

**Statement to
National Surface Transportation
Policy and Revenue Study Commission**

**Remarks by Missy Cassidy, Director of Policy and
Governmental Affairs, Maryland Department of
Transportation**

**Given on Behalf of Robert L. Flanagan
Secretary of Transportation
State of Maryland**

**Chair, AASHTO Intercity Passenger Rail Leadership Group
Chair, AASHTO Standing Committee on Rail Transportation**

**October 27, 2006
Portland, Oregon**

**Good morning, I'm Missy Cassidy, Director of Policy and
Government Affairs for the Maryland Department of
Transportation. I am speaking today on behalf of Bob
Flanagan, the Maryland Secretary of Transportation.**

**Secretary Flanagan is Chair the Standing Committee on Rail
Transportation of the American Association of State Highway
and Transportation Officials**

as well as Chair of the AASHTO Intercity Passenger Rail Leadership Group.

Thank you for the opportunity to present AASHTO's views on rail transportation.

Passenger Rail Policy:

Refer to SLIDE:

Intercity passenger rail service is provided throughout a network of about 23,000 miles of rail and serves more than 500 communities in 47 States.

In 2002, it was estimated that intercity passenger served about 23 million people – and that number has continued to grow.

The AASHTO policy on passenger rail reflects the root of our basic commitment to this service. The entire policy is available in the handouts today.

Rail service is a basic element of the nation's multimodal transportation system

It is essential to the nation's continued economic growth.

AASHTO supports **federal legislation** to establish a national rail policy creating **a stable structure for the development** of intercity passenger rail service.

We believe the national rail policy should:

SLIDE 2

- **Establish a foundation for partnerships that work**
- **Provide a source of federal funding we can count on for infrastructure – like the highway and transit programs**
- **Establish reliable systems to fund operating costs**
- **Create partnership opportunities that work for us – and freight railroads.**

Funding Flexibility is Needed to Address Mobility:

But what is needed and what will work varies from state to state.

- **In Maryland, for example, intercity, commuter, and freight rail are all important and all share the same infrastructure, which is owned by Amtrak and CSX – not the State.**
- **In other states on the Northeast Corridor the same is the case, but in New Jersey, Pennsylvania, and New York the volume of commuter rail passengers greatly exceeds intercity ridership.**
- **In Connecticut, the State owns a significant portion of the Northeast Corridor that is used by both Amtrak and Commuter Rail.**
- **California has five state-initiated and supported intercity corridors with service operating on track owned by the freight railroads.**
- **Washington State finances service from Vancouver, British Columbia, to Portland, Oregon, through a contract with Amtrak on freight rail track.**
- **The citizens of Montana depend on the segments among communities on the long distance Amtrak Empire Builder for essential transportation – yet the State does not own the infrastructure or the service.**

States Provide Substantial Support and Commitment for Rail:

States have demonstrated their commitment through the expenditure of their own funds. Let me give you some examples:

In the Amtrak owned Northeast Corridor, the FY05 spending for capital was \$345 million – and of that total, the states and commuter agencies provided \$158 million. The Corridor State invested another \$114 million in operating funds for Amtrak.

The State of Washington has invested \$120 million in completed capital projects from 1994 through 2005 and expended \$150 million for operating costs in the same period. The Washington Legislature has approved capital investment of \$300 million for 2005 through 2015.

California has invested over \$2 billion in intercity passenger rail since 1976.

BUT – we have estimated there are over \$60 billion in capital investments needs in the high speed rail corridors over the next 20 years – that is \$3 billion per year.

Passenger Rail Profile in Bottom Line Report:

More comprehensive information is in 2002 AASHTO published a report—*Intercity Passenger Rail Transportation*—that presented profiles of all of the intercity passenger rail corridors, figures on state investment to that point, and estimates of investment requirements for each corridor and for the nation.

Copies of the Executive Summary are in your packet.

We are currently updating it and can provide the updated information to you by the first of the year.

I think you find this information valuable in understanding the uniqueness of each state in using rail solutions as well as the challenges we face in continuing to provide support for rail service and infrastructure needs.

Intercity Passenger Rail Leadership Group Efforts:

The members of the AASHTO Intercity passenger Rail Leadership Group, includes 13 heads of state DOTs, represent all regions of the country and all perspectives on passenger rail.

AASHTO – known as “the highway” organization formed this group last year to seek solutions for a national intercity rail policy and funding needs – because we recognize it is key to our overall transportation future.

The Leadership Group was formed in response to the deadlock within Congress and the Administration over Amtrak and the future of passenger rail service.

Secretary Busalacchi has done an outstanding job of advocating these same positions in his role as Chairman of the States for Passenger Rail - also endorsed by AASHTO.

We are unified in support of a national system that meets the needs of the state-initiated corridors, the Northeast Corridor, and the long distance routes

State investment in passenger rail service is increasing, reflecting State plans to expand rail service.

At the same time Amtrak, in response to demands from Congress and the Administration, is pressuring States to pay even more for Amtrak service and on the Northeast Corridor, access to Amtrak owned lines.

The States have been encouraged to believe that if they agreed to pay to believe that if they agreed to pay Amtrak more on the operating side, that a federal /State matching program for infrastructure improvements would be forthcoming.

We are not seeing progress.

An 80-20% federal state-matching program for rail is one of the State's highest priorities.

Freight Rail Comments:

Before closing, a word on freight rail.

I know you will be hearing more about this issue in your various field hearings.

But speaking from the perspective of a State Department of Transportation:

Everywhere there is passenger rail service it shares tracks with freight.

Everywhere outside of the Northeast Corridor passenger rail runs on track owned by the freight rail companies.

The freight railroads are operating at or beyond the limits of their infrastructure capacity.

We cannot expand passenger rail service without increasing freight rail capacity.

Furthermore, if freight rail cannot carry its share of freight in the future, the demands on already-congested highways will be increased at great cost to our citizens.

The AASHTO Freight Rail Bottom Line report, published in 2002, provided analysis of the interaction between rail and highways and the importance of increasing investment in rail.

Relatively modest increase in investments in freight rail infrastructure –

Over and above what railroads can be expected to invest based upon their costs of capital and return on investment – will pay benefits many times as large to those of us who maintain our highways and to highway users.

That report is being updated now and we will provide the update to you at the first of the year.

Closing:

Thank you again for the opportunity to present to you AASHTO's views on rail.

As the State officials responsible for our roads we also recognize the needs for a healthy rail system; intercity passenger, commuter and freight.

We are asking that you keep those needs in minds as you do your work.

Provided for the record:

- **AASHTO Passenger Rail Policy**
- **AASHTO Freight Rail Policy**
- **Resolution establishing AASHTO Intercity Passenger Rail Leadership Group**
- **AASHTO Intercity Passenger Rail Transportation report, Executive Summary**
- **AASHTO Freight Rail Bottom Line report, Executive Summary**
- **AASHTO 2006 Action Agenda**