

**Statement of the Coalition of Northeastern Governors
to the United States House of Representatives
Committee on Appropriations
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Regarding FY2017 Appropriations for U.S. Department of Transportation
April 6, 2016**

The Coalition of Northeastern Governors (CONEG) is pleased to share with the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies this statement on the FY2017 appropriations for surface transportation and rail programs. The CONEG governors deeply appreciate the Subcommittee's longstanding support of funding for these programs. They recognize that the Subcommittee faces extremely difficult choices in an environment of severe fiscal constraints. We are pleased that the Congress has enacted the Fixing America's Surface Transportation Act (FAST Act) which authorizes increased investments to maintain and improve the nation's transportation system. We urge that funding is appropriated at the authorized levels.

States currently make significant investments in the nation's transportation system and continually strive to identify new revenue streams that can support the capital costs of their infrastructure and ongoing maintenance and operations. Nevertheless, federal support remains a vital component to aid in the states' responsibility to maintain the national transportation system; enhance its capacity and resiliency to meet enormous and diverse needs; and contribute to a balanced, integrated, multi-modal transportation system that supports the nation's current and future economic growth. Therefore, the CONEG governors encourage the Subcommittee to provide robust federal funding for these programs which are the foundation of the nation's federal-state-local partnerships for surface transportation.

Specifically, the CONEG governors urge the Subcommittee to:

- Fund the highway obligation ceiling at no less than the FAST Act authorized levels;
- Fund federal public transit programs at no less than the FAST Act authorized levels, with full funding for the transit formula grants and capital investment grant programs, and preserving the historic funding balance between these programs;
- Fund Amtrak at FAST Act authorized levels that will support sound operations and a balanced capital investment program, including Northeast Corridor (NEC) capacity improvements;
- Fund at authorized levels the new FAST Act passenger rail programs for Consolidated Rail Infrastructure and Safety Improvements, the Federal-State Partnership for State of Good Repair, and Restoration and Enhancement Grants;
- Provide funding for use by the Northeast Corridor Commission and the State-Supported Route Committee as provided in the FAST Act;

- Fund at authorized levels the critical rail safety programs including highway-rail grade crossing, pedestrian safety and trespass prevention, railroad safety risk reduction, and the shipment of flammable liquids by rail;
- Provide authorized funding for the TIGER program to encourage investment in multi-modal, multi-jurisdictional or other road, rail, transit and port projects that help achieve critical national objectives;
- Expand access to innovative financing and public-private partnerships such as the Transportation Infrastructure Finance and Innovation Act program (TIFIA) and the Railroad Rehabilitation and Improvement Financing Program (RRIF); and
- Provide adequate funding for the Surface Transportation Board to carry out the expanded responsibilities designated by Congress for intercity passenger rail corridor services and cost-sharing formulas.

Surface Transportation

The CONEG governors urge the Subcommittee to fund the highway obligation ceiling and public transit programs at FAST Act authorized levels, and to adequately fund safety and innovative financing programs. These levels of federal investment are the minimum needed to slow the decline in infrastructure conditions and maintain the safety and resiliency of the nation's highways, bridges, and transit systems.

Continued and substantial federal investment in these infrastructure improvements – in urban, suburban, exurban, and rural areas – is necessary to move people and products safely and efficiently, and to ensure seamless connections while supporting the substantial growth in freight movement projected in the coming decades. The CONEG governors urge the Subcommittee to:

- Fund at authorized levels the Federal-Aid Highway programs in the FAST Act;
- Fully fund the current transit formula grants and capital investment grants and preserve the historic funding balance between these programs; and
- Ensure that federal transit funds are released to states and designated recipients in a timely manner.

Rail

The CONEG governors deeply appreciate the Subcommittee's continued support for Amtrak and prior funding for rail corridors that benefit intercity passenger rail service nationwide. These federal funds are crucial to the effective federal-state partnerships that are developing intercity passenger rail corridors as part of a cohesive, national multi-modal transportation system. The FAST Act authorizes new initiatives to support passenger rail programs. The governors urge the Subcommittee to provide funding in FY2017 for the Consolidated Rail Infrastructure and Safety Improvements, the Federal-State Partnership for State of Good Repair, and Restoration and Enhancement Grants.

The support of this Subcommittee helped make possible joint planning and funding initiatives that are now part of an on-going coordinated effort to improve service in passenger rail corridors in diverse travel markets. States have made major investments in passenger rail corridor development and services, and have significantly leveraged federal funds to enhance and expand services. Without strong appropriations for the rail programs in the FAST Act, the pipeline of state of good repair and capacity improvement projects will begin to diminish.

