

**Statement of
The Honorable Joseph H. Boardman
Federal Railroad Administrator
Before The
Subcommittee on Transportation, Housing and Urban Development,
and Related Agencies
Committee on Appropriations
United States House of Representatives
February 26, 2008**

Chairman Olver, Ranking Member Knollenberg, I appreciate the opportunity to appear before you today on behalf of Secretary of Transportation Mary Peters and the Bush Administration to discuss the President's budget proposal for fiscal year 2009 as it relates to the Federal Railroad Administration (FRA) and Amtrak.

This budget request continues to support the Administration's commitment to ensuring that the Nation's rail transportation system is safe, secure, and efficient. The requested \$1.1 billion will sustain and advance FRA's mission to improve railroad safety, while providing valuable resources to ensure the continuation of intercity passenger rail operations.

As you are aware, safety remains FRA's single most mission essential activity and strategic performance objective. The FY 2009 request includes \$185 million in funds to directly support the agency's core safety assurance, oversight and enforcement activities, to achieve our goals of preventing and reducing railroad accidents and incidents and contributing to the avoidance of serious hazardous materials incidents in rail transportation. Included within FRA's safety budget is \$1.2 million to expand the implementation of the Close Call Confidential Reporting Pilot (C3RP) program. This initiative allows FRA to more effectively leverage its resources by expanding its partnership with industry to promote risk reduction programs on the nation's railroads.

With regard to FRA's Railroad Research and Development activities, the FY 2009 request includes \$34 million to support our Railroad Safety efforts. Of note are new initiatives that fund research in the area of "level boarding" to support further access and compliance with the Americans with Disabilities Act; the development of new Joint Bar Inspection technology; and procurement of a high-speed ultrasonic rail flaw detection system.

By far, the largest portion of FRA's FY 2009 request provides \$900 million in financial assistance for intercity passenger rail services. This total includes \$800 million in direct subsidies to Amtrak and \$100 million to expand the current \$30 million Intercity Passenger Rail Grant Program that was appropriated for the first time in FY 2008. In total, this funding level will support continued intercity passenger rail service, while Amtrak's management team continues to make progress in reshaping the company. This funding level encourages Amtrak to continue to undertake meaningful reforms and control spending.

The Administration remains steadfast in its desire to improve the manner by which intercity passenger rail services are provided. This, of necessity, also includes improvements to how Amtrak provides such services and laying the groundwork for the States to have a stronger role in determining the important characteristics of services that they support financially and for the participation of other entities in the provision of intercity passenger rail service under contract to States and/or Amtrak.

The FY 2009 budget request marks part of a multi-year effort to reduce, and eventually eliminate, federally funded operating subsidies for Amtrak. Overall, this level of subsidy is appropriate as it provides Amtrak continuing incentive to more effectively manage costs, rationalize its services, and pursue innovations. It also expands State support for intercity passenger rail, thus putting more of the decisions on what should be operated with public subsidies in the hands of those who know best what intercity passenger needs exist and how best to meet those needs.

Amtrak Capital Grants

The request includes \$525 million in direct Federal subsidies for Amtrak capital costs. This amount allows Amtrak and its State partners to continue to address the most pressing investment needs on the Northeast Corridor infrastructure as well as essential equipment investments.

Intercity Passenger Rail Grant Program

In addition, the budget includes the aforementioned \$100 million to expand the new Intercity Passenger Rail Grant Program, which awards competitive grants to States to finance the cost of State driven capital improvement priorities associated with intercity passenger rail services. This program encourages State involvement in planning and decision-making for intercity passenger rail service, allowing them to identify where mobility needs justify public investment. Additionally, State involvement in planning and decision-making helps prioritize infrastructure improvements, such as stations, and lets States assure connectivity to other forms of transportation supporting intermodalism within the State. State involvement in funding intercity passenger rail service also provides an added discipline on Amtrak to continually seek ways to provide the highest quality of service. A “Notification of Funds Availability” for this program was published in the *Federal Register* earlier, and we anticipate awarding the first grant under this program later this Fiscal Year.

Amtrak Efficiency Grants

The Administration’s request also includes \$275 million for operating expenses that are to be made available to Amtrak as they demonstrate and achieve efficiencies. Under this account, the FY 2009 request proposes establishing a new competitive pilot program that would allow the Secretary to test the viability of using non-Amtrak operators on selected routes to provide passenger rail services.

Rail Line Relocation & Improvement Program

Finally, I'd like to offer a brief update on the Rail Line Relocation and Improvement Program. As you know, just over \$20 million was appropriated for this new program in FY 2008. FRA is taking aggressive steps to implement the program, and has developed regulations governing its implementation. These regulations are currently being cleared within the Administration. We expect to issue them this spring, with the first grant awards under the program beginning in FY 2009.

I appreciate your attention and would be happy to answer questions that you might have.

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