

LAGGING BEHIND: THE STATE OF HIGH-SPEED RAIL IN THE UNITED STATES

HEARING BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND PUBLIC ASSETS OF THE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES ONE HUNDRED FOURTEENTH CONGRESS SECOND SESSION

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LAGGING BEHIND: THE STATE OF HIGH-SPEED RAIL IN THE UNITED STATES

Thursday, July 14, 2016

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON TRANSPORTATION AND PUBLIC ASSETS
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
Washington, D.C.

The subcommittee met, pursuant to call, at 2:10 p.m., in Room 2154, Rayburn House Office Building, Hon. John Mica [chairman of the subcommittee] presiding.

Present: Representatives Mica, Duckworth, Boyle, and DeSaulnier.

Also Present: Representatives Costa and Davis.

Mr. MICA. Good afternoon. I would like to welcome everyone to the Committee on Oversight and Government Reform, Subcommittee on Transportation and Public Assets subcommittee hearing today. Pleased to have you join us today.

The subject today of our hearing is entitled "Lagging Behind: The State of High-Speed Rail in the United States." As part of our oversight responsibility, we are conducting a review of where we are with the administration's high-speed rail program.

The committee, I want to state at the beginning, will proceed, and I will give the order. And without objection, first of all, the chair is authorized to declare a recess at any time.

I will also start and note the presence of our colleague Congressman Rodney Davis of Illinois and ask unanimous consent that he be allowed to participate in these proceedings. Without objection, so ordered. Welcome.

Mr. DAVIS. Thank you, Chairman Mica, Ranking Member Duckworth. Thank you for the unanimous consent, and I would have been very upset if one would have objected.

Mr. MICA. We will get to you. I think you are going to introduce one of our witnesses today. But welcome, and you can also participate.

So thank you so much.

The order of business will be as follows. First, we will start with opening statements, myself and the ranking member, Ms. Duckworth. Then we will hear from our witnesses, and we have four distinguished witnesses today. And they will be sworn in. This is an investigations and oversight subcommittee.

And then after we have heard from all four of the witnesses, then we will proceed to questions. That will be the order of business today.

So welcome, all of you. Thank you for participating and being with us.

I will start with my opening statement and some comments that I put together for this hearing. Probably there is not too many people in Congress that are what I consider greater advocates of passenger rail and also high-speed rail. I think, unfortunately, we have not been able to keep up with the rest of the world, but I think it is a very cost-effective, environmentally friendly way to move people, and we, unfortunately, have not had the greatest success in that area, except in some limited areas.

I was somewhat optimistic, even as a Republican, when I heard this new guy on the block, President Barack Obama, announce—make a pronouncement even, I think, during his campaign and then during his election. And in 2009, after he took office, he said that the administration's efforts would be to transform travel in America with a historic investment in high-speed rail.

The President also said, another quote, is imagine whisking through towns at over 100 miles an hour. And he also has addressed this in his address to Congress, State of the Union, support for passenger rail service in the United States.

However, 7 years later, we only have high-speed rail as part of our imagination. We don't have any real projects that we can point to that are operational or even close to that. There is no hope right now of actually even seeing a successful project in the foreseeable future.

The President pledged and the Congress provided, and we spent over \$10 billion on his high-speed rail initial proposal. Of that, 99 percent of the money—and we will hear from the FRA administrator shortly—is obligated, and some 51 percent, we are told, has been spent. And unfortunately, we don't have a high-speed system that we can point to or show again that it is in the near future.

In addition to that \$10 billion, Congress has appropriated some \$10.4 billion in capital spending for Amtrak. That is capital money, most of it in the Northeast Corridor, and I have always been an advocate for the Northeast Corridor as having the best potential to move forward and get close to high-speed rail as we could. But even with those expenditures of over \$20 billion, again, the goal is elusive.

FRA has awarded billions to different projects, rail projects. Unfortunately, most of that is to build what I call "snail-speed rail," and also some of the money was directed towards some flawed projects that, unfortunately, were rejected when offered by—to multiple Governors.

For example, and I think we have got in Ohio FRA awarded \$400 million for the proposed 3C project that was rejected by Governor Kasich. The 3C would have provided average speeds initially of 39 miles an hour, was later revised to 50 miles an hour, and would have taken 6 hours and 30 minutes to travel between Cleveland and Cincinnati, later revised to 5 hours and 11 minutes.

It is far longer than a car trip or bus trip would take between these cities, which is a little over 4 hours. Maybe I can make that route next week when I am in Cleveland.

But it didn't happen. President Obama promised that his \$10 billion rail problem would use some existing infrastructure to increase

speeds on some routes from 70 miles an hour to over 100 miles an hour, a goal that he said was quickly achievable.

But today, aside from the preexisting Northeast Corridor, we certainly—or we currently only have four lines in the U.S. with any segments capable of operating at 110 mile an hour. That is top speed, not average speed. And those fast segments consist of less than 300 miles of track total.

But the average speeds on these corridors, unfortunately, are much lower, such as the Chicago to St. Louis line, where after we have spent \$1.3 billion in funding, average speeds will go from 53 miles an hour to 62 miles an hour. That is not high speed by anyone's definition.

You can see some of these up here, leading at the top with California. I think Mr. Denham is going to be doing a hearing on that, he told me, I think in a month or so. But you can look at the other routes and the increase of speed, which is very minimal. None of them even close to high speed.

One time we used to define it as 110 miles an hour average. We are in the 100 mile per hour range. Higher speed, of course, is another question.

But on some of the corridors, again, the Chicago-St. Louis line, you see the \$1.3 billion expenditure. On some of the other corridors that received top awards, the speed isn't raised at all, such as the Seattle-Portland corridor, which received \$813 million, and the Charlotte to Raleigh corridor, which received \$569 million.

On two corridors given major awards, now this is interesting, ridership actually decreased by thousands between 2008 and 2015. That is the Chicago-Detroit and then Portland-Seattle routes.

In 2011, in the State of the Union address, President Obama said for some trips it will be faster than flying, showing us one example. Instead, FRA spent billions of dollars on projects that will have travel times comparable to taking the bus or driving the route.

Only one project funded by the \$10 billion Obama rail project is actually planned to create what we call real high-speed rail service. That is California, where so far we have got, put the lion's share of the \$10 billion, some \$3.9 billion. And again, unfortunately, that project has been in turmoil from almost the beginning.

The California project, some have told me, is off the tracks. Its budget has again almost doubled from \$33 billion to \$64 billion. The average speeds will be far lower than originally projected, and the travel time between LA and San Francisco, if it is done, will take 4 to 6 hours is what we are now hearing.

Instead of the original start date of 2020, which was projected for the California project, the first passengers won't be able to ride the first section until 2025 at the earliest. And service isn't planned to reach from San Francisco to Los Angeles. The best, most optimistic estimate is 2029.

While the Obama administration has failed to deliver high-speed rail in the United States, around the world there are some incredibly successful projects. In China, you can travel 635 miles on high-speed rail to Beijing to Nanjing at an average speed of 174 miles an hour. And you will hear the amount of investment that some of these countries have put into this, some all public money and then some public-private partnership.

In France, you can travel 408 miles from Paris to Avignon. I have actually taken that route, and it is an average speed of 154 miles per hour, average speed.

In Russia, and I sat next to a Russian representative at a high-speed rail conference, kind of shocked to find out even the Russians have leaped ahead of us, and from 404 miles from St. Petersburg to Moscow, the average speed is 108 miles an hour. They have high-speed rail or a close to 110 mile an hour mark in the former Soviet Union, which has partnered with private partners to put that system in place.

High-speed rail, unfortunately, still remains an illusion in the United States. The administration's—I told the staff to put this quote in here. I said they are trying to put as much parsley around the turkey as possible. That is my quote. Unfortunately, it is not the shining, sleek, high-speed rail at the high speed we would like to see.

We do want to try to make this a positive hearing. We have opportunity for public-private partnerships coming up, and we want to get back on track and see if we can get in the game.

Very pleased to have, again, our witnesses here, and thank you again for participating.

