



**NORTHEAST CORRIDOR INFRASTRUCTURE AND OPERATIONS ADVISORY COMMISSION**

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Good morning Chairman Mica, Ranking Member Rahall and Members of the Committee. I am Joan McDonald, Commissioner of the New York State Department of Transportation and chair of the Northeast Corridor Infrastructure and Operations Advisory Commission (Northeast Corridor Commission). I am pleased to have the opportunity to discuss the activities of the Commission as we work together to address the short and long-term needs of the Corridor.

The Northeast Corridor Commission was authorized in the Passenger Rail Improvement and Investment Act (PRIIA) in recognition of the inherent challenges of coordinating, financing, and implementing major system improvements that cross multiple jurisdictions. The Commission is comprised of members from each of the Northeast Corridor states, Amtrak, and the U.S. Department of Transportation and includes non-voting representatives from freight railroads and states with connecting corridors. The expectation is that by coming together to take collective responsibility for the Northeast Corridor (NEC), these disparate stakeholders will achieve a level of success that far exceeds the potential reach of any individual organization.

Realizing a bolder vision for the future requires unprecedented collaboration. Comprehensive planning is difficult for a system that spans eight states and the District of Columbia, supports nine passenger rail operators – including four of the five largest commuter rail services in North America, serves four freight railroads, and has four separate infrastructure owners. It is also a challenge to ensure that near-term capital projects align with long-term infrastructure and service plans. A key charge for the Commission is to work with its members to develop strategies for coordinated action.

This spring, the Commission will release a report documenting the current state of the Northeast Corridor transportation system across all modes so that we can have a clear understanding of the transportation challenges facing the region today as the Commission formulates its recommendations. As required by statute, later next year we will also publish an economic development study on the impacts of Northeast Corridor rail service on the region to help inform our short and long term recommendations and investment strategies.

To help place the Commission's work in proper context, the Northeast Corridor region itself is home to over 50 million people, or one out of every six Americans. It is the country's economic powerhouse, generating \$1 out of every \$5 in gross domestic product (GDP). One out of every three Fortune 100 companies has its headquarters in close proximity to the NEC.

All this activity occurs on less than two percent of the nation's land area. The density that supports this immense productivity, however, also creates congestion challenges for our transportation network. Automobile traffic in the region results in approximately \$22 billion per year in lost

productivity (2010). Bottlenecks at Northeast airports have national repercussions. The major airports in New York and Philadelphia are the originating source of half of the nation's flight delays.

The Northeast Corridor rail line is one of the busiest and most complex railroads in the world. It carries over 2,100 commuter trains, 150 intercity trains, and 60 freight trains every weekday. These trains carry over 700,000 commuters and 40,000 intercity passengers daily; people who might otherwise use the region's congested highways and airports. Feeder routes, such as New York's Empire Corridor and Pennsylvania's Keystone Corridor extend the reach of the NEC to additional communities. In turn, the connecting corridors contribute to the total Northeast Corridor ridership.

The Northeast Corridor must balance acute investment needs just to maintain the safety and reliability of current services with the need to address consistently growing service demands. Hundreds of the Corridor's bridges and tunnels are more than a century old (built before the Titanic's maiden voyage); major portions of the Corridor's electric power supply system were installed in the 1930s; and signal systems rely on decades-old installations. Despite the age of the Corridor's infrastructure, the demand for passenger rail services continues to increase dramatically.

To illustrate this point, Amtrak's share of the air/rail market has increased from 37% to 75% for trips between New York and Washington since the introduction of Acela service in 2000 and as this trend continues it increases the need for Amtrak to provide additional seats and service along the Corridor. The simultaneous rise in commuter rail services puts substantial pressure on the operational capability of the infrastructure on a daily basis. For example, Metro-North's New Haven Line will be adding significant numbers of new trains to its daily schedule to accommodate continued growth.

The fact that commuter services and Amtrak services intersect at common facilities and on shared tracks inevitably mean delays to any one service will quickly cascade and adversely affect the on-time performance of other rail services. With major segments at or near design capacity, all services that utilize the corridor are increasingly susceptible to service disruptions resulting from infrastructure failures. Without significant and sustained levels of infrastructure investment, NEC rail services will suffer.

Today, the reality is that deferring replacement of key components of the NEC is no longer an option – infrastructure inherited from past generations can no longer provide the mobility needed to support continued, robust economic growth. New investment is essential to modernize systems, reduce failures, ensure safety and reliability, and expand capacity for increased service.

