coaster commuter rail service between Oceanside and San Diego. The OCTA owns one-third of the 126 miles of railroad right-of-way between Los Angeles and San Diego.

First opened in 1994, Metrolink's Orange County line currently offers 19 trains per weekday and serves 11 stations along the LOSSAN corridor in Orange County. Approximately 10% of Amtrak's total national trips take place in this corridor. Aside from its proven capacity to carry passengers from Orange County to Los Angeles or San Diego, if managed efficiently, we believe the LOSSAN Corridor offers great opportunities to increase mobility within Orange County and throughout the entire San Diego to Los Angeles corridor.

Two thirds of the population in Orange County, and two thirds of the jobs in Orange County, are located within a four-mile radius of the LOSSAN corridor. By increasing the

frequency of service, there is an opportunity to use this rail corridor for traveling within and through Orange County and relieve congestion on the adjacent I-5 freeway. In fact, the peak hour ridership on Metrolink is so successful, that without it we would have to build 2 more lanes on I-5 from south Orange County to downtown Los Angeles just to ensure that traffic congestion would not get any worse. We think that Metrolink has been an excellent financial investment for Orange County and southern California and is an increasingly important component of the southern California economy.

With that purpose in mind, the OCTA Board approved a Metrolink service expansion plan in October 2005. This plan will implement high frequency Metrolink service between north and south Orange County. Engineering design is now complete for track improvements, signal system upgrades, and station and parking enhancements necessary to support this new service. Construction is anticipated to start in May of 2009. New locomotives and rail cars have also been ordered to support the expansion of the rail service.

While we have planned to largely fund this expansion program with local sales tax and state transportation funds, the recent severe downturn in economic activity has resulted in an inability to fund key components of this program. In order to keep this important program on track, we are seeking federal assistance for key project components, including \$50 million for double track capacity expansion (Laguna Niguel to San Juan Capistrano), \$30 million for station parking improvements (Laguna Niguel) and \$50 million for the Anaheim Regional Transportation Intermodal Center (ARTIC)

These key components of expanding service in the LOSSAN Corridor are planned and are ready to become reality. In addition, these rail improvements can be accomplished without the delay of a Federal new start process or the expense and displacement of acquiring major new right-of-way.

A critical component of this corridor is the Anaheim Regional Transportation Intermodal Center (ARTIC) which will be a rail gateway to Orange County and provide a convenient transfer station from the LOSSAN corridor to future California high speed rail and the planned California to Nevada super speed or maglev system. ARTIC will combine a transportation gateway and a mixed-use activity center on a 16 acre site owned by the City of Anaheim and OCTA, a short walk from Angel Stadium and Honda Center professional sports venues, and a short shuttle to Disneyland and the Anaheim Resort. Although private participation will be sought for this project, public funding is needed now to build the foundational transportation elements of the project.

Recently, the OCTA conducted market research with focus groups to determine how we can provide better service in this essential corridor. That research has shown us that customers who ride on the LOSSAN Corridor, and more importantly, those who do not ride, experience confusion in navigating the complex set of logos, timetables, and administrative rules that come with Amtrak, Metrolink and the Coaster all providing service along the same corridor. We believe it would be far more efficient and customer friendly for there to be one service seen by the public, even if that service were to be jointly provided behind the scenes.

To that end, we have initiated efforts to work with the three current service providers to look at service integration and coordination opportunities. Some of these are as simple

as integrated timetables or shared ticket offices. However, the full realization of this effort may lead to an entirely new manner in which to plan and manage the LOSSAN corridor as one coordinated and integrated passenger rail service. This may take the form of a joint powers authority or some other form of regional governance to fully realize the opportunities before us. We believe that this type of coordinated and integrated approach will lead to more service for the public, more efficient use of tax payer funds, and ensure that the LOSSAN Corridor lives up to its full potential.

We are excited about opportunities to partner with Amtrak on making key capital investments and provide integrated, coordinated and expanded operations in this highly successful corridor. If planned and implemented correctly, we have the opportunity to create a southern California version of the highly successful Northeast Corridor.

Conclusion.

In summary, as significant as the benefits of the BNSF and LOSSAN rail corridors are to the OCTA and Orange County, the challenges they present cannot be fully addressed without the federal government as a strong and financially involved partner. We certainly hope to receive additional federal funding for these projects from the Passenger Rail Investment and Improvement Act of 2008 and the next reauthorization bill. That funding will match the significant local funding already committed for these projects. Just as important, we need the federal recognition in the next reauthorization legislation that assistance with these projects will further the nation's mobility goals and expand our national strategic rail infrastructure.

In the upcoming 111th Congress, we stand ready to work with you, and hope that your subcommittee will commit the federal government to work in active partnership with us, to increase capacity on these two corridors of national significance which serve riders in southern California and consumers nationwide.