Let me yield now to our ranking member, Ms. Duckworth, who is actually in the Chicago area, and we have got two or three routes emanating out from there we would like to see high-speed rail.

Thank you.

Ms. DUCKWORTH. Thank you, Mr. Chairman. And thank you for holding this very important hearing.

Shortly after taking office in 2009, President Obama announced his strategy for modernizing our Nation's passenger rail system, as you mentioned. There are two parts to the President's strategy.

The first was to improve our existing rail lines to make current train service faster and safer. The second part was to identify potential corridors for a world-class high-speed rail system. In the press and elsewhere, there has been a lot of focus on the second part of the President's strategy. However, it is also important to acknowledge the importance of improving existing rail lines.

Just as a race car can't run on a dirt road, you cannot run a bullet train on 100-year-old tracks. To address a need for modern infrastructure, the President used the 2009 economic stimulus package to put millions of Americans back to work and allow States to upgrade existing rail corridors.

The Federal Railroad Administration has allocated \$10 billion to States through the High-Speed Intercity Passenger Rail System, or HSIPRS. They used this money to fund 146 individual projects various States developed.

These projects have already delivered real results. In five key rail corridors around the country, including the two in Illinois, we have completed dozens of modernization projects, reducing travel times and improving their frequency, reliability, and safety of service. The average age of these 5 corridors is 135 years old.

The investment in upgrading them is paying off. Once the funded projects are complete, these previously neglected corridors can operate at speeds of up to 125 miles an hour. There is a lot of work

that needs to be done to bring our transportation infrastructure into the 21st century. The benefits of doing so are very real.

Private development follows Federal investment, which will prompt economic revival. In Illinois, we saw the impact of these Federal dollars and the private investment that follows. Today, we will hear from the Mayor of Normal, Illinois, about what these Federal programs have done for his community, including keeping thousands of jobs in the Normal area.

However, despite the benefits this investment in our Nation's transportation infrastructure brings, some State Republican politicians have expressed significant opposition to these programs. In Florida, Republican Governor Rick Scott rejected a Federal grant. This decision cost his State hundreds of millions of dollars in lost investment and upgrades. In Wisconsin, Republican Governor Scott Walker also rejected Federal funds, costing his State over 10,000 construction jobs.

Since 2010, the Federal Railroad Administration has requested over \$34 billion in additional funding to pay for the next phase of rail modernization efforts. Of this request of \$34 billion, the majority has granted zero dollars. In fact, since taking control of Congress, the majority has denied all additional funding requested for high-speed rail.

Today, if we hear the Republican majority lamenting that we are lagging behind in our infrastructure investment, they should look in the mirror. Twenty-first century transportation requires 21st century infrastructure, and that requires 21st century funding. Unfortunately, the current majority in Congress, like so many of our bridges and tunnels, seems stuck in the 19th century.

Thank you, Mr. Chairman, for calling this hearing. I look forward to hearing from our witnesses in particular on how the President's programs have benefited the people of Illinois.

Thank you, and I yield back.

Mr. MICA. Well, thank you for your opening statement.

And we will leave the record open for 5 legislative days for any Members who would like to submit a written statement.

I am going to now recognize the panel of witnesses, and let me start to welcome back Sarah Feinberg, and she is the administrator of the Federal Railroad Administration; Mr. Baruch—is it Feigenbaum? Feigenbaum. And he is Assistant Director for Transportation Policy at the Reason Foundation. And then welcome back Mr. Thomas Hart, who is the president of Rail Forward. And then let me yield to Congressman Davis to introduce our last witness, but welcome.

Mr. DAVIS. Thank you, Mr. Chairman. Thank you, Ranking Member Duckworth, for giving me the opportunity to be here to introduce my constituent and my friend, Mayor Chris Koos.

You know, not every Member of this institution gets to say that they actually represent Normal.

[Laughter.]

Mr. DAVIS. But I do. And I am proud that Mayor Koos is at the helm in that community.

You know, Mayor Koos joined the town council in 2001 and was sworn in as Mayor just 2 years later. And for the past 15 years, he has been working to make sure that not only his community of

Normal, but the neighboring community of Bloomington, which we call the twin cities in our area, is an area that has experienced growth. And a lot of that growth has been centered around the infrastructure needs of both communities.

Now a lot of my family revenue goes to Normal because my daughter is a student at Illinois State University, which is in Mayor Koos' fine community, and Illinois State University is a shining example of how a transportation network can continue to grow a public institution in States like Illinois. And that took leadership, that took vision, and it took working together as a community to make sure those things get done.

I am happy to have an office in what we now call "uptown Normal," where we see the transportation networks come together that Mayor Koos will discuss later. Because, unfortunately, Mayor Koos, I had my flight to your community canceled that was going to be later tonight, I am rerouting to St. Louis, and I cannot stay.

But welcome once again. Thank you for your service and thank you for being such a good friend.

Chairman, I yield back.

Mr. MICA. Well, it is great to learn there are some people in Congress who are from Normal, and we certainly welcome you and we are delighted to have your representative, who I really enjoy his sense of humor, which you have to keep around here. So we wish him well, thank him for introducing you.

Now that we have got all of our witnesses introduced, it is my responsibility to tell you again this is an investigations and oversight committee of Congress and subcommittee hearing. And we do swear in all of our witnesses. So now if you will stand and raise your right hand.

Do you solemnly swear or affirm that the testimony you are about to give before this subcommittee of Congress is the whole truth and nothing but the truth?

[Response.]

Mr. MICA. Let the record reflect that all of the witnesses answered in the affirmative. Again, welcome.

And then we got some goldy-oldies who have been here before and a couple of new kids on the block as far as witnesses. The way we proceed is please do not read your entire statement if you have prepared one. We like you to summarize and summarize in about 5 minutes.

Your entire remarks will be made part of the proceedings, and also if you have anything else you want to submit for the record, upon request, we will also submit that. So, actually, it is kind of neat. If you come in the back, I can show you the proceedings of all of our hearings and what was said and the submissions. So this is an official proceeding, and we do welcome you completing the record. So I give you that invitation.

So with that little introduction, again we welcome you. You are kind of lucky today because most of the suspects have fled the Capitol. Not this many have left since the Capitol was burned by the British in August of 1814, but they are out, and you are very fortunate so you won't get grilled or questioned as much today. But it is an important hearing, and we do want to review where we have been and where we need to go.

And I am delighted again to welcome back—and she made special arrangements to be here. That is why I didn't want to cancel the hearing or postpone it today. But we welcome back the director and administrator of the Federal Railroad Administration.

Welcome, Ms. Feinberg. You are recognized.

WITNESS STATEMENTS

STATEMENT OF SARAH FEINBERG

Ms. FEINBERG. Thank you so much.

Chairman Mica, Ranking Member Duckworth, and members of the subcommittee, thank you for inviting me to discuss the current state of high-speed and intercity passenger rail in the United States.

Nearly 8 years ago, Congress rightfully recognized that for our country to have a strong and modern transportation system, we must begin to move beyond our dependence on motor vehicles and aviation. We must have a more reliable, frequent, and faster passenger rail service.

To achieve this goal, Congress passed two landmark pieces of legislation. The first was the Passenger Rail Investment and Improvement Act of 2008, signed by President George W. Bush. PRIIA established the foundation and the programs for FRA's High-Speed and Intercity Passenger Rail Program. The second piece of legislation was the American Recovery and Reinvestment Act of 2009, which provided the seed money to begin building the stronger passenger rail system while also jump-starting the country's economic recovery from the great recession.

In 2009, FRA began working to achieve a long-term 25-year goal to connect 80 percent of the country's population to reliable, frequent, and faster passenger rail service. The program had two parts. One, to improve existing rail lines in order to increase capacity, speed, and frequency. And two, to develop new corridors to serve new markets with world-class rail service, the likes of which already exist in many other countries.

The program was national in scope, but State-based in execution, similar to how the Federal Government built the intercity highway system more than a half century ago. States were very much in the lead on requesting service, planning projects. They were given the ability to seek funding for projects that best reflected the needs and characteristics of their individual markets.