In January, the Commission is releasing a report on the NEC's critical infrastructure investment needs that details specific projects in a manner that is accessible to a broad audience. Our goal is to educate the public, elected officials and other key stakeholders as to the types of infrastructure investment projects that are necessary to improve the Corridor. Input to the report was provided by Amtrak, the Northeast Corridor states, and other railroads through a collaborative process.

The process used to develop the report on critical infrastructure needs sets a foundation of partnership for these stakeholders to develop an NEC Comprehensive Infrastructure Investment Plan next year. This five-year capital program will focus on projects that must advance in the near

term to solve today's challenges while laying a foundation for future growth. The plan will document annual state of good repair needs and capacity enhancements, and outline the timing and annual funding requirements for infrastructure upgrades through 2018.

The Commission is playing a critical role in setting corridor-wide goals and engaging the Northeast states and operating railroads in the development of the NEC Comprehensive Infrastructure Investment Plan. Through a series of regional meetings, the Commission will ensure all owners and operators have the opportunity to provide revised forecasts and goals from the Master Plan for integration into the planning process. Coordination is particularly important for non-Amtrak-owned portions of the NEC, such as the New Haven Line, a 56-mile section of the NEC owned by the state of Connecticut and the New York MTA, and operated by Metro-North Railroad.

Section 212 of PRIIA also directs the Commission to develop a cost allocation methodology for the NEC that ensures that there is no cross-subsidization between intercity, commuter, and freight rail services. Our aim is for this process to set a foundation for increased federal and state investment in the Corridor's infrastructure. In return for increased state investment in the Corridor, we will explore options to address the governance of the Corridor to ensure that the states are partners in the decision-making process.

The Commission has established a Cost Allocation Committee with broad participation by states, commuter railroads, Amtrak and the U.S. Department of Transportation that is leading this effort. Our goal is to have a recommended methodology by the end of this fiscal year.

At the same time that we are making recommendations related to near-term infrastructure needs and developing a cost allocation formula, we are also engaged in activities to examine the region's long-term rail needs. The FRA, in cooperation with the Commission, the Northeast states, and Amtrak, is undertaking a Passenger Rail Corridor Investment Plan called NEC FUTURE. This program includes a Tier 1 Environmental Impact Statement and Service Development Plan with the intent of developing a plan for Northeast Corridor rail service in 2040 and beyond.

The Commission is closely coordinating with the FRA and providing supplemental research and analysis that will inform the effort. The Commission will also examine investment strategies to fund long-term NEC improvements. Our goal is that through the Commission's work and our close partnership with NEC FUTURE, we will be able to unify our members and other key stakeholders behind a long-term plan and investment strategy for the corridor.

We often ponder what might happen if we lost this invaluable resource and Hurricane Sandy gave us all a vision into the chaos that would ensue without these vital rail assets that are so critical to the economy of our region. While the details of the disruption and its impacts are still emerging, we all watched as political leaders prioritized the reconnection of rail service to get the region moving and functioning again. We should also applaud the railroad and transit employees who made heroic efforts to restore these critical services as quickly as possible.

The Northeast Corridor is a national resource and, along with the I-95 corridor, the transportation backbone of the Northeast region. However, the Corridor's current trajectory is unsustainable. The reliability of existing services is threatened by capacity chokepoints and significant state of good

repair needs. And meeting future needs due to increasing demand for commuter, intercity, and freight service is simply not possible without significant investment in new capacity.

If our region is going to continue to grow and remain an international economic powerhouse, we are going to need to make the necessary investments in our highway, rail and aviation infrastructure to allow us to continue to compete internationally for businesses and knowledge workers.

The members of the Northeast Corridor Commission are committed to working together and with Congress and other stakeholders to ensure that the Northeast Corridor is up to the challenges of the future. We are dedicated to informing sound policy development, providing a centralized means to generate input about the future of the Corridor, improving communication among NEC stakeholders, and bringing the region together behind a unified vision through coordinated regional leadership.

To sum up, we are planning for the future at the same time that we are looking to address the very significant challenges that the Corridor is facing today.

On behalf of my fellow commissioners, in closing I would like to extend our appreciation for this committee's strong support for the Northeast Corridor and we look forward to continuing this partnership. In particular, I would like to thank you Chairman Mica for your support during your tenure leading this committee.

Thank you for the opportunity to testify today.