States continue to financially support intercity rail corridor services on the Northeast Corridor and state-supported corridors, as per the directives of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), Section 209. Additional grant funds to these states will allow continued advancement of plans for services that are reliable and travel-time competitive regardless of maximum speed requirements. State-supported services play a vital role in the nation's passenger rail system. They account for nearly half of all Amtrak ridership, millions of dollars in direct revenue, and also generate and energize local and regional economies. These services provide important regional connections between metropolitan areas, mid-size cities and smaller, rural communities; offer direct connections between the United States and Canada; and in the case of many northeastern and southeastern state-supported services, serve as a feeder system into the NEC main-stem trains. Yet, many of these services continue to struggle financially. Therefore, the CONEG governors encourage the Subcommittee to support needed capital investments along these corridors to ensure that they remain competitive and can grow their ridership.

Intercity Passenger Rail: The CONEG governors strongly urge the Subcommittee to fund Amtrak at the FAST Act authorized levels. The requested funding will enable Amtrak to continue a program of sustained capital investment in infrastructure and fleet modernization programs that are vital for an efficient, safe and high quality intercity passenger rail system in the Northeast and across the nation.

The NEC is a nationally significant transportation facility of tremendous economic benefit that provides mobility and connectivity to the Northeast and the entire country. Its continued efficient operation and improved performance is essential to sustain and enhance both regional and national economic growth. Approximately half of the nation's intercity passenger rail trips use the NEC, and Amtrak carries three passengers for every airline passenger between New York City and Washington, D.C.

Continued, adequate federal investment is critical to bring the current NEC Network system to a state of good repair; help expand its capacity to meet the ridership demand; provide improved service; attract state, local and private sector investments in the intercity passenger rail system; and develop a coordinated, comprehensive vision and plan for future services. Historic levels of investment from traditional funding sources for NEC infrastructure have been far below the annual amount required to simply maintain existing assets within a state of good repair. Insufficient federal capital investment over several decades has resulted in a huge backlog of assets aged well beyond their useful life. Many of these assets – everything from rail, power substations and electric wire to major bridges and tunnels – were originally built 50-100+ years ago but are still in operation today.

Higher levels of federal investment are needed simply to maintain the operation of the current system, since addressing the state of good repair backlog along the entire Northeast Corridor is certainly one of the most important tasks facing Amtrak in the coming years. Adequate federal support is a critical part of an on-going coordinated effort to improve service on the NEC. These efforts focus on reducing travel times, increasing speed, increasing service reliability and on-time performance, and eliminating choke points. However, the authorized levels and new policy provisions for greater cost-sharing by the states and Amtrak on basic NEC infrastructure will not

generate the level of additional funding needed to adequately address the significant backlog of state of good repair projects.

The Amtrak capital request encompasses initial investments urgently needed to maintain NEC service and ridership. This request includes advancing the Gateway Program for expanded track, tunnel and station capacity between Newark, N.J., and New York Penn Station; acquiring new equipment; and improving accessibility for passengers with disabilities. The current capital request will begin to address the backlog of deferred investments, and enable investments in near-term improvements in track, signals, bridges, tunnels and equipment. These investments will increase the ability of the NEC to offer more reliable, frequent intercity service that can deliver more riders in less travel time. Improvements on the NEC can also help address the congested highway corridors and crowded northeast airports that are a major source of travel delays nationwide. Without this higher level of investment, future commerce and mobility could be curtailed in a region that is an economic engine for the nation.

Northeast Corridor Infrastructure and Operations Advisory Commission: The CONEG governors thank the Subcommittee for its support of the Northeast Corridor Infrastructure and Operations Advisory Commission (Commission). To conduct the assessments required by Congress in a timely manner, the Commission needs resources, data and expert analysis that exceed those currently available through the staff of the states, Amtrak and the Federal Railroad Administration (FRA). For example,

- The Commission completed and submitted congressionally-mandated reports using resources made available as a result of the Subcommittee's support.
- In December 2015, a majority of the NEC Commission approved the Northeast Corridor Commuter and Intercity Rail Cost Allocation Policy that establishes methods for sharing NEC infrastructure costs among members, as required by PRIIA, Section 212.
- The Commission has completed a NEC Five-Year Capital Plan to identify needed and desired capital investment over a five-year period.

The Commission continues its efforts to facilitate mutual cooperation and planning for the NEC Network among the states, Amtrak, freight railroads, and the FRA so that all intercity, commuter and freight users of the Corridor can maximize the economic growth and the energy and environmental benefits of the larger regional NEC Network. This work will also guide the vision and service development plans that are a pre-requisite to funding projects that can enhance the capacity of the NEC. Continued funding in FY2017 will help ensure the Commission secures essential resources for conducting these and other required assessments.

The governors also thank the Subcommittee for its funding support of the planning activities for the Northeast Corridor – the NEC FUTURE. This funding has enabled the FRA and the states to work cooperatively on the development of a programmatic environmental impact statement and a service development plan for the NEC through 2040. The work is expected to be completed in 2016, and we look forward to it providing the states and Amtrak with a framework to advance capital projects on the NEC.

The CONEG governors thank the entire Subcommittee for the opportunity to share these priorities and appreciate your consideration of these requests.