FRA eventually received nearly 500 applications requesting more than \$75 billion worth of project funding, far exceeding the \$10.1 billion available. These applications proposed a wide variety of service improvements, including increased reliability, frequency of service, and speed.

After careful and thorough review of the applications, FRA awarded funding to support nearly 150 projects in 35 States and the District of Columbia. Nearly 85 percent of these investments are concentrated in 6 key corridors.

Today, thousands of corridor miles of track are being constructed or upgraded. New passenger locomotives are being manufactured, and more than 30 passenger stations are being upgraded. Rider ex-

perience is improving due to increased reliability and reductions in travel times.

Mr. Chairman, I know you have great interest in the Northeast Corridor. Let me assure you that—and this subcommittee that FRA is committed to this vital corridor. From the Recovery Act alone, FRA awarded nearly \$1 billion for improvements.

Of course, that does not include the more than \$3 billion that was initially awarded to the State of New Jersey to construct a new tunnel under the Hudson River, but more than half of the 150 projects the administration funded are complete. Another quarter are scheduled to be complete by the end of 2016.

Like all major and ambitious transportation projects, whether public or private and no matter the mode, there have been and remain important challenges that demand continued attention and contentious oversight. With the frequency at which few other grant programs have been reviewed, the Government Accountability Office and the Department of Transportation Office of Inspector General have exhaustively audited FRA's implementation of the Recovery Act and appropriations for passenger rail grants 14 times.

The program is arguably now the most deeply investigated and audited program in the department's history. In no case did the auditors identify waste, fraud, or abuse in any of the grants.

Mr. Chairman, improving the speed, efficiency, and reliability of America's railroads is critical to moving our transportation system into the 21st century. However, our most important task is ensuring that America's railroads are safe, which is why many of the investments we made as part of the program have also focused on safety.

We have invested in eliminating grade crossings because the safest crossing is one where trains and motor vehicles never cross paths. And we've invested in bridge upgrades and repairs, track improvements, and positive train control. These investments are critically important because any increase we make to safety in one area of our rail system typically benefits the entire network because in the United States our freight and passenger rail networks are largely one and the same, as they frequently share track with each other.

And Mr. Chairman, I'm aware that I'm running out of time, but while I'm on the issue of safety, I know that you are particularly interested in addressing our grant programs today. But I cannot address this committee today without addressing safety as an overall issue.

On Friday, June 3rd, Union Pacific derailed a crude train in Mosier, Oregon. Fortunately, no one was injured, but the resulting fire burned for more than 14 hours. FRA has recently announced that the cause of the incident was UP's failure to maintain the track in that area.

On Tuesday, June 28th, two BNSF trains collided in Panhandle Texas, killing three crew members and injuring one. The injured crew member's life was saved when he leapt off a moving locomotive just prior to the head-on collision.

And just earlier this week, two passenger trains in Italy collided head-on, killing more than 20 people and injuring more than 50.

Mr. Chairman, the FRA continues to do all that we can to improve safety. But we cannot do it alone. Railroads and shippers must move to safer, stronger, hazmat tank cars as soon as possible. Railroads must implement positive train control as soon as possible and not wait until the 2020 deadline.

And railroads must upgrade their Civil War era braking systems so that braking is more efficient, and in the event of a derailment, fewer cars leave the tracks. And this Congress can do more as well with increased funding for commuter railroads struggling to afford PTC and additional funding for more FRA safety inspectors.

Mr. Chairman and all the members of the subcommittee, thank you again for inviting me to be here today. While we have wisely invested \$10 billion in high-performance rail, this country continues to fall behind in making the needed investments in our passenger rail system. There remains demand from communities and leaders across the country, and the administration has made repeated budget requests for additional funding to meet these needs.

We need a strong transportation system, and the investments Congress made 8 years ago to be more reliable, frequent, and faster is only the beginning.

Thank you, Mr. Chairman, and I look forward to your questions.

[Prepared statement of Ms. Feinberg follows:]

WRITTEN STATEMENT OF
SARAH FEINBERG
ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION

BEFORE THE
HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON TRANSPORTATION AND PUBLIC ASSETS
U.S. HOUSE OF REPRESENTATIVES

"LAGGING BEHIND: THE STATE OF HIGH SPEED RAIL IN THE U.S."
July 14, 2016

Chairman Mica, Ranking Member Duckworth, and Members of the Subcommittee:
Thank you for inviting me to discuss the current state of high-speed and intercity passenger rail in the United States and the Federal Railroad Administration's (FRA) High-Speed Intercity Passenger Rail (HSIPR) Program.

Nearly eight years ago, Congress rightfully recognized that for our country to have a strong and modern transportation system, we must continue to move beyond a dependence on motor vehicles and aviation – we must have more reliable, frequent, and faster passenger rail service. To achieve this goal, Congress passed two landmark pieces of legislation: the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) and the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act). PRIIA, passed by the Congress in 2008 and signed by President George W. Bush, established the foundation for FRA's High-Speed and Intercity Passenger Rail Program. ARRA provided the seed money to begin building this stronger passenger rail system while also jump-starting the country's economic recovery from the Great Recession. Congress appropriated \$8 billion from the Recovery Act for the high-speed rail program, and, a year later, Congress provided another \$2.5 billion in Fiscal Year (FY) 2010 Appropriations.¹

Over recent years, much attention has been paid to the transportation challenges facing the United States and the need to continue to innovate to remain competitive in the global economy. Secretary of Transportation Anthony Foxx tasked us to take a comprehensive look at our current transportation system and what we require for a successful future. In 2015, Secretary Foxx issued the *Beyond Traffic* report, which detailed many of these transportation challenges, including:

- **Population Growth** – America's population will grow by 70 million people – more than 20 percent – by 2045. The majority of this growth will be concentrated in eleven megaregions. The national transportation system must prepare to meet this increased demand. In addition to providing safe and efficient mobility and travel choices for this growing population, we must also identify solutions to accommodate resulting freight demand, which is anticipated to increase 45 percent during this timeframe.

¹ In April 2011, Congress rescinded \$400 million from this total.

- **Congestion and Mobility** – Highway and aviation congestion continues to rise, with an estimated economic impact growing from \$24 billion in 1982 to \$121 billion in 2011 in lost time, productivity, and fuel. By some estimates, Americans spend 41 hours stuck in traffic each year.
- **Infrastructure Deficit** – As our population continues to grow, so does the use of our transportation infrastructure. The funding necessary to maintain and improve our transportation system has not kept pace with this usage and the burdens placed upon it, which has led to a widening infrastructure deficit as more and more transportation assets fall into a state of disrepair. The World Economic Forum ranks the United States 13th in the quality of overall infrastructure. The Northeast Corridor (NEC) – one of our most critical rail assets – has accumulated a backlog of more than \$28 billion in state-of-good-repair projects.

The country has faced many of these challenges the *Beyond Traffic* report highlighted for some time – and they are why in 2009 President Obama directed FRA to begin working to achieve a long-term, 25-year goal to connect 80 percent of the country’s population for reliable, frequent and fast passenger rail service. The program had two parts:

1. Improving existing rail lines to increase capacity, speed and frequency of current passenger rail service; and
2. Developing new corridors to serve new markets with world-class rail service – the likes of which already exist in many other countries.

The HSIPR Program was built as a national program in scope, but state-based in execution, similar to how the federal government built the Interstate System more than a half-century ago. States were given the ability to seek funding for projects that best reflected the needs and characteristics of their individual markets.

When Congress passed and the President signed the Recovery Act, it included a mix of programs that provided an immediate “shot in the arm” to taxpayers and the economy. It also included longer term investments that would continue to create jobs through a multi-year recovery and would support the economy over the longer-term through transformative investments. These included the investments in HSIPR. The Recovery Act and FY 2010 initial funds were critical in beginning to address the historical underinvestment in passenger rail.

