Statement of

Jim Mathews

President & CEO

* * *

Subcommittee on Transportation, Housing and Urban Development,

and Related Agencies

The Honorable Mario Diaz-Balart

Committee on Appropriations, U.S. House of Representatives

* * *

Fiscal 2016 Department of Transportation Appropriation

* * *

April 18, 2016

Thank you for the opportunity to submit this statement. Thank you also for your work to ensure that intercity passenger train service is part of a modern, efficient national transportation system that will preserve the mobility of American travelers and businesses in the 21st Century.

NARP Funding Request

NARP is requesting $2.2 billion for passenger rail in Fiscal Year 2017, based upon the programs overwhelmingly approved by Congress as part of the FAST Act, as well as Amtrak's FY2017 funding and reauthorization request. This represents a meaningful increase from the $1.39 billion enacted for Amtrak for FY 2016, but falls far short of the $7 -$9 billion a year recommended by the National Surface Transportation Policy & Revenue Study Commission, appointed by President George W. Bush.

Funding (in millions)

	Fiscal Year 2016	**Fiscal Year 2017**
Program		
Amtrak – General Operating	$288.5	N/A
Amtrak – General Capital	$1,101.5	N/A
Amtrak – National Network	N/A	$941.3
Amtrak – Northeast Corridor	N/A	$612.9
Consolidated Rail Infrastructure & Safety Improvements	N/A	$300.0
Federal State Partnership For State Of Good Repair	N/A	$250.0
Restoration & Enhancement Grants	N/A	$100.0
Total	**$1,390**	**$2,204.2**

Amtrak's ridership exceeded 30 million for the fifth year in a row, even in the face of plummeting gasoline prices that have led to a record 3.15 trillion vehicle miles traveled. With this level of road congestion, it is imperative to provide travelers with a choice to preserve mobility and economic growth.

With that in mind, NARP is encouraging appropriators to sustainably fund programs created in the overwhelmingly popular Fixing America's Surface Transportation (FAST) Act: the Consolidated Rail Infrastructure & Safety Improvements Program (Sec. 11102), the Federal State Partnership for State of Good Repair Program (Sec. 11103), and the Restoration & Enhancement Grants (Sec. 11104) program. These bipartisan programs will allow states and Amtrak to address the investment backlog on the National Network, the state-supported routes, and the Northeast Corridor. It would also allow passenger railroads to make additional investments to build a modern fleet of equipment, as well as safety-critical Positive Train Control systems.

A Pressing Need for More Service

NARP believes policy makers should consider intermodal and rail as they would any other transportation investment. The payoff to a municipality, state or region is not just in farebox recovery, but in whether the transportation fulfills a local or regional need in bringing jobs and the preconditions for a healthy economy and jobs to that area, attracting other investment and private capital. The rule of thumb that has emerged from examples across the country suggests that on average every dollar invested in rail and improvements yields a three-dollar return to the surrounding community. In some cities and towns – places as diverse as Merdian, Miss., and Salt Lake City, Utah – the payoff has been much, much higher.

Growing congestion in other modes and rapidly dwindling transportation options in small- and mid-sized communities are driving the surge in public demand for trains, making train travel more vital than ever to local economies across the nation. As surely as mobility powers economic growth, congestion constrains it. The Texas Transportation Institute recently estimated that congestion last year cost the average American commuter 42 hours of wasted time and nearly $1,000 in in wasted gas. Millions of Americans today face loss of personal mobility: airlines are cutting back the number of flights and have reduced or discontinued service to literally hundreds of smaller cities. Millions more find flying to be too expensive, too inconvenient, or simply too unpleasant. An increasing number of young people don't own automobiles, either as a personal choice or because they are unaffordable. Many older citizens are unable or unwilling to drive their personal automobiles for more than just a few miles; this population will grow dramatically during the next few decades in the U.S., and their needs can't be ignored.

