

**Written Statement of David D. King  
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**On Behalf of the**

*States for Passenger Rail Coalition*

**Before the**

**U.S. House of Representatives  
Committee on Transportation and Infrastructure  
Subcommittee on Railroads**

**Hearing on House of Representatives Bill Number 2950  
Rail Infrastructure Development and Expansion Act for the  
21<sup>st</sup> Century**

**October 2, 2001**

**States for Passenger Rail Coalition**  
**House of Representatives Bill Number 2950 (RIDE-21)**  
**Subcommittee on Railroads of the Committee on Transportation and Infrastructure**  
**U.S. House of Representatives**

Mr. Chairman, my name is David King. I serve as the Deputy Secretary for Transportation of the North Carolina Department of Transportation. My responsibilities include ferries, aviation, bicycles and pedestrians, public transportation and rail.

I testify today on behalf of the States for Passenger Rail Coalition. The States for Passenger Rail Coalition is a grass roots organization of state departments of transportation. North Carolina is one of 21 states in the group ably chaired by Secretary Terry Mulcahy of the Wisconsin DOT. I serve as Vice-Chairman and Ken Uznanski, Manager of Washington State's Rail Program, is our Secretary-Treasurer. Our growing membership is drawn from around the country and includes states with existing passenger rail service as well as those in the planning and development stage. Large states and small states, we span the continuum of partisanship, varied interests and geography. We are quite a diverse group and we are a national group. Our strength is that it is a bottoms-up initiative, created and supported by the states because we share a common goal.

Following the tragic events of September 11, 2001, Amtrak, the third leg of our transportation stool, experienced a 15% or greater increase in passengers and revenues. Many passengers had their first travel experience with our national rail passenger system and they were glad it was available. They also have first-hand knowledge that our national rail passenger system is in need of major capital investment in order to assure reliability and to have travel times that are auto and air-competitive. Rail passenger service is now a national security issue as well as a mobility and economic development issue.

**Five Basic Principles Provide the Foundation of the States for Passenger Rail Coalition:**

- First, high-speed passenger rail complements existing intercity passenger and freight systems. Those systems, mainly road and air, are increasingly saturated to the point that safety and reliability are compromised. The states and the private sector are meeting the challenge by investing record amounts of money in those systems. Increasingly states have made the business decision that we receive a greater return on investment by increasing the capacity of passenger rail than by making alternative investment decisions. An example would be when the cost of adding a lane of interstate is much more expensive than improving a segment of rail where the rail improvement results in the same or more capacity than the additional lane of highway.
- Second, because intercity passenger rail trips tend to be 100 to 300 miles in length, many of the corridor development planning, analysis, and construction management tools routinely used at the state level apply. States plan, build and maintain interstate transportation corridor systems. We meet a myriad of environmental, planning, and safety standards. These are multi-million dollar projects we deliver daily.

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- Third, improved intercity passenger rail is attractive to states since it can be implemented incrementally. Because our programs are publicly funded to deliver public services, states must make prudent investments. We recognize that major new transportation infrastructure cannot be built overnight, but we need to start where we are today and work to improve those systems. Our stockholders, the citizens of our various states, have very high expectations.
- Fourth, states recognize the importance of partners in this process. Because railroading is both a capital and labor-intensive business, we must have the full participation of the freight railroads and labor organizations. The freight railroads own most of the assets outside the Northeast Corridor. Publicly and privately held railroad assets are currently shared in part with commuter agencies. Our emphasis is to assure safety and reliability and capacity for our freight carriers and our customers. The burden is on the states to understand the needs of and work with our partners effectively.
- Fifth, the federal government has a role to play in intercity passenger rail because this financial investment is in the national interest. Beyond the direct interest of the thirty-four states that comprise the eleven corridors designated by the federal government for high-speed rail development, it also is in the interest of the Nation to have a network of vibrant, well built, well-operated conventional intercity rail corridors. These corridors contribute to a national commitment to improve mobility and the social and economic quality of life for all our citizens. States, however, cannot accomplish this laudable call alone or even collectively; a national transportation system dictates a role for a federal partner.

**Capital Formation Is an Essential Role for the National Government in Transportation Federalism.**

The federal government fulfills a vital role in highway, public transportation, aviation and inland water transportation by creating a series of excise taxes and fees, placing them in trust funds and allocating those resources. As capital markets have become increasingly restricted, states and the freight railroads are working together to develop public-private partnerships that can build increased capacity for rail passenger and freight operations

We need a federal partner who will help us provide a stable, dedicated, long-term financial commitment for all modes of transportation. Development of a high frequency, high-speed passenger rail network requires a level playing field.

More specifically:

- The complex, long-term nature of corridor development dictates a multi-year programming tool.