Thirty-nine states, the District of Columbia, and Amtrak submitted nearly 500 applications, requesting more than \$75 billion worth of projects – far exceeding the \$10.1 billion available. These applications proposed a wide variety of service improvements, including increases in speeds, reliability, and frequency of service. However, it is important to note that operating speeds are only one element of a high-performing rail service. While 150 mph or 200 mph plus service makes sense in the context of segments of the Northeast Corridor (NEC) or the new high-speed service under construction in California, the infrastructure and resources required to construct and operate such services in other markets may not be economically feasible. In many

markets, improving reliability, adding service frequencies, and addressing congestion issues will reduce trip times and deliver high-performing rail services operating at speeds of up to 110 mph.

In addition to the critical infrastructure projects funded, the FY 2010 Congressional appropriation directed applicants to apply for planning and environmental studies to establish a pipeline of future projects for when the next round of funding became available.

Nearly eight years following the Recovery Act, the demand for increased passenger rail service continues: Amtrak's ridership has increased 27 percent over recent years. In the Midwest, ridership between 2006 and 2015 is up nearly 50 percent. In the Southeast, the expansion of services in Virginia has helped to nearly double ridership in the region over the same timeframe. In the Pacific Northwest, 120,000 more people are choosing to travel by intercity passenger rail. And in the Northeast Corridor, where more than 750,000 people utilize Amtrak and commuter rail services each day, Amtrak set a new ridership record in FY15 with 11.7 million passengers.²

HSIPR Implementation

Since PRIIA established the HSIPR Program in 2008, the program has supported nearly 150 projects in 35 states and the District of Columbia. Nearly 85 percent of these investments are concentrated in six key corridors:

- San Francisco-Fresno-Los Angeles;
- Boston-New York City-Washington, D.C.;
- Seattle-Portland-Eugene;
- Charlotte-Richmond-Washington, D.C.;
- Chicago-Springfield-St. Louis; and
- Chicago-Kalamazoo-Detroit.

Through the HSIPR Program, thousands of corridor miles of track are being constructed or improved, new passenger rail cars and locomotives are being procured, and more than 30 stations are being upgraded. These projects are improving the rider experience by increasing reliability, adding new capacity, reducing travel times, and making stations and equipment more efficient and accessible. Many HSIPR projects have also benefited freight rail services by increasing capacity, reducing congestion, and improving fluidity on the freight rail network.

As we have seen time and time again in our country's history, rail has been the mode of opportunity that drives investment and job creation. The influx of public funding provided by Congress and HSIPR to state grantees also reinvigorated and attracted private sector interest in developing intercity passenger rail in the United States. The investment to improve Minnesota's St. Paul Depot has led to additional investment and the rebirth of the Lowertown area, where industrial buildings are being modernized and repurposed. In Central Illinois, the Town of Normal's new Uptown Station has spurred millions in new development of hotels, restaurants, apartments, and retail.³ The same has happened in Brunswick, Maine.

² Amtrak, *Monthly Performance Report*, September 2015.

³ <http://highspeedrailworks.org/2014/10/new-study-shows-high-speed-rail-spurs-job-growth-in-normal-illinois/>.

In addition to the examples listed above, projects are underway on both coasts to dramatically improve rail transportation in their respective regions.

In California, nearly \$3.9 billion in HSIPR funds have been awarded for the California High-Speed Rail system. This generational project will transform travel patterns and mobility options in the State of California. The California High-Speed Rail Authority is sequencing the construction of the system to commence initial operations between the Silicon Valley in San Jose and the Central Valley north of Bakersfield by 2025. Operations on the full Phase 1 system from San Francisco and Merced to Los Angeles and Anaheim are targeted for 2029. When service begins, a mix of express, local, and limited-stop trains is designed to provide several trains per hour between all possible station pairs with frequent, non-stop service provided between major markets.

Along the NEC, nearly \$1 billion has been awarded for improvements on the NEC mainline between Washington, DC – New York City – Boston. This includes \$450 million to increase capacity, reliability, and speed along one of the NEC's most heavily used segments from New Brunswick – Trenton, NJ.

Safety Benefits

In addition to the rail development and economic outcomes resulting from the HSIPR Program, improving rail safety was and continues to be a key criterion and the primary mission of the FRA.

HSIPR funding has been critical to improving safety on rail corridors across the country. HSIPR funding has allowed for safety critical track and bridge improvements, upgrades to highway-rail grade crossing protection measures, additional grade separations, and signal system upgrades. It has also meant \$460 million in signal upgrades related to the implementation of Positive Train Control (PTC) technology.

A few additional examples of safety-related outcomes from the HSIPR-funded projects include:

- **Track and Bridge Improvements**
 - **Vermont** – Significant track, signal, and bridge improvements on the *Vermont*. The project installed approximately 150 miles of new rail across the state, replaced 130,000 older rail ties, upgraded or replaced 38 switches and 46 rail crossings. In addition to improving safety along the corridor, the track and signal upgrades reduced travel time by approximately 30 minutes.
 - **Illinois** – Replacement of two bridges in northern Illinois to improve safety and reliability on the Chicago – Milwaukee corridor. The new bridges, which carry 16 daily passenger trains, allow passenger trains to maintain their current speeds without slowing due to safety concerns.

- **Grade Crossing Improvements**
 - **North Carolina** – Engineering, environmental review, and construction of a highway-rail grade separation for Sugar Creek Road in North Charlotte – the most heavily trafficked grade crossing in the state of North Carolina.
 - **Pennsylvania** – Design and construction to eliminate three public grade crossings on the Keystone Corridor between Philadelphia – Harrisburg.
- **PTC Installation**
 - **California** – Funding to implement PTC between Moorpark and San Diego on the *Pacific Surfliner* corridor, the busiest corridor outside the NEC (2.8 million passengers in FY 2015).
 - **Michigan** – Funding to implement PTC on the Chicago-Detroit-Pontiac corridor, part of a larger award for the Dearborn-Kalamazoo corridor program that will also increase speeds and reduce trip times.

Program Challenges

Like all major and ambitious transportation projects, whether public or private and no matter the mode, there have been, and remain, important challenges that demand continued attention and conscientious oversight. Stepping back, the funding that ARRA provided the HSIPR program itself was unprecedented. Such funding had not been available in the past, and as a result, the pipeline of ready projects was limited. Even more advanced projects already in process required extensive planning and development. Additionally, there are challenges associated with setting up a new program, identifying initial funding beyond the Recovery Act dollars, and in gaining stakeholder acceptance for projects that will result in significant changes to the landscape. These factors have also been compounded by the September 30, 2017 spending deadline for each HSIPR grant recipient. This deadline requires that any federal dollars not expended by the designated date be returned to the United States Treasury.

On a larger national scale, decades of limited investment in passenger rail required that the FRA and its state partners build capacity and recruit skilled engineers, rail planners, and project managers to help administer the expanded portfolios. In addition to that, Amtrak and freight railroads reshuffled and re-prioritized resources to carry out their roles in implementing the HSIPR Program, all while continuing to focus on their core operating businesses.

Despite these challenges, the HSIPR program has still maintained progress in adhering to the criteria and administrative deadlines associated with the program.

Oversight

During the existence of HSIPR, both the Government Accountability Office (GAO) and the Department of Transportation Office of Inspector General (OIG) have exhaustively audited FRA's implementation of the Recovery Act and appropriations for passenger rail grants. In no case, did the auditors identify waste, fraud, or abuse in any of the grants.

With a frequency at which few other federal grant programs have been reviewed, the two agencies issued 14 audit reports and made 30 recommendations for program improvements. FRA has fully addressed 26 of the recommendations, meaning GAO and OIG consider them

closed. GAO issued three of the remaining recommendations just six weeks ago, and we are well on our way to completing actions to address them.

Beyond these numbers, we should note that the recommendations focused on FRA administration of the program, not the underlying program goals or strategic direction. Some recommendations required such simple actions as adding one sentence to FRA's grant management manual or improving planning tools.

To help mitigate program implementation challenges and ensure proper stewardship of taxpayer dollars, FRA established a dynamic and robust oversight program for HSIPR.

FRA's program management model comprises three major components: grant compliance reviews, project implementation oversight, and technical assistance delivery.

