

**Testimony of
Anne Canby
President, Surface Transportation Policy Partnership
and
Member, OneRail Coalition
before the
House Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines, and Hazardous Materials**

Chairman Brown, Ranking Member Shuster, and Members of the Subcommittee, I am Anne Canby, President, Surface Transportation Policy Partnership (“STPP”) and a founding member of OneRail, a new coalition dedicated to advancing rail as a critical element of our national transportation system. Thank you for this opportunity to appear before you today.

For the first time, freight and passenger rail stakeholders, environmental advocates, a group of bipartisan public officials, and reform-minded transportation experts have come together, forming a new OneRail coalition to promote the benefits of rail – both passenger and freight – as essential to the future economic growth and well-being of the nation.

OneRail urges the Congress to include, in the final version of the economic recovery legislation, two critical priorities: (1) full funding of all currently authorized rail infrastructure and development programs; and (2) flexibility in the general funds allocated to states and localities for surface transportation so they can invest in rail projects as needed.

We call for change in our approach to surface transportation funding because the public’s perception has changed. In a national survey recently commissioned by OneRail partner Building America’s Future together with the National Association of Governors, pollster Frank Luntz found that 94 percent of Americans are concerned about our nation’s infrastructure. 84 percent want more money spent by the federal government to address these needs. *And 81 percent would be willing to pay one percent more in taxes to improve America’s infrastructure.* And, according to Luntz, more than 98 percent of Americans feel they have “the right to demand” infrastructure that is “efficient, convenient and modern.”

We believe that includes rail.

In my testimony I will explain why our ten organizations have formed OneRail. I’d like to highlight, from my perspective as a former secretary of the Delaware Department of Transportation and now president of STPP, why it is important that our nation’s surface transportation policies and programs fully embrace rail. I will detail our recommendations for the economic recovery program, and offer some preliminary thoughts on priorities for the pending surface transportation authorization.

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OneRail

Recognizing that freight had finally arrived as topic of national interest, STPP determined that it would be important to have a balanced discussion on how this growing demand should be addressed. At the same time, the public's increasing interest in intercity and high-speed passenger rail indicated that the next authorization must include an integrated rail strategy for passenger as well as freight service. Hence our drive to forge a new coalition of stakeholders – OneRail – to ensure that all aspects of rail would be incorporated into the basic structure of the legislation.

On January 15, 2009, ten founding organizations announced a new joint initiative supporting both freight and passenger rail objectives to maximize transportation options that enhance mobility, achieve energy efficiency, reduce greenhouse gas (“GHG”) emissions from global warming, boost economic growth and improve quality of life for all Americans:

American Public Transportation Association
Amtrak
American Short Line & Regional Railroad Association
Association of American Railroads
Building America's Future
National Association of Railroad Passengers
Natural Resources Defense Council
Railway Supply Institute
States for Passenger Rail Coalition
Surface Transportation Policy Partnership

My OneRail colleagues and I urge the Congress to:

- Expand and strengthen the nation's passenger train network by encouraging the development of commuter and intercity passenger train options for Americans and addressing a critical missing link in our nation's surface transportation system. Needed solutions must ensure safety, achieve reasonable service levels, and provide enough capacity to protect the operations and future growth of both rail freight and passenger service.
- Enact policies and programs that expand public and private investment in rail freight mobility. This includes encouraging continued private investment in rail freight capacity to ensure that rail freight capacity will meet growing demand and public investment when that investment supports appropriate public benefits.
- Support state efforts to seek an ongoing, dedicated funding source for intercity passenger rail expansion. This includes designing a federal-state partnership and cost sharing agreements similar to those that built the nation's federal-aid highways and transit systems.

We believe strongly that rail must be an essential component of any national infrastructure investment initiative. Rail provides a solution for many of our most urgent transportation, energy and environmental problems. Our OneRail partners have declared:

Our nation's surface transportation infrastructure should strive to provide interconnectivity and be environmentally sound. Increasing investment in rail – both passenger and freight – is a critical step toward achieving this goal. Amtrak President Joseph Boardman

As we look to increase recovery and sustain economic growth, we ask that Congress and the administration focus investment on our U.S. rail system. That focus can help de-congest choke points, put more freight and passengers on fuel-efficient trains, and lower our nation's greenhouse gas emissions. Frank Busalacchi, Secretary, Wisconsin Department of Transportation and Chairman, States for Passenger Rail Coalition and a member of the National Surface Transportation Policy and Revenue Study Commission

The 2008 Commission's findings were clear. Increased investment in railroad infrastructure is essential to our continued mobility, economic competitiveness, and ability to create jobs, as well as to meeting the energy and climate challenges of the 21st century. Edward Hamberger, President and CEO, Association of American Railroads

It is essential that all parties work together to ensure the Commission's recommendations are acted upon and that all Americans experience the benefits that increased investment in rail infrastructure will bring. Matthew Rose, Chairman, President and CEO of BNSF Railway and a member of the National Surface Transportation Policy and Revenue Study Commission.