NARP believes that these people—and indeed all Americans—have the right to choose how they travel. As recognized by the House Committee on Transportation itself: "By 2039 the U.S. population will exceed 400 million and the population concentration in our urban areas is increasing. Transportation solutions for these people are paramount in order to support an expanding U.S. economy. The costs of congestion and poor transportation infrastructure continue to rise for commuters: almost $121 billion each year is wasted in time and fuel, up from only $24 billion in 1982. In addition, Americans spend a staggering 5.5 billion hours annually stuck in traffic."

NARP's vision is for an expanded national network of passenger trains (short, medium, and long-distance), putting 80% of Americans within 25 miles of a train station served frequently by fast, modern and reliable trains providing top-notch customer service. NARP members also want to see at least one high-speed rail line with trains operating at a maximum speed of at least 200 mph in operation by 2025. Finally, NARP envisions enhanced connectivity between intercity trains and airports, intercity buses, local transit, cycling and walking, and car rental and sharing service for a seamless multi-modal transportation network, coast-to-coast – connecting "flyover country" to the nation's larger economy and prospects.

This idea has been endorsed by number of different economic groups, including a coalition of 42 individual State Chambers of Commerce: "One of America's greatest strengths is our ability to create diverse networks of transportation infrastructure to cheaply and efficiently move goods and services around the nation. In order to compete with our economic advantage, other nations are making historic investments in their own transportation infrastructure. China, India, and Europe spend about 9%, 8%, and 5% of their gross domestic product, respectively, on infrastructure investment. Meanwhile, infrastructure investments in the United States have declined to a mere 2.4% of GDP."

Restoring Gulf Coast Service Is a Vital Link for 'A Connected America'

Ten years on from the suspension of passenger rail service following Hurricane Katrina, Gulf Coast communities are organizing to demand a train between Louisiana and Florida. For good reason: seven of the 12 communities between New Orleans, La., and Jacksonville, Fla., whose service was suspended post-Katrina have no air service, and four have no intercity bus service, leaving those four areas without any public transportation option.

I've made seven trips to the Gulf Coast in just the past 14 months, and every official I met with at every level of government agreed that restoring this service was vital to the South's economic competitiveness. The consensus was more than bipartisan, it was non-partisan. There are wonderful towns and cities in Louisiana, Mississippi, Alabama and Florida, but those communities won't remain competitive if nobody can get to them on a national network. The officials I have visited with over the past few months, Republican and Democrat, are united in their unwillingness to be turned into second-class citizens and getting left behind when it comes to getting around their states and the Gulf Coast region.

Based on an assessment of existing performance, projected additional boardings, and a change from three-times weekly to daily service, NARP believes a daily Gulf Coast service between New Orleans and Orlando could generate well more than $50 million per year in economic benefits for the region, better than doubling revenue on each leg west and north. This segment parallels the busy I-10 corridor connecting the eight southernmost states, which together are home to one out of every three Americans and which have accounted for half of all U.S. population growth between 1970 and 2000, according to the U.S. Census Bureau. Initial cost analyses suggest all this could be accomplished for as little as $5 million in capital startup costs.

It is imperative that Congress follow through on its commitment to the Gulf Coast region, as expressed in the bipartisan FAST Act. Reconnecting these areas to the rest of the economy should produce a net benefit beyond direct investment in rail service by easing the Gulf Coast's isolation from access to other markets for travel and tourism revenue. In the absence of this service, those travelling between Western and Midwestern U.S. cities on the one hand and Florida and Southeast U.S. markets on the other must make a circuitous trip through Chicago and Washington, D.C., which actively discourages travel and the spending that might otherwise take place in those cities and towns along the way.

Keeping the Trains Running

A robust capital program is essential to maintain existing service and needed expansion. Today, the average age of Amtrak's rolling stock is older than it was when Amtrak began operations May 1, 1971, with "hand-me-down" equipment from the private railroads. Most of these so-called "Heritage" cars were built in the 1950s and so less than 20 years old in 1971. Indeed, some Heritage cars were built in the 1960s – many Santa Fe High Level cars date from 1964 and so were only seven years old at Amtrak's inception; the Metroliner cars were three years old.