- **Grant Compliance** – FRA grant agreements clearly outline each award recipient's grant administration responsibilities, in compliance with federal grant oversight regulations and FRA policies. FRA requires grantees to submit detailed and accurate quarterly financial and project progress reports. FRA closely reviews reports for accuracy and has developed a compliance assessment tool to evaluate grantee adherence to administrative requirements on a monthly basis. Further, grant compliance is a component of FRA's monitoring program discussed below.
- **Project Implementation Oversight** – Before awarding funds, FRA requires each grant recipient to submit a detailed, thorough, and feasible statement of work (SOW), including a clear scope, schedule, budget, and deliverables that grantees must submit throughout the grant period of performance. FRA uses these grantee-generated deliverables and other resources to assess grantees' adherence to the SOW and general project quality.

FRA also manages an intensive grant and project monitoring program that includes a combination of detailed reviews of grantee and project documentation, as well as grantee and project site visits. Utilizing these tools to evaluate grantee performance and identify project delivery issues, the FRA grant oversight team may require grantees to submit and implement corrective action plans, if necessary.

- **Technical Assistance** – FRA's monitoring and oversight team is in constant communication with grantees and are often able to assist grantees in identifying project risks or addressing realized challenges in technical areas such as engineering or environmental compliance. FRA has provided an appropriate level of support to grantees throughout the HSIPR Program to safeguard federal investments and maximize public benefits.

The Future

While HSIPR stakeholders are hard at work and focused on delivering the current portfolio of projects, **more than half of the 150 projects funded are complete**. Half of the projects in the program are funded with ARRA and to date 37 of the 75 are complete with an additional 19 projects scheduled for completion by the end of 2016.

The HSIPR Program and independent regional, state, and private efforts have created a strong pipeline of passenger rail planning, environmental, and engineering projects that are now ready for construction. In every region of the country, there are projects awaiting funding to improve, expand, or introduce new corridor services. As with any major infrastructure project, failure to act in a timely manner on these projects will lead to increased costs and future delays.

Despite continued demand from communities and leaders across the country and the Administration's repeated budget requests for additional funding – a total of \$35 billion requested for rail investment grants since the last HSIPR appropriation in FY 2010, as well as the establishment of a dedicated funding source – Congress has provided no new substantial amounts of passenger rail development funding.

America has been falling behind. While the country has invested \$10 billion in high performance rail through the Recovery Act and FY2010 funds, in 2015 alone, China invested \$126 billion—more than 10 times what the United States has invested during the last eight years—on high-speed rail projects⁴.

Congress has now provided the framework for the next wave of passenger rail investments with the passage of the FAST Act last year. I want to thank the members of this Subcommittee who voted to include, for the first time, intercity passenger rail programs in a comprehensive, multimodal surface transportation authorization bill.

The FAST Act is a critical first step in eventually providing the predictable, dedicated funding that rail stakeholders seek to allow them to more effectively plan and implement large-scale infrastructure investments. A consistent Federal funding program, leveraged by State and local support, can also better attract private markets to invest in the transformative transportation projects needed to move America forward.

Conclusion

Our country's 21st century mobile economy cannot thrive on a 20th century transportation system. We need a strong transportation system, and the investments Congress made eight years ago to begin upgrading our passenger rail system to be more reliable, frequent, and faster is only the beginning and must continue.

Thank you, Mr. Chairman for the opportunity to testify, and I am happy to answer any questions.

⁴ http://www.chinadaily.com.cn/china/2016-01/04/content_22926538.htm.

Mr. MICA. Thank you. We will hold questions until we have heard from all the witnesses.

Mr. Feigenbaum with the Reason Foundation, you are welcome and recognized.

STATEMENT OF BARUCH FEIGENBAUM

Mr. FEIGENBAUM. Thank you, Mr. Chairman.

And Mr. Chairman Mica and Ranking Member Duckworth and fellow members, thank you for the opportunity to testify to the House Subcommittee on Transportation and Public Assets.

My name is Baruch Feigenbaum. I am the Assistant Director of Transportation Policy at Reason Foundation, a nonprofit think tank with offices in Los Angeles and Washington, D.C. For almost four decades, Reason's transportation experts have been advising Federal, State, and local policymakers on market-based approaches to transportation.

I'm a graduate of the Georgia Institute of Technology, with degrees in public policy, transportation planning, and a concentration in engineering. My master's thesis studied induced demand. I have authored studies on high-speed rail in Europe and Asia, as well as looking at Texas, and I'm on two National Academy of Sciences committees.

For the past 40 years, ever since the Johnson administration, the U.S. has shown an interest in high-speed rail. Previous programs failed to gain traction. However, that changed with the American Recovery and Reinvestment Act, also known as the stimulus. The Obama administration proposed spending \$8 billion in stimulus funds to lay the groundwork for high-speed rail throughout the country.

Implementing any new Federal program is challenging. It is unlikely that any program would be perfect from day one. However, there is considerable evidence that suggested the program could have been managed more effectively. Generally, the problems can be broken down into the overall vision of the program and then the actual implementation details.

From the beginning, the high-speed rail program has lacked a defined direction. Officially, the program's aim is to help address the Nation's transportation investment challenges by making strategic investments in passenger rail corridors that connect communities, and I think that's a great inspirational statement, but I'm not sure that's a goal.

Every country around the world that has built high-speed rail has done so for one of two reasons. Most built rail to relieve overcrowding on existing conventional rail lines. Several countries built high-speed rail to protect rail's share of travelers that was declining due to competition from aviation or cars.

Since the number of U.S. passengers taking rail has remained constant and gains on the Acela and regional trains in the Northeast have basically offset losses on some of the long distance services, neither of these reasons is especially applicable for the U.S.

All countries that have built successful high-speed rail lines have built the first line in the corridor most suited to high-speed rail. In the U.S., this is the Northeast Corridor, which connects Boston, New York, and Washington, D.C. While Amtrak currently operates

higher-speed rail along this corridor, this service averages 68 miles per hour between Boston and New York and 82 miles per hour between New York and D.C.

True high-speed rail would operate at twice the speed in the Northeast Corridor, with an average speed of close to 150 miles per hour or more. Several lines in other countries have transitioned from existing conventional rail to high-speed rail.

Additionally, instead of awarding funding to the most promising single line, the administration provided funding to 33 States, the District of Columbia, and Amtrak. Much of this funding was not for building high-speed rail, but for improving operations of existing passenger rail corridors. And while there certainly is importance in doing that, the program's focus was supposed to be, at least initially, on high-speed rail.

One of the most challenging projects, the one that's currently under construction, is in California. That's a project that costs have increased from \$20 billion up to at one point in time \$98 billion and down to \$66 billion as some of the technology was chosen and changed.

My biggest issue with this corridor is that it goes through the Central Valley, basically traversing three sides of a square instead of serving as a straight line between Los Angeles and San Francisco. And all of the successful high-speed rail lines around the world have gone in a straight line of being the most direct route.

The implementation of the President's vision has had a number of problems as well. There has been staffing issues at the Federal Railroad Administration. The Passenger Rail Investment and Improvement Act expanded FRA's role, and perhaps FRA did some unrealistic things as a result of this in terms of taking on a massive railroad expansion only a year after that was completed.

There's problems that are continuing to the present day. They have declined, but they're not through. The Government Accountability Office has reprimanded the agency for failing to establish a process to identify project-specific goals and performance measures. There is also a failure to provide documentation detailing grantees' expectations as well as guidance on specific types of equipment purposes.

I'm running out of time, but I do want to say that I think a better approach to high-speed rail in this country would be a form of public-private partnership specifically focused on the Northeast Corridor. I'd be happy to get into more of that in the questions.

Thank you.

[Prepared statement of Mr. Feigenbaum follows:]

Chairman Mica, and fellow Members:

Thank you for the opportunity to submit testimony to the House subcommittee on Transportation and Public Assets hearing entitled, Lagging Behind: The State of High Speed Rail in the U.S.