Rail should be a key element of any federal response to climate concerns. Improving surface transportation offers both immediate and long-term benefits by decreasing traffic congestion, helping to mitigate rising energy costs and reducing emissions related to global warming. Peter Lehner, Executive Director, Natural Resources Defense Council

The formation of the OneRail Coalition will enable the rail industry to speak with one voice to federal, state and local policymakers and overcome years of serious public underinvestment in our nation's rail network. Polly Trottenberg, Executive Director, Build America's Future, an infrastructure initiative organized by Pennsylvania Governor Edward Rendell, California Governor Arnold Schwarzenegger, and New York City Mayor Michael Bloomberg

Trends all point to a robust future for railroads – passenger and freight. America's railroad community can gain strength with increased investment and through partnership, working together and growing together to serve America in the years ahead. William W. Millar, President, American Public Transportation Association

A copy of OneRail Principles agreed to by all founding organizations is attached. I commend it to the Subcommittee for your consideration.

Benefits of Rail

The energy and environmental benefits of rail are significant and well documented. Expanding passenger train options between and within U.S. urban centers would reduce highway and air congestion, fuel consumption and greenhouse gas emissions. Increasing intermodal freight shipments on rail also reduces greenhouse gas emissions; on average every ton mile of freight that moves by rail instead of long-haul truck reduces greenhouse gas emissions by at least two-thirds. A coordinated approach of rail and truck shipping is already showing substantial efficiencies and net reductions in carbon emissions.

Comment [apc1]: Can we validate this?

These benefits have been highlighted by prior witnesses testifying before this Subcommittee, are well-documented in the literature, and will be further reinforced by my colleagues on the panel here. I would like therefore to convey my personal perspective, having served with the Massachusetts Bay Transportation Authority and the New Jersey Department of Transportation before becoming secretary of the Delaware Department of Transportation, and now at STPP, on the scope of these benefits and why our nation's surface transportation policies must emphasize and promote rail.

Enhancing our rail network would provide a framework for successful public-private partnerships. Because most rail infrastructure is privately operated and maintained, there can be significant public benefit in shifting a greater share of freight to rail through reduced costs for new highway capacity and ongoing maintenance, as well as the reduced energy use and GHG emissions.

Delaware Insights

When I was in charge of Delaware's state highway system, as well as all transit services in the state, I came to understand the limits on the investments that we could make to improve mobility, efficiency and performance of the transportation system. Particularly in older, developed areas of our nation, many of us have concluded that adding highway capacity, when even possible, provides only short term improvement in performance while adding long term costs to the public sector in terms of maintenance and operating expenses. It was troubling that our state could only use the federal funds we received to improve rail services along our stretch of the Northeast Corridor if dedicated to commuter rail – intercity service improvements for either freight or passenger are not an eligible expense in current law. Fortunately, we were able to use our federal funds because we were adding commuter rail service. Many other states do not have this option. Federal funds flowing to the state DOTs should be eligible for intercity freight and passenger improvements.

More than a decade ago, through the I-95 Corridor coalition, Delaware helped launch a joint study to determine what rail improvements were needed along the I-95 corridor from Washington to New York to improve both freight and passenger rail service in this heavily travelled corridor. The result was the Mid-Atlantic Rail Operations Study (MAROPS) which identified \$6.2 billion in improvements, including the rebuilding of the CSX Howard Street Tunnel in Baltimore, MD, a critical link in this corridor. The study was supported by five state DOTs and three railroads (Amtrak, CSX, and NS).

Despite the compelling findings of the MAROPS study, the bulk of the rail improvements identified, all desperately needed, remain unfunded.

Even without the funding required, my state found ways to emphasize investments in rail. When the CEOs of NS and CSX asked then-Governor Carper for his support in the division of Conrail, the governor made it clear that Delaware's endorsement was predicated on achieving a measurable shift in freight from highway to rail.