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- The federal government, through the tax code, can provide a useful means of attracting and organizing larger amounts of private investment capital.
- States are making significant investments in intercity passenger rail. These funds can be used to match federal investments. In fact, the issue of matching funds deserves a more thorough and complete examination. States are creatively using a broad array of public and private resources to provide improved rail service. Both of these public and private matching efforts should be counted on the corridor level. Expansion of tools to recognize the value of matching efforts is to the common good and should be encouraged.
- The combination of federal, state and other funds can help achieve both economies of scale and funding levels attractive to investors.
- States are responsible for delivering a broad array of transportation services. This requires program stability and a reliable and predictable source of revenue. In large measure this stability is derived from the latest multi-year surface transportation bill “The Transportation Equity Act for the 21<sup>st</sup> Century” or “TEA-21.”

**House of Representatives Bill Number 2950, the “Rail Infrastructure Development and Expansion for the 21<sup>st</sup> Century” (RIDE-21), Combines Leadership and Partnership for New Investment in the Rail Passenger and Freight Network.**

HR 2950 presents a funding program to lead investment in high-speed intercity passenger, and for the freight railroads.

- RIDE-21 promotes intermodalism and transportation efficiency by assuring cooperative agreements between the States and the host railroads and by giving preference to projects that link passenger rail services with other modes of transportation.
- RIDE-21 recognizes the value of the Swift Rail Development Act of 1994 (P.L.103-440) by authorizing appropriations through fiscal year 2009. The Swift Act provided the crucial federal partnership that has helped many states develop the high-speed rail corridors that are now ready for implementation. The primary beneficiaries of the Swift Act reauthorization are those corridors that are in the long-range planning and development phase. It is important that we encourage the development of these corridors so that we can expand the benefits of high-speed rail throughout the country, and bring new systems on-line in a rational, coordinated manner.
- RIDE-21 authorizes needed rail freight funding.
- RIDE-21 provides for timely implementation by establishing time limits for approval or disapproval of projects.
- RIDE-21 maintains the integrity of the Amtrak Reform and Accountability Act of 1997 (P.L.105-134).

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We believe three areas of RIDE-21 merit further discussion and perfecting language:

- First, the provision that corridors be “...designed for sustained cruising speeds of 125 miles per hour....” will exclude many worthy projects.
  - Most, but not all of the high speed development outside of the Northeast Corridor is designed for maximum operating speeds of between 90 and 110 miles per hour. Preliminary engineering and advanced environmental studies have been performed using these standards to develop auto and air-competitive travel times on many of the corridors. Of the thirty-four states with federally designated high-speed rail corridors it is believed that only three (California, Florida and New York) are being planned for operations in excess of 110 miles per hour.
  - Re-engineering high-speed rail corridors for 125 miles per hour operation will require additional time, and the additional environmental and community impacts will add significantly to the costs to implement service. If the 125 miles per hour criterion is observed, the \$71 billion authorized in RIDE-21 may not go any further than the \$12 billion authorized in the High-Speed Rail Investment Act of 2001 (HR2329/S250) toward creating a network of high frequency, high-speed rail.
  - Sustained cruising speeds of 125 mile per hour and above will require electrification. While research and development is being completed on high-speed non-electric locomotives, they are not broadly available and there are limitations on their use in tunnels. Electrification of thousands of miles of corridors will add orders of magnitude to the cost of implementation.
  - Most high-speed rail corridors are proposed to make extensive use of existing freight rail rights of way. Few freight rail rights of way will permit sustained speeds approaching 125 miles per hour, thus acquisition of significant new rights of way will be necessary. A high-speed passenger operation with simultaneous mixed freight operations on the same tracks is incompatible.
- Second, the criterion that “...the corridor design eliminates all existing railroad grade crossings....” is impractical for broad implementation across the nation.
  - An advantage of the rail passenger mode is that service is provided to city centers. Growth and development of our cities and our highway system over the past 150 years has occurred in close proximity with and in many cases surrounds the railroad infrastructure. Thus it will be exceedingly difficult and expensive to grade separate major portions of our transportation infrastructure. The US Department of Transportation has designated some 8,306 miles of corridors for high-speed rail development. These corridors contain an estimated 10,000–15,000 at grade crossings.
  - Significant advances have been made in highway railroad grade crossing safety. The Federal Railroad Administration and the Federal Highway Administration have partnered with the states and the freight railroads to develop highway-railroad-crossing technology that can reduce and virtually

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eliminate grade crossing accidents. For example, the US Department of Transportation plans to report later this year to the Congress on implementation of the “Sealed Corridor” in North Carolina. The Sealed Corridor approach to crossing safety has proven to be highly cost-effective and to save lives.

