

**STATEMENT TO THE RECORD
BY THE COALITION OF NORTHEASTERN GOVERNORS (CONEG)**

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES**

**HEARING ON THE NORTHEAST CORRIDOR FUTURE: OPTIONS FOR HIGH-SPEED
RAIL DEVELOPMENT AND OPPORTUNITIES FOR PRIVATE SECTOR PARTICIPATION
DECEMBER 13, 2012**

The Coalition of Northeastern Governors¹ (CONEG) is pleased to have this opportunity to submit a statement to the record of the Committee on Transportation and Infrastructure hearing on *Options for High-Speed Rail Development and Opportunity for Private Sector Participation*, held on December 13, 2012.

The CONEG Governors Have Long-Standing Commitment to Regional Rail

The CONEG governors have long recognized that the Northeast Corridor (NEC) network² – the Main Line and the connecting services – is a transportation and economic artery for this region and the nation. The network is a joint-use corridor (commuter, intercity and freight rail), with the states owning portions of the NEC and some stations. This network serves a region that is home to more than 60 million people, 80 percent of whom live within 25 miles of an existing or proposed multi-state regional rail service. It offers the intercity traveler an easily accessible alternative to congested highways and airports, as well as an option for travelers unable to drive or fly. Its extensive geographic reach and multi-modal network connections provide efficient, viable choices for the region's millions of commuters, thereby enlarging access to the employment market for both businesses and workers. Efficient and frequent service linking the region's many large and small urban areas creates a proximity and opportunity for interaction among firms, institutions and individuals that can expand the market for services, encourage greater interaction, and facilitate innovation. Throughout the Northeast, passenger rail stations are a locus for transit services and support the development of vibrant neighborhoods and local businesses. In short, the northeast region is uniquely positioned to become the American showcase for the application of advanced intercity passenger rail systems that incorporate higher speed rail segments as well as improved connectivity.

¹ CONEG members include the governors of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont.

² This network encompasses the NEC Main Line connecting Boston, New York City, Philadelphia and Washington, D.C., and the branches that extend service to Harrisburg, PA; to Albany and points beyond including Vermont and Canada; to Hartford, CT, Springfield, MA, and Vermont; and to Portland, ME and points beyond.

The CONEG states share a goal for the Northeast Corridor that extends beyond a specific measure of high speed service. The states' goal seeks a robust rail system that, near-term and in the future, can provide better transportation options for individuals and nurture enhanced economic opportunity for communities along the entire Corridor network. That goal seeks improved, expanded passenger rail service and significantly increased ridership for both intercity and commuter rail service – on the Main Line and the critical branch lines – while also supporting essential goods movement. Achieving that goal for all users will require a quality and range of services that can continue to entice travelers away from congested highways and airports and onto an intercity and commuter rail network that provides:

- intercity service, including regional service and world-class higher speed premium service, with reduced travel times, more frequent service, and better on-time performance;
- more frequent and reliable commuter rail services with expanded coordination between commuter railroads and intercity service as well as upgraded equipment and stations; and,
- enhanced intermodal linkages for more seamless travel with coordinated informational services, compatible fare collections, integrated facilities, and coordinated operations.

The Corridor Network Has Significant Needs That Require Collaborative Actions

The northeast passenger rail network offers enormous opportunities for greater regional mobility and economic development; but it also faces significant and immediate challenges. Aging and obsolete infrastructure, limited track capacity and critical chokepoints affect the service quality and reliability for all users – intercity, commuter and freight. This stress on the system occurs even as the demand grows for improved, expanded intercity and commuter service on the NEC Main Line, and on its many connecting corridors.

Significant progress is being made. However, coordinated planning and management, combined with significant, sustained investment, must continue if the Northeast region's rail network is to achieve the capacity and connectivity required for additional – and more reliable – service in the near-term; and to lay the critical building blocks for new, expanded high performance service linking the Northeast's major population and employment centers.

The CONEG governors are pleased that the northeast states are, and will continue to be, actively engaged in partnership with each other, Amtrak, commuter and freight railroads, the U.S. Department of Transportation and local communities, to tackle these challenges and help the region achieve the full potential of an integrated rail network. With the governors' support, the 11 northeast states are engaged with the Northeast Corridor Infrastructure and Operations Advisory Commission, the unique federal-state-private sector partnership created by Congress to plan and better integrate the board visions and policy goals for the Northeast Corridor. The region's states are also participating with the Federal Railroad Administration in the NEC FUTURE, a comprehensive planning effort to define, evaluate and prioritize future investments in the NEC.