The mainstay of Amtrak's short- and long-distance fleets now are the first Amfleet and Superliner cars which began entering service in 1974 and 1981, respectively, and so are about 35 years old. Amtrak's fleet plan reflects a very conservative view of equipment needs going forward, and the absolute minimum that Congress should consider funding.

Energy Efficiency

The most recent data released by the Department of Energy's Transportation Energy Data Book, released September 30, 2015, and based on 2013 data, indicates that Amtrak on average is 36% more energy efficient per passenger-mile than automobiles, 46% more efficient than personal trucks, and 11% more efficient than commercial aviation (measured in BTUs per passenger-mile).

The National Network (Long-Distance) Trains

One use of the national network trains which has come to our attention is for transporting patients from rural hospitals to major urban medical centers. This involves patients who need specialized treatment or procedures not available in the smaller facilities. Overall, based on Amtrak's 2010 ridership profile research, 51% of trips on these trains are to visit friends and family, 29% vacation/leisure, 11% personal business/school/shopping, and 9% are business.

In addition, a sizable number of people have medical conditions—either permanent or temporary—that make it inadvisable or impossible for them to fly, and/or vastly more convenient to use the train. This includes people who must travel with oxygen or other medical machines. In fact, recent data show that travel by the disabled on the long-distance network far outpaces that on the Northeast Corridor; it is clear that for these especially vulnerable populations the national network is a vital lifeline.

Another way of stating the relationship between the NEC and the rest of Amtrak is that there is a balance which the NEC gets substantial capital while the national network gets a sizable operating grant. In addition:

1. The national network shares overhead facilities with NEC and state-supported routes. If the national network disappeared, the significant overhead costs would not disappear but would be shifted to surviving services, increasing the financial burden on states, many of which have recently sustained a big increase in Amtrak-related costs, and NEC operating profits would decline.

2. Many state-supported routes and the NEC share revenues with national network trains – connecting revenues which obviously would be lost if the national network disappeared.

3. The NEC achieves its good operating performance today because of significant federal capital investment over many years, including the New Haven-Boston electrification.

Positive Train Control

Accepting that compliance with the December 31, 2015 deadline for Positive Train Contrail was not feasible, NARP recognizes the necessity of extending the deadline until December 2018. However, to ensure the safety of America's passengers, it is critical that Congress provide the necessary funding to implement this life-saving technology on intercity and commuter rail systems; NARP was pleased at the Obama Administration's FY2017 Budget request for $213 million to support PTC implementation.

Additionally, Congress and the FRA should explicitly require the prevention of low-speed, rear-end collisions—of which there have been fatal ones within the past four years [see below]. The system as currently being installed does not know the length of trains and therefore cannot prevent low-speed, rear-end collisions. This would make explicit what most people thought the law already meant – train-to-train collisions must be prevented; there is no exception for low-speed, rear-end collisions. The NTSB April 24, 2012, report on the April 17, 2011, fatal collision at Red Oak, Iowa, stated that "the PTC designs that are being deployed and the FRA's final rule on the application of PTC are unlikely to prevent future restricted speed restricted speed rear-end collisions similar to the 58 rear-end collisions reported to the Federal Railroad Administration over the last 10 years or the collision at Red Oak because train speeds at the upper limit of restricted speed are allowed."

FRA's April 25, 2012, advisory in response to the NTSB's report detailed six rear-end collisions over the past year that caused four employee fatalities (the other two were at Mineral Springs, NC, on CSX on May 24, 2011, and DeWitt, NY, on CSX on July 6, 2011), six employee injuries and property damage exceeding $6 million. Thankfully, no passenger trains were involved.

Grade Crossing Safety

NARP supports the preservation and expansion of the Section 130 program that supports improvements to—as well as closure of—highway/railroad grade crossings. With rail traffic and automotive vehicles mile driven both on the rise, it's more important than ever to provide funding to support grade separation at essential crossings.

Thank you very much for this opportunity to present our views.

Jim Mathews
President & CEO
National Association of Railroad Passengers
505 Capitol Court NE, Suite 300
Washington DC, 20002
http://www.narprail.org