- Greater community and environmental impacts may also significantly erode local support for projects, and make implementation highly unlikely. It is difficult to build community support for crossing closures and grade separations are not feasible everywhere.
- Third, the provision for tax-exempt bonds for high-speed rail development is creative, and the \$36 billion authorized is commensurate with the need, but RIDE-21 falls well short of a true federal state transportation funding partnership.
  - Intercity passenger rail is challenged to develop a national system of high-speed rail that can supplement and compete with other modes of transportation, yet with RIDE-21 the burden of paying for the new infrastructure improvements will fall primarily upon the states.
  - Many states have just adopted budgets in an ever-tightening economic cycle. While a complete survey of states has not been completed, an informal sampling of our member states indicates that none of our member states is currently prepared to utilize this new tax-exempt bonding authority.
  - State bond ratings vary and thus states will incur different costs to issue bonds and build a high-speed rail.
  - Several years ago the Congress authorized tax-exempt bonds for rail development including high-speed (P.L. 100-647, sections 6180 (b)(4)). To date no state has used this authority.
  - Additional resources are likely to be needed by the US Department of Transportation in order to adequately administer this substantial new program.
- States for Passenger Rail recommends:
  - Changing the provision to 110 miles per hour, which will ensure investments in high-speed rail while not magnifying the costs unnecessarily.
  - Continuing the current national goal of reducing rail-highway at-grade crossings by 25 percent as a means of improving the safety of the transportation system and continuing the criteria on eliminating grade crossings for high-speed rail operations in excess of 110 miles per hour.
  - A federal-state funding partnership for high-speed and intercity passenger rail development that mirrors the capital investment programs for other surface transportation programs.
  - With increased resources available for rail funding, such as those provided in RAIL-21, the states believe that there will be more incentive to consider the development of additional high-speed rail corridors within their states and in association with other states. To ensure that such opportunities are not lost,

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and that activities continue within some of the developing corridors, states believe that planning, as well as development, should continue to be an eligible activity within the High Speed Rail Corridor Development Act.

We believe that these problems can be successfully resolved. Individually and collectively we are eager to work with the committee, the subcommittee and others to remove these obstacles to broad and successful implementation.

Clarification can promote the success of the bill. A clear understanding of the roles and responsibilities of the partners will lead to prompt implementation. All the partners should focus on the strengths and experiences they bring to the effort. In this regard we share Chairman Young's view of Amtrak as a partner whose primary strength is to operate passenger rail services. None of the high-speed rail funding provisions under consideration by the Congress should be seen as an alternative for Amtrak funding. Our National Railroad Passenger Corporation has a continuing need for capital investment.

**States Are Ready To Move Forward, Now.**

In closing I want to assure the Committee that, if the concerns we noted are addressed, many states are ready to begin implementing a high frequency, high-speed rail network now. States have developed innovations in highway-railroad crossing safety, passenger equipment design and manufacturing, and in railroad signaling systems. States renovate and construct new multi-modal stations and help attract new development to our inner cities. States are making investments in commuter, intercity and high-speed rail systems that serve state, multi-state and national interests. States make these investments in concert with local communities and commuter agencies, with Amtrak and the freight railroads, and with adjoining states. The federal government should not expect the states alone to build a national high-speed rail system. States need federal leadership and a federal funding partner to undertake this task.

States also are working with business leaders to develop solutions to our congested highway and airport networks. For example, the Southeastern Economic Alliance (SEA), comprised of fourteen Chambers of Commerce from six states has been formed with the goal of achieving high-speed rail in the southeast. The leadership of the SEA already is having an impact on transportation decisions in our state capitals, and I believe business leaders around the country will mirror their example. Recently, a similar regional chamber effort has gotten underway in the Midwest led by the Chicagoland Chamber of Commerce and other chambers in the nine states that are a part of the Midwest Regional Rail Initiative. Our business leadership is not motivated because they are a fan of rail transportation, nor do they simply advocate for more government. Rather, their impetus comes from a business analysis that our current transportation system has a serious weakness, and that weakness hampers our ability to compete in world markets.

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Development of a high quality, high-speed intercity passenger rail network can help mitigate congestion. Development of high-speed rail transportation will help stimulate economic growth by creating new jobs and by increasing mobility. Development of a national system of high-speed rail is predicated on having a program of public-private investment that includes the active participation of states and the federal government. Many of our member states have completed preliminary engineering and environmental work and are ready to begin projects now. Our Chairman, Wisconsin DOT Secretary Mulcahy, will present to the Congress this week a list of short-term economic stimulus projects. Many States have available “shelf plans” for incremental high-speed rail development, and are investing significant state and private funds now; we need a viable federal funding partner.

This Congress has as important an opportunity to impact the transportation system in the United States through support for development of a high frequency, high-speed rail network, as did the Eisenhower administration when it presided over creation of the Interstate Highway System. We look forward to working with you to develop this critical program. Thank you for the opportunity to testify before you today.