Core Principles to Guide the Future of the Northeast Corridor Network

As the Committee considers the ways in which the Northeast Corridor Network can most effectively address current and future local, state, regional and national transportation and economic goals, the CONEG governors urge the Committee to consider the core principles which have guided the northeast states as they look to the future of this vital transportation and economic asset.

The NEC is a Critical National and Regional Joint Use Asset: The Northeast Corridor is a nationally significant transportation asset that has been developed with considerable federal and state investments. It is also a joint use asset – owned, shared, and used by the states and Amtrak – for public benefit and private commercial purposes. It must continue to be managed as a public transportation corridor, with access for critical intercity, commuter and freight services where shared trackage is vital to economic development. Public oversight and control of the NEC infrastructure is essential to ensuring safe, secure and reliable passenger services.

States are Vital Partners: To ensure that the NEC Network is strategically developed to its highest and best public use, states must have a meaningful role in and responsibility for intercity and commuter rail policy-making. Portions of the NEC and some of the stations are owned by states along the corridor. The northeast states share in the ownership, financing and operations of passenger rail service on the NEC and its regional branches. They are actively engaged with their communities, Amtrak, federal government and the private sector in addressing the Network's current needs and planning for its future.

Therefore, any changes in governance, funding and management that affect the states or their commuter and intercity rail operations, including the allocation of costs and modification of services, must result from collaborative processes with the states and should provide neutral mechanisms to resolve disagreements. A significant state role in the determination of the routes, stations, services and public funding alternatives must be included in any determination of the corridor's future. Performance measures for the NEC should be determined with the states that comprise the NEC and contribute to its intercity services.

Federal policy should recognize states' long-standing role as joint funders, owners and operators of passenger rail service. It should encourage states, the federal government, and railroads to work together to improve planning and management of the NEC Network across ownership, jurisdictional and modal boundaries. Investments made by states, particularly in state-owned territory, should be recognized, acknowledged and accounted for in any funding scenario where a state contributes (or may be asked to contribute) to the cost of intercity passenger rail infrastructure. The charge given to the NEC Advisory Commission to develop a standardized formula for the allocation of costs, revenues and contributions among the NEC commuter railroads and Amtrak for use of each entity's facilities and services tacitly acknowledges this principle.

The Federal Government has a Lead Role in the State of Good Repair: Bringing the NEC infrastructure to a state of good repair is a necessary first step to improve the reliability of express and non-express service and to develop future new capacity. This will require significant resources. Since the federal government created the existing infrastructure and operations relationships on the NEC from private sector railroad assets that were not maintained to a state of good repair, the federal government has the dominant responsibility to restore the Amtrak-owned NEC infrastructure to a state of good repair that incorporates normalized maintenance and eliminates the backlog of deferred investment.

Change Must Occur in a Timely and Orderly Manner: Changes in the current intercity passenger rail system must occur in a timely, but orderly, manner that involves close consultation with the states; reflects rigorous data and analysis; recognizes the complexity of the joint-use system and its integration with the branch lines and other associated services. Any changes in funding, infrastructure, operations or institutional responsibility for the NEC Network should be undertaken in an orderly fashion that does not jeopardize current intercity, commuter and freight services.

Connectivity with Other Rail Services: The joint use of the NEC is central to its effectiveness as a public transportation corridor that serves other rail and transportation modes on the Main Line and state-supported intercity service that originates off the Main Line. Any changes on the NEC must recognize the interface with commuter railroads and with other rail services connecting to the NEC infrastructure and facilities.

Change in Financing and Risk Must Be Appropriately Considered

Given its national and regional significance, federal support for the NEC must be continued. Any modification in federal support should not be achieved solely by transferring greater costs (directly or indirectly) to the states and local governments that use and rely upon the NEC for passenger rail services. In particular, continued authorization and funding for the completion of the NEC FUTURE work, including the service development plan and the environmental analysis, are critical to assessing the importance of an enhanced NEC to the economy and development of the northeast megaregion.

Careful consideration must be given to the balance between state and local authorities and laws, and the powers and responsibilities of any entity with development and management control of the NEC's federally-owned segments.

Any major change in the funding and governance of the NEC infrastructure, operations and services entails potential legal, liability, and insurance and financial risks, if existing responsibilities are transferred among the various affected parties. Any future institutional relationships for the NEC must be developed to minimize both the risks and costs to the states.

The governors appreciate the opportunity to express their views on the Northeast Corridor.