

**Statement of the Coalition of Northeastern Governors
to the United States Senate
Committee on Appropriations
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Regarding FY2016 Appropriations for U.S Department of Transportation
April 20, 2015**

The Coalition of Northeastern Governors (CONEG) is pleased to share with the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies this testimony on FY2016 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, the pending shortfall in the Highway Trust Fund (HTF), and the pending reauthorization of federal surface and rail transportation programs. We are hopeful that the Congress soon enacts a six-year surface transportation authorization bill that will provide for increased investments to maintain and improve the nation's transportation system.

Federal support is vital to maintaining the national transportation system; enhancing its capacity and resiliency to meet enormous and diverse needs; and contributing to a balanced, integrated national transportation system that supports the nation's current and future economic growth. States continue to invest in the nation's transportation system and identify new revenue streams. While federal expenditures on surface transportation account for about 25 percent of all public dollars spent on transportation, they are approximately 45 percent of all public *capital* investments. Therefore, the governors urge 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 FY2015 appropriated levels as expeditiously as possible;
- 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 Program (RRIF);
- Fund federal public transit programs at no less than the FY2015 appropriated levels, with full funding for the transit formula grants and capital investment grant programs, and preserve the historic funding balance between these programs;
- Fund Amtrak at levels that will support sound operations and a balanced capital investment program, including Northeast Corridor (NEC) capacity improvements;
- Maintain provisions to fund the Northeast Corridor Infrastructure and Operations Advisory Commission;
- Provide funding for corridor planning and capital investment, including provisions for multi-state corridor planning;
- Provide funding for national rail infrastructure programs such as the Rail Line Relocation program and the Next Generation Corridor Train Equipment Pool;

- Fund critical rail safety programs – including highway-rail grade crossing, pedestrian safety and trespass prevention, and the railroad safety risk reduction program;
- Provide increased 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; and
- Provide adequate funding for the Surface Transportation Board to carry out its expanded responsibilities for intercity passenger rail corridor services and cost-sharing formulas.

In response to the considerable increase in crude oil shipments by rail, ship, and barge, as well as the increase in serious derailments involving the transportation of crude oil, the governors request the Subcommittee to ensure that adequate resources are available to protect the public, prevent spills and safeguard our natural resources.

Surface Transportation

The CONEG governors urge the Subcommittee to fund the highway obligation ceiling and public transit programs at no less than the FY2015 levels and 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 safely and efficiently move people and products 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:

- Take swift action to replenish the Highway Trust Fund as expeditiously as possible to avoid delays or cancellations of projects and the ensuing economic impacts;
- Provide flexibility to states to fund under the National Highway Performance Program (NHPP) any non-National Highway System (NHS) bridge on the federal-aid highway system;
- Include funding for infrastructure resilience planning and research to enable states to better assess their vulnerabilities to future weather events and reduce their risks;
- 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 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 national, multi-modal transportation system. As the Congress undertakes a new authorization of the passenger rail programs, the governors urge the Subcommittee to again provide funding in FY2016 to support intercity, corridor and long-distance passenger rail services and planning.

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 invested significantly in passenger rail corridor development and services, and have leveraged federal funds consistent with the framework of the Passenger Rail Improvement and Investment Act (PRIIA –P.L.110-432). These intense efforts by the states, Amtrak and freight railroads are showing positive results across the nation. Therefore, the Subcommittee is requested to waive the current statutory requirement that projects be part of an approved state rail plan, since this requirement might curtail thoughtful and well-advanced efforts already underway by the states.

Additional grant funds to states that support intercity rail corridor services on the Northeast Corridor and state-supported corridors will allow continued advancement of plans for reliability and travel-time competitive service regardless of maximum speed requirements. State-supported services play a vital role in the nation’s passenger rail system – accounting for nearly half of all Amtrak ridership. These services provide critical regional connections and, in the case of many northeastern state-supported services, serve as a feeder system for the NEC. Many of these services continue to struggle financially since the implementation of PRIIA section 209, and the governors encourage the Subcommittee to support needed capital investments along these corridors to ensure that they remain competitive and grow their ridership.

Amtrak: The governors strongly urge the Subcommittee to fund Amtrak at the specific levels requested in its FY2016 General and Legislative Annual Report. The requested funding levels will enable Amtrak to continue a balanced program of adequate, 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 vital linchpin in the nation’s intercity passenger rail network. It provides mobility and connectivity within and into a region that is critical for the economy of the nation. Approximately half of the nation’s intercity passenger rail trips use the NEC, and Amtrak carries three passengers for every airline passenger in the Northeast. 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 growing ridership; 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 capital investment at the federal level over several decades has resulted in a huge backlog of assets aged well beyond their useful life but still in operation today – everything from rail, ties, and electric wire to major bridges and tunnels.

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, even with new policy provisions for greater cost-sharing by the states and Amtrak on basic NEC Infrastructure, the additional funding that it will generate will not provide adequate funding to address the significant backlog of state-of-good-repair. Higher levels of federal investment are needed to simply maintain the operation of the current system.

The Amtrak capital request encompasses investments urgently needed to maintain NEC service and ridership: advance the Gateway Program to expand track, tunnel and station capacity between Newark, N.J., and New York Penn Station; acquire new equipment; and improve accessibility for passengers with disabilities. These funding levels will begin to address the backlog of deferred investments, and make investments in near-term improvements in track, bridges, tunnels and equipment that 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 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 governors thank the Subcommittee for its support of the Northeast Corridor Infrastructure and Operations Advisory Commission (Commission), and urge your continued support. 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 FRA. For example,

- The Commission completed congressionally mandated reports and submitted them to the committee using resources made available as a result of the Subcommittee's support.
- In December 2014, 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 Section 212 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).
- The Commission has worked closely with the Federal Railroad Administration on the development of corridor-level environmental impact statement and service development plans for the future of the NEC.

The Commission continues to facilitate mutual cooperation and planning 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 fund projects that can enhance the capacity of the NEC. Continued funding in FY2016 will ensure the Commission's ability to secure all essential resources for conducting these and other required assessments.

The governors also thank the Subcommittee for its past funding support of the planning activities for the Northeast Corridor – the NEC Future. This funding enabled the Federal Railroad Administration and the states to work cooperatively on the development of the programmatic environmental impact statement and a service development plan for the NEC through 2040. The work is expected to be completed in 2016, and will provide the states and Amtrak the necessary framework to advance 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.