

WRITTEN STATEMENT OF PATRICK B. SIMMONS

Rail Division Director

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On Behalf of the

American Association of State Highway and Transportation
Officials' Standing Committee on Rail Transportation

before the

U. S. House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines and Hazardous Materials

Hearing on

High Speed Rail: Opportunities and Challenges

October 14, 2009

Written Statement of Patrick B. Simmons, U. S. House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines and Hazardous Materials
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Mr. Chairman, my name is Patrick B. Simmons. I serve as Director of the Rail Division at the North Carolina Department of Transportation. My responsibilities include development and management of passenger operations and facilities, improving highway-railroad crossing safety, conducting industry safety inspections, railroad engineering and design, development of planning and environmental documents, rail corridor preservation and economic development. Our State partners with Class I and shortline railroads through grants and tax credits to improve safety and capacity as well as to make other rail infrastructure investments. North Carolina is the lead State in developing the federally-designated Southeast High Speed Rail Corridor or SEHSR.

Today I am here on behalf of North Carolina Department of Transportation Secretary Eugene A. Conti, Jr. who also serves as Chairman of the American Association of State Highway and Transportation Officials' Standing Committee on Rail Transportation.

I thank the Committee Chair and the members for your leadership in bringing this important transportation opportunity to the nation and for scheduling today's hearing to learn more about the challenges and opportunities of this new day.

The American Association of State Highway and Transportation Officials advocates transportation-related policies and provides technical services to support States in their efforts to efficiently and safely move people and goods.

The Standing Committee on Rail Transportation (SCORT) reviews and recommends transportation legislation; exchanges technical information and policy positions on railroad matters; evaluates and suggests revisions to Federal regulations; reaches a common viewpoint of the States on rail policies and problems; gathers information and investigates railroad concerns; provides technical expertise and management training for State railroad connected agencies; provides public information on rail transportation matters; cooperates and coordinates activities with transportation users and the railroad industry; takes a forward-looking view of and disseminates rail progress; and encourages research necessary to reach these goals.

We have just completed our annual national meeting, this year hosted by the Oklahoma Department of Transportation. Much of my testimony will reflect our discussions there. Participating in this year's SCORT annual meeting were representatives from 32 States, the Class I railroads, Amtrak, labor, equipment manufacturers, professional engineering firms, and industry associations, the Federal Railroad Administration, General Accounting Office and others. Our conference theme was "Rail Transportation: Partnering to Achieve the Vision."

To achieve the vision of deploying a national network of high speed rail, both our opportunities and our challenges are great. While the theme of our meeting was "partnerships," a topic addressed at every session was "What is the capacity of fill in name of affiliation to undertake this important work and complete it within budget and on-time?"

Over the past 10 years, the States have spearheaded the effort to develop and fund a national intercity passenger rail system. States around the country have planned, financed, and delivered successful intercity passenger rail service as well as to led development of high speed rail programs. Collectively, through the American Association of State Highway and Transportation Officials

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(AASHTO) and the States for Passenger Rail Coalition the States have urged the federal government to support the creation of an integrated, fully funded, intercity passenger rail system and to incorporate passenger rail as an essential element of the nation's surface transportation system.

At the same time, States have expanded their working relationships with freight railroads, Class 1s and Short lines, to make numerous investments in safety and freight rail projects that generate both private and public benefits.

A series of actions in the past two years, advocated and supported by the States, signal a new and solid consensus within the federal government. Both Congress and the Executive Branch have acted decisively to support development of intercity and high speed passenger rail systems to meet the mobility needs of the 21st Century.

Amtrak has been reauthorized and adequately funded. The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) was enacted authorizing \$1.9 billion over five years for grants to States for intercity passenger rail. On February 17, 2009, \$8 billion was authorized for intercity passenger rail as part of The American Recovery and Reinvestment Act (ARRA).

Now before the Congress are the federal fiscal year 2010 appropriations bills that would invest a further \$1.2 to \$4 billion to continue implementation of intercity and high speed rail projects. Congressman Oberstar's surface transportation authorization bill proposes \$50 billion over 6 years, a capital grant program for short line railroads, and improvements in the RRIF program.

Nationally, USDOT has designated 10 corridors as suitable for high speed rail development. Fourteen States now contract with Amtrak for corridor service delivery, and just last week Administrator Szabo announced that 24 States had submitted corridor development plans for ARRA funding.

It is important to note that the ARRA funding provided for intercity and high speed rail development, and States have worked diligently to develop and deploy the services that best fit their mobility needs.