STPP Perspective

STPP has historically focused on passenger and public transportation issues including sustainable development. But with study after study indicating that we can expect a significant increase in freight volumes, the need for including freight in the discussion soon became obvious. Even if the freight estimates are high or are realized a few years later, we must prepare to handle the added demand in a very different environment. The national imperatives of achieving energy independence and dramatically reducing greenhouse gas emissions require that the transportation sector incorporate these goals into the core mission for transportation at all levels of government.

We believe it is time to advance the integration of our surface transportation networks by including rail as a critical element of the next authorization.

OneRail Recommendations for the Economic Recovery Legislation

My OneRail partners and I greatly appreciate the Committee's recommendation under the leadership of Chairman Oberstar of \$5 billion for rail programs in the House economic recovery legislation. We are disappointed that this amount has been reduced to \$1.1 billion in the pending House legislation. This level is not sufficient with respect either to the urgent infrastructure and job creation needs that rail investment can meet, or compared with the level of funding contemplated for highways and transit.

OneRail accordingly urges that the final economic recovery legislation encompass the following:

- Full funding for the remainder of FY 09 and FY 10 of all authorized rail infrastructure programs. These include:
 - Freight Rail Relocation -- \$350 million per year in FY 09 and FY 10 to fund both rail line relocation and improvement projects (including track work, signal system improvements and siding enhancements).
 - Positive Train Control (PTC) -- \$50 million per year in FY 09 and FY 10 to expedite installation of a new generation of signaling technologies to keep trains safely apart.

- Amtrak Capital Grants – \$715 million in FY 09 and \$945 million in FY 10 to fully fund Amtrak’s authorized capital investment needs.
- Intercity Rail Corridor Capital Assistance -- \$300 million for intercity rail passenger service corridor assistance as included in the pending House economic recovery legislation.
- Intercity Congestion Grants -- \$50 million in FY 10 for facilities, infrastructure and equipment for high priority rail corridor projects necessary to reduce congestion or facilitate intercity passenger ridership growth.
- High-Speed Rail Corridor Program -- \$150 million in FY 09 and \$300 million in FY 10 for high-speed rail corridor development.

Fully funding these rail investment programs at the authorized levels or greater would have an enormous, immediate stimulative effect, *and* provide a solid foundation for long-term growth and mobility.

- Flexibility to enable investment in rail of formula funding distributed to states and localities for surface transportation improvements. In addition to fully funding all authorized rail investment programs, we believe that Congress should let states and localities decide how to invest economic recovery funds targeted for surface transportation. Because these stimulus funds will be *general funds*, broad eligibility should apply. Even if the stimulus funds are allocated pursuant to Title 23 formulas and criteria, because the stimulus funding does not originate from the Highway Trust Fund, recipients should be able to invest in projects with the highest payback in terms of job creation and environmental benefit – whether they be highway improvements, transit enhancements, or rail investments.

Priorities for Surface Authorization

OneRail has just organized, and we are actively considering unified proposals for the upcoming surface authorization. In the interim, I would like to offer my preliminary thoughts on behalf of STPP.

STPP hopes the new law incorporates all forms of surface transportation including rail. We have one transportation system made up of several modes. They should work together as an integrated system. Each form of transport plays a key role in the effective movement of both people and goods. But we have not really put this together into a systematic and integrated network. We must do so.

Working separately on intercity passenger or freight makes no more sense than looking independently at highway corridors. As we identify critical corridors, we must create the institutional capability for all interests to work in concert to identify the optimal investment across modes.

There is wide recognition that the next authorization for the federal surface transportation programs needs to embrace a significant new approach. There must be a clear national purpose.

We must reshape our transportation systems to meet the goals of energy independence and a dramatic reduction in the level of greenhouse gas emissions, while assuring that we are positioned to meet passenger and freight travel in a safe, economically effective and efficient way. These are not separable goals – we must meet them all. It is essential to update the nation’s transportation policies, programs, and processes to address these overarching issues.

The long range planning processes at both the state and metropolitan levels in current law should be revised to include scenario planning for intercity, intrastate and intra-regional corridors that include rail as well as roadway with the explicit goal of demonstrating the appropriate investments that will advance our nation’s energy and climate goals. To ensure greater accountability for results, current program structures must be redesigned.

In summary, states and localities must have the flexibility to make the best investments over the long term that improve our economic competitiveness, reduce long term public costs, decrease our energy dependence, stop harmful GHG emissions. Establishing a clear national purpose, a strong, accountable planning regime, and a new program structure that enables investment in all forms of transportation, including rail, would heighten our ability to address our national goals.

Thank you for this opportunity to testify. I would be pleased to answer any questions you may have.