My name is Baruch Feigenbaum. I am the Assistant Director for Transportation Policy at Reason Foundation, a non-profit think tank with offices in Los Angeles and Washington DC. For almost four decades Reason's transportation experts have been advising federal, state and local policymakers on market-based approaches to transportation.

My Credentials on Today's Topic

I am a graduate of the Georgia Institute of Technology with degrees in Public Policy and Transportation Planning with a concentration in Engineering. My Master's Thesis studied Induced Demand in growing areas and potential solutions. With Reason, I have authored studies on high-speed rail in Europe and Asia, high-speed rail in Texas, mobility, transit options, funding alternatives and innovative financing. I have worked with the states of Georgia and North Carolina as well as numerous counties to implement transportation policy, financing and funding reform. I currently serve on two National Academy of Sciences Transportation Research Board Committees, Bus Transit Systems and Intelligent Transportation Systems. My testimony today draws on these experiences.

Overview of Transportation

For the past 40 years, ever since the Johnson administration, the U.S. has shown an interest in high-speed rail. Previous programs failed to gain traction. However, that changed with the American Recovery and Reinvestment Act (ARRA) also known as the stimulus. The Obama Administration proposed spending \$8 billion of stimulus funds to lay the groundwork for high-speed rail throughout the country.

While the Obama Administration envisioned a national network of high-speed rail service, actual high-speed rail service has fallen short of this promise. To date, the administration has no clear policy on high speed rail development and the existing program lacks clearly defined goals.

Implementing any new federal program is challenging. It is unlikely that the program would have been perfect from day one. However, there is a wealth of evidence that suggests the program could have been managed more effectively. Generally, high-speed rail program problems can be broken down into the overall structure/vision for the program, which I will detail first, and the actual implementation issues that I will detail second.

From the beginning, the High Speed Rail program has lacked a clear direction. Officially, the program's aim is to help address the nation's transportation investment challenges by making strategic investments in an efficient network of

passenger rail corridors that connect communities across the country. But while that may be an inspirational statement, it is not a goal. Every country around the world that has built high-speed rail has done so for one of two reasons. Most built rail to relieve crowding on existing conventional rail lines. Several countries built HSR to protect rail's share of travelers and prevent passengers from switching from rail to another travel mode. Since the number of U.S. passengers taking rail has remained constant, and gains on the Acela and regional trains in the Northeast corridor have offset losses on long-distance service, the U.S. could not justify building rail for the purposes of either alleviating overcrowding or retaining passenger mode-share. The administration might have justified building rail for economic development purposes or to add a new travel choice. But these were never given.

Lines built solely for economic development or travel choice reasons generally have smaller passenger loads and lose larger amounts of money. Both of the lines that have recovered all of their capital and operating costs, Tokyo-Kyoto and Paris-Lyon were built in corridors with conventional rail passenger loads bursting at the seams. Most of the train lines around the world that have relatively small losses operate in similar corridors.

From the beginning, the administration considered the politics of high speed rail as much, or more, than the policy behind it. All countries that have built successful high-speed rail lines have built the first line in the corridor most suited to high-speed rail. In the U.S., this is the Northeast corridor which connects Boston, New York City and Washington DC. While Amtrak currently operates higher speed rail along this corridor, this service averages 68 miles per hour between Boston and New York and 82 miles per hour between New York and Washington. True high speed rail would operate at an average speed of 150 miles per hour or more, approximately twice the speed of the Northeast corridor. Several lines in other countries have transitioned from higher speed rail to true high speed rail including several in England and Germany.

Additionally, instead of awarding funding to the most promising single line, the administration provided funding to 33 states, the District of Columbia and Amtrak. Much of this funding was not for building high speed rail but for improving operations of existing passenger rail corridors to increase train speeds. Fifteen states that do not have to plans to operate anything other than conventional rail were given grants under this program.

The original *high-speed* rail grant was awarded to a line connecting downtown Tampa with the Orlando International Airport. The administration chose that corridor because the state of Florida had studied it several years before. However, the line was not ranked in the top 100 potential corridors by the advocacy group America 2050. The corridor lacked the land use and transit characteristics needed to make high speed rail successful. It was also so short that no scheduled airline

service exists between these two cities—generally a key indicator of possible HSR demand.

Transportation projects are major undertakings and affect both the people living nearby and the environment. The administration failed to properly consider these complications. All major construction projects in transportation are subject to the National Environmental Policy Act (NEPA) or a similar state law such as the California Environmental Quality Act (CEQA). These laws were put in place to ensure that environmental effects of major actions are considered. Unfortunately, NEPA is often used as a stalling tactic by the opposition to delay or cancel many projects. Construction of high-speed rail projects emits significant amounts of greenhouse gases. Further, high speed rail trains emit pass-by noise volumes of between 85-97 dB(A) 25 meters away (equivalent to loud city traffic, a jackhammer or a hand drill). As a result, local communities have filed lawsuits to stop HSR construction for noise or greenhouse gas emissions reasons. Regardless of the validity of these lawsuits, they increase the time needed to build HSR. FRA should have considered these likely reactions during its process, both advising state officials of potential problems and reforming the process.

While transportation knowledge is not every politician's strength, it is important to communicate realistic goals to the public. In 2009, President Obama outlined a strategic plan that envisioned 10 high-speed rail lines encompassing 34 states. This plan suggested that an \$8 billion upfront investment and an additional \$1 billion annually for 5 years would build a significant part of the network. Yet a relatively short high-speed rail line (250 miles) costs at least \$20 billion to build, more than all of the federal funds the President planned to obligate. And that would cover only one rail line out of ten proposed. For the President's high-speed rail vision to be realistic, the farebox recovery rate would have to be close to 80% and the states would need to chip in significant funding.

Yet in comparison, for the construction of the Interstate Highway System, which the high-speed rail program was often compared to, the federal government provided 90% of the costs. Previous attempts to have states foot the bill for construction of a superhighway failed; many states in the Northeast and Midwest built toll roads that covered their capital and operating cost. However, that was not a realistic option in every state. To build the President's publicly supported high-speed rail network, the federal government would need to spend at least \$200 billion on construction. This figure does not include subsidies for operations or maintenance. And since few lines would cover their capital and operating costs, the subsidies would have to come from somewhere else.

By overpromising what was fiscally possible with \$13 billion of funding, the White House raised unrealistic expectations causing predictable disappointment when most of the lines were not constructed. This fueled pessimism in Congress and among the American people. It also makes building even a justifiable high-speed rail line more challenging in the future.

The implementation of the President's vision had a number of problems as well. Staffing at the Federal railroad administration and many state DOT's lacked the proper knowledge and training. The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) expanded FRA's role in developing and managing the country's rail network. Tasking FRA with overseeing a massive railroad expansion, in early 2009, only one year after the agency's mission had broadened to awarding, obligating and disbursing funds, almost guaranteed failure. FRA did not have the ability to draft procedures or hire staff. For example, FRA did not start drafting a Grants Management Manual until April of 2010, three months after the \$8 billion in grants were awarded. While the agency required Stakeholder service outcome agreements for long-term projects before obligation, these agreements lack maintenance and construction provisions required for receiving funds. As a result funds for these projects were delayed. Further, even when funding was provided, the agency was limited in monitoring grants for railway construction or capital purchases.

In another instance, the FRA set a goal of December 30, 2010 to complete short-term project obligations, yet the agency did not begin working on these obligations until September 2010 and did not complete most of them until late in 2011. The agency's concentration on long-term goals delayed its consideration of short-term agreements. Yet the administration argued in the ARRA Act that the short-term projects were the most important; that was the supposed focus of the stimulus. When FRA provided guidance, it did so on a project- by- project basis rather than in written format. As a result, many short-term grantees told GAO that they had trouble understanding FRAs guidance. As of early 2011, only \$5.8 billion of the planned \$8 billion in funding had been allocated to high speed rail.

And the problems continue to the present day. Earlier this year, the Government Accountability Office reprimanded the agency for failing to establish a process to identify project-specific goals and associated performance measures, a leading practice of effective grants management. FRA has also failed to provide documentation detailing grantees' expectations "as well as guidance on specific types of equipment purposes."