Clearly, rail transportation, both passenger and freight, is entering a new era, an era in which States must partner with multiple interests to be successful.

The largest opportunity and challenges before us are the raison d'être for the American Recovery and Reinvestment Act: to preserve and create jobs and promote economic recovery, to invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.

Job Creation

The White House Council of Economic Advisors has reported that for every \$92,000 of government investment a job-year is created. As States completed their applications for ARRA funding they analyzed and projected the number of jobs that would be created from this series of investments. Job creation is primarily expected in four sectors of the economy: professional services to complete final

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project designs and environmental work; construction and materials supply; equipment design and manufacturing, and; operation of the new train services.

Clearly a down economy is the best time to build new network capacity, with a latent work force available and with a minimum of operational conflicts.

Departments of Transportation

The single largest challenge before us is to “right-size” the effort. To accommodate the immediate 6000% increase in available high speed rail funds will mean that State DOTs must broaden their highway-dominate project delivery structure to include rail projects. Program and project managers will be tasked with similar responsibilities, but must now succeed within a different culture and with less than familiar partners. Many State DOTs work with railroads today but not with this scale of opportunity.

Just as our Federal Railroad Administration has been challenged by this opportunity to both grow in scale and add new mechanisms for program and project development and delivery, so too will our State DOTs be challenged.

Some State DOTs have well-established working relationships with the Class I railroads while others will need a support base of peer-to-peer and technical assistance. For example, not all DOTs have in place published design standards for conducting railroad work.

The Executive Committee of AASHTO has recognized the need to transform into truly multi-modal organizations and to integrate project delivery. Clearly information sharing, a program of technical assistance as well as a new program to provide planning assistance to State DOTs will be necessary to develop a national network.

If the long-range National Rail Plan is to closely incorporate and be consistent with State Rail Plans, financial assistance as well as promulgation of standards and guidelines will be necessary to prepare a coherent, interrelated national plan.

Mutually Beneficial Investments

While both PRIIA and ARRA envision a program of investments that is mutually beneficial to freight and passenger interests, there is no consistent and acknowledged method to assess public and private benefits, an essential prerequisite to entering into timely and equitable cost-sharing arrangements. Having a clear means to assess benefits and make provisions for cost-sharing will be challenging with the diverse interests and perspectives of our freight industry, and with the financial condition of many of our States.

Collaborative partners and a balanced mix of public grants, tax credit incentives and private contributions will be required to build rail network capacity that enables compatible and reliable operation for passenger, freight and intermodal rail services.

Environmental Documentation

With the focus on streamlined program delivery and timely implementation of the ARRA projects there is a need for clarity and consistency among the State DOTs and the Federal Railroad

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Administration concerning application of the National Environmental Policy Act (NEPA) and other requirements. Challenges are certain to arise as we seek the appropriate balance in sometimes conflicting priorities.

Next Generation Corridor Train Equipment Pool.

PRIIA authorized Amtrak to establish a Next Generation Corridor Equipment Pool committee, comprised of representatives of Amtrak, the Federal Railroad Administration, host freight railroad companies, passenger railroad equipment manufacturers, interested States, and, as appropriate, other passenger railroad operators. The purpose of the Committee is to design, develop specifications for, and procure standardized next-generation corridor equipment.

While America is eager to deploy more intercity and high speed passenger rail services, new passenger equipment and locomotives are essential. Domestic manufactures are keen to enter the market, and foreign manufacturers are ready to deliver service-proven designs. However the issue of manufacturing capacity and “right-sizing” the industry also applies to this market segment.

The Federal Railroad Administration is re-looking its approach to crash worthiness and new rulemaking, followed by development and testing will precede manufacturing.

While pooled equipment purchases are envisioned, such a pool will not likely to serve all corridors equally well. For example, differing equipment is necessary to service differing operating speeds, passenger capacities and operating environments. Again, States have led development of service models that meet their mobility needs, so one size does not fit all circumstances.

State have well-defined procurement requirements, but most are not authorized for pooled financing nor procurement awards.

Manufacturers can not merely gear up for a 1-time development and delivery opportunity. It will take a sustained investment in corridors and equipment for America to realize the full benefits of a rejuvenated capability. Being able to fill an order book for deliveries sequenced over multiple years will give us the best opportunity to right-size the industry.

Today I have touched on some of the broad areas of opportunity and identified some of the challenges before us. I look forward to learning more from the other testimony presented.

Collectively the States have a multi-faceted interpretation of the Vision to deploy high speed rail and we look forward to working with the Congress and other partners to implement this new national program. As Departments of Transportation we stand ready to build.

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Supplemental Information Sheet

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