State DOTs, the entities charged with oversight in the 50 states, DC, and Puerto Rico also lacked the needed expertise to oversee the program. These agencies administer most of the passenger rail funding but lack expertise in this field. Many state DOTs, including those organized by mode, lack passenger rail staff. To the extent the state DOTs have staff, they are focused on relationships with freight railroads not passenger rail. Additionally, most state rail agencies are focused on planning service, not administering grants.

The Obama Administration and future administrations should more closely examine building high-speed rail through public private partnerships (P3s). All of Japan's Shinkansen trains are privately operated as is one of Italy's two main lines.

Specifically, I recommend separating the NEC from Amtrak in order to revamp it via a long-term PPP. Issuing a request for Information (RFI) would be the first step. Interested potential developer/operators would be asked to spell out what they think it would take to create a viable business model for HSR in the NEC. The RFI should make it clear that Congress is willing to start with a clean sheet of paper, exempting the NEC from many of the conditions that lead to Amtrak's current high cost structure including:

- No specific high-speed requirement, leaving that to be determined as part of the business plan;
- Freedom to define stations served (and not served) without political interference;
- Exemption from Buy America provisions, to permit acquisition of commercial, off-the-shelf rolling stock from abroad;
- Exemption from some or all of current railroad labor provisions, such as the Railway Labor Act, Railroad Retirement, Federal Employers' Liability Act, and Railroad Unemployment Insurance Act;
- Exemption from Davis-Bacon Act.

One question is whether the private sector would be most interested in simply revamping, operating, and maintaining the infrastructure (as in the two recent European PPP projects described previously) or whether they would prefer to develop HSR and other services as a vertically integrated business.

The responses to the RFI would provide valuable feedback as to what the private sector thinks is feasible. That would enable the government to develop a request for proposals (RFP), inviting qualified teams to respond with specific proposals for how they would transform the NEC. Bidders would have to commit to maintaining access for existing commuter and freight services operated by other rail providers on the NEC right of way, but they would be free to propose changes in all passenger services currently offered by Amtrak in the NEC, so as to allow for an array of local, express, and HSR express services.

Mr. MICA. Thank you. We will now turn to Mr. Hart with Rail Forward.

Welcome, sir, and you are recognized.

STATEMENT OF THOMAS HART JR.

Mr. HART. Thank you, Chairman Mica, and thank you, Ranking Member Duckworth.

And I am pleased to be here today with my Rail Forward team—Renee Robinson, Mitchell Brisbane, and Victoria Burton—who have helped me a lot in preparing my statements and other exhibits that are a part of my testimony.

Also, my wife and daughter are here, and I must recognize my dad, who was one of the first black lobbyists on Capitol Hill. He lobbied back in the '70s for people movers and other energy projects for Westinghouse Corporation.

I'm the president of Rail Forward and was a co-founder and served as vice president for government affairs for the United States High-Speed Rail Association. During that period, I testified a number of times before Congress on the subject of high-speed rail. So it's my opportunity and my pleasure to be here today to discuss it further and, hopefully, pave a track forward for high-speed rail in America.

As the other witnesses have already articulated, in 2009 through 2011, the program was extremely popular and held bipartisan support from Democrats and Republicans in the House and the Senate. And a number of projects over the last 8 years have been started, but none of them have been completed.

Although projects to connect Los Angeles to San Francisco and Chicago to St. Louis and Orlando to Miami are under way, they have not been completed, and two of those three, even when they are finished, will not be true high speed. Thus, I believe that there is sufficient amount of blame to be spread among the Nation's stakeholders for lack of more progress on the high-speed rail inter-city passenger system.

I have a few criticisms of FRA, but need to first note that Ms. Feinberg was not the administrator during the early years. So she is not to blame for some of the missteps that FAR—FRA undertook.

The first mistake was, frankly, the administration designating the FRA that was a safety agency to undersee and administer the \$10 billion high-speed rail program. The FRA had never worked on this type of program before. The FRA had neither the experience, the staff, or the regulations to quickly and effectively implement the grant process to develop high-speed rail.

We got to go back to 2009 to understand that this was supposed to be a stimulus project. It was supposed to stimulate jobs and infrastructure, and frankly, it fell short on both.

Rather than utilizing the best practices of the numerous countries that have effectively developed high-speed rail over the past 50 years, FRA decided to develop and design its own regulatory framework, which was burdensome and lengthy. There are a few benefits to being last to market, and that's how we are—last to market to high-speed rail. You can learn things from others, but FRA insisted on reinventing the wheel, which wasted a lot of time and a lot of money.

Furthermore, the FRA had no programs to engage small business or disadvantaged businesses in the design or construction of high-speed rail. When the project was first announced, there was a huge wave of small and minority-owned enterprises that were looking forward to being involved in America's new state-of-the-art rail system. Thousands showed up at conferences and rallies for high-speed rail.

However, that support died when small businesses realized that there was no active engagement in these projects. To add insult to injury, the FRA is currently still undertaking a disparity study to design their DBE and small business programs. By the time these studies are complete, all the money will be gone.

Another valid criticism of FRA is that they tried to do too much with too little. Pennsylvania Congressman Bill Shuster frequently argued that the administration took the stimulus money and "sprinkled it around the country" instead of focusing it on major projects that would serve as the model for the next generation of high-speed rail in America.

There were 15 international consortium prepared to bid, and none of them to date have been engaged appropriately in a major high-speed rail project. Even to date only 51 percent of the money that was allocated has been spent. The shovels should have been in the ground and creating jobs well before the Governors elected to return the money.

As it happened, when Governors Scott Walker and Kasich collectively returned over \$3.5 billion, they played right into Amtrak's hands because much of that money ended back up into Amtrak, and that was not the original intent of the high-speed rail program. One of the best one-liners, Congressman and Chairman Mica, on this issue of sending the money back and reauthorizing it was coined by Corrine Brown when she said, "Those Governors were stuck on stupid."

The Federal Government also made a mistake in reallocating the money back to Amtrak because it crushed the competition in the industry that we had hoped for with the high-speed rail development. FRA pins the blame for lack of progress for a lack of continual funding from the Federal Government. FRA is correct.

When needs to be done is a bipartisan support for a national infrastructure bank that, to date, has bipartisan support but is still not framed in a way where a majority of Congress and Senate are willing to vote on it positively. The idea of an infrastructure bank and other public-private partnerships like the one in All Aboard Florida are likely the best option for raising the significant amount of funds to take the next step in the journey for high-speed rail.

In conclusion, despite the number of numerous mistakes made by various parties, we have successfully advanced the movement toward high-speed rail in America. The movement will become a reality first in California, then throughout the Nation. Continued efforts on finding additional funding are important or are critical to this effort.

Amtrak must also play a major role by continuing in its efforts to produce higher-speed and safer rail travel. Finally, the people that work in these chambers of our national government must learn to work together better than we have over the last 8 years.

With that optimistic view, I yield back to the chairman.
[Prepared statement of Mr. Hart follows:]

What Happened To High Speed Rail in America

Testimony of Thomas Hart, Jr.¹

Before The House Subcommittee on Transportation and Public Assets
July 14, 2016

There have been numerous debates surrounding the high speed rail system that President Obama imagined back in 2009 when he included \$8 billion in his economic and job stimulus package to build a state of the art passenger rail system that would rival those in Europe, Japan and China. Proponents of the project believed that a high speed rail system traveling 250 miles per hour and connecting major U.S. cities would reduce traffic congestion, fuel usage and air travel. The nay-sayers argued that the cost of construction was prohibitive in this economy and that construction costs, maintenance fees and other expenses would fall back on taxpayers.

My remarks will cover the years of the Obama Presidency and will focus on three stakeholders: his Administration; House and Senate Leaders; and Amtrak. Each played a role in getting us where we are today.

I. President Obama's Vision of HSR

The passage of the American Recovery and Reinvestment Act (ARRA) in 2009 was a major milestone in achieving President Obama's vision of a railway system that would be faster, safer and more reliable than Amtrak. That same year, the Federal Railroad Administration released the High Speed Rail Strategic Plan, and Transportation Secretary Ray LaHood announced numerous High Speed Rail Corridors across the country, namely Florida, California, and the Northeast. The program was extremely popular and held bipartisan support from Democrats and Republicans in the House and the Senate. A few of the Republican supporters were John Mica, Mark Kirk, Bill Shuster, George LeMieux and Secretary LaHood. Also in 2011, the FRA released a Notice of Funding Availability for FY10 and ARRA funds that prompted solicitations for an extra \$2 billion in federal funding.

From 2009 to 2011, there was strong support for high-speed rail. In January 2011, John Mica chaired the first hearing by the House Transportation and Infrastructure Committee at Grand Central Station in New York City. The witnesses that testified were former Pennsylvania Governor Ed Rendell and New York City Mayor Michael Bloomberg. Both men were supporters of high-speed rail and agreed that the money needed to be appropriated to the Northeast Corridor. John Mica said, "The one U.S. transportation corridor where high-speed rail makes the most sense [is] the Northeast Corridor."

Soon thereafter, the climate changed and opposition mounted in February 2011 when the Republican Governor of Florida Rick Scott became the third governor to return federal funds for high speed rail - following Scott Walker of Wisconsin, who returned \$810 million, and John Kasich of Ohio, who returned \$400 million in December 2010. Scott returned the largest amount at \$2.4 billion. (Florida was originally granted \$1.5 billion and received additional funding from the rejections of the Ohio and Wisconsin grants.) Governor Scott feared that Florida taxpayers would be stuck with a \$3 billion bill when the federal government funds ran out. All Aboard Florida, a private railway company, is now working to develop a mid-speed train to link Miami to Orlando.

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Other members of the Transportation Committee disagreed with the belief that the money should be focused in one corridor. Democratic Ranking Member Nick Rahall stated that “it was a national vision that led to the creation of the world’s most advanced highway and aviation networks.”

In a 2012 article for Politico, I wrote that the Northeast Corridor, California and Las Vegas would be the most viable options for a high speed rail system. I also supported the “Durbin Line” that’s to connect Chicago to St. Louis with an “Acela like” passenger train running at enhanced speeds on freight rail tracks. Below is an update on those rail projects.

II. Los Angeles to San Francisco Line

Governor Jerry Brown of California, the FRA and numerous other national and state elected officials and agencies celebrated when construction began in January 2015 to connect Los Angeles and San Francisco by train. The project is expected to offer passenger service by 2025 at speeds of 220 miles per hour. The Superior Court in Sacramento recently dismissed a lawsuit that has held up the project for five years, which became a victory for the state, the CHSRA and the Obama Administration. There are currently 119 miles in the Central Valley Region under construction. A revised 2016 business plan aims to connect the Silicon Valley and the Central Valley as the first phase of the project that is estimated to cost \$64.2 billion. The CHSRA has not yet determined a time line for the next phases of the project. According to Ralph Vartabedian of the *Los Angeles Times*, there will likely be a need for taxpayer dollars to complete the state high-speed rail line. A bid was submitted last year by Ferrovial’s Cintra to build the train and they warned that government subsidies would probably be needed for years to come to finish the project. In a 2015 interview with The Hill, California Republican Congressman Jeff Denham said “Not only [does the CHSRA] lack a business plan, but they continue to waste taxpayer dollars without being held accountable...California has no proven ridership numbers.” Conversely, Senator Barbara Boxer is optimistic about her legacy project and recently said the California high-speed rail project is a “bullet train for job creation.”

III. Chicago to St. Louis Line and Other Illinois Lines

Illinois is also making significant progress towards a 284 mile “Acela like” passenger rail line between Chicago and St. Louis. The state initially received \$1.2 billion in federal funds in January of 2010. In 2011, the government gave Illinois \$404.1 million of the reallocated Florida funds, and an additional \$186.3 million for corridor improvements between Dwight and Joliet in January of 2012. When Illinois received an additional \$454 million from the rejected funds in Florida, Governor Quinn, Ranking Member Duckworth, Senator Durbin and Senator Kirk agreed that the funds would be used to purchase new rail cars and equipment for eight corridors serving Illinois and neighboring states. Also, the high-speed rail funds are being used to expedite efforts to replace a bridge over the Mississippi River. The first round of construction began in September, 2010 and they are currently making improvements along the existing Amtrak Lincoln Service Route. The route features a new, beautifully remodeled station in Normal, Illinois that is a mixed use “transit oriented development” project. On August 7, 2010, the state began remodeling Uptown Station, and in 2014, train ridership spiked to an impressive level of 262,000, making it the fourth busiest Amtrak station in the Midwest. Tracks have already been laid for the 284 mile line in Dwight, with double-track in some areas and single-track in others, and there have been 262 miles of new concrete ties put into place. The corridor between Dwight and Pontiac is now operable at a maximum speed of 110 miles per hour and will be expanded in the 200 mile corridor between Dwight and Alton, and thereafter to Joliet by the end of 2017. Thus, Illinois’ strong position as a rail hub will continue with these needed advancements.

IV. Los Angeles to Las Vegas Line

Since 2005, XpressWest, formerly Desert Express, has been working with the FRA and several other agencies to develop a fully electric high speed train that will run from Victorville, California to Las Vegas in about 80 minutes at an excess of 150 mph. The trains are expected to eliminate an estimated 25% of existing traffic from the I-15 freeway. Round trip tickets will cost about \$89, which the FRA believes will generate enough revenue for the system to pay for itself. XpressWest plans to be fully inter-operable with the California High Speed Rail Authority which will allow for future service into Burbank, Los Angeles, and Palmdale. The corridor between Victorville, California and Palmdale, California is currently in the final stages of environmental clearance.

V. Why Don't We Have More To Show for the HSR Program?

Although these projects are underway, I believe that there is a sufficient amount of blame to be spread evenly among the nation's stakeholders for the lack of progress on the High Speed Intercity Passenger Rail System.

The first misstep was made by the Administration in designating the Federal Railroad Administration, a safety agency created in 1966, to oversee and administer the HSR program. The FRA had never worked on this type of project before. The FRA had neither the experience, the staff, nor the regulations to quickly and effectively implement the grant or appropriation process to develop a high-speed rail system in the United States. Rather than utilizing the "best practices" of the numerous countries that have effectively developed HSR over the past 50 years, the FRA developed and designed a burdensome and lengthy regulatory process. This is one of the benefits of being the last to market; you can learn from others. The FRA insisted on reinventing the wheel, wasting time and resources.

Furthermore, the FRA had no programs to engage small businesses or Disadvantaged Business Enterprises (DBEs) in the development of high-speed rail. When the project was first announced, there was a huge wave of support from small and minority owned enterprises. Thousands showed up to conferences and rallies for high-speed rail. However, that support died when small businesses were never actively engaged in the project. They wanted to be involved in the beginning, but they were essentially shut out and so they reduced their support and enthusiasm for high-speed rail. To add insult to injury, the FRA is currently undertaking a "disparity study" to design their DBE program. By the time the study is completed, all the money will be gone.

Another valid criticism of the FRA is that they tried to do too much with too little. Pennsylvania Republican Bill Shuster stated that President Obama "took that stimulus money and spread it too thinly across the nation." By sprinkling the funding around, there was not enough funding to complete major projects that were to be the model for the next generation of rail systems.

When Rick Scott returned the federal grant money, a high-speed rail line in Florida had been three decades in the making. Companies were submitting bids as early as 2003. In 2010, there were at least fifteen different international consortia ready to submit bids to build the line from Orlando to Miami. They opened offices, hired employees and were ready to start construction when the money arrived; however, because of over-regulation by the FRA, EPA and other agencies, the money was held up in the suites and never made it to the streets. What should have taken between six and eight months took two years. The shovels should have been in the ground and jobs created when Governor Scott was elected, which would have prevented him from canceling the project. As it happened, Governors Scott, Walker, and Kasich, as well as the conservative wing of the Republican Party, played right into Amtrak's hands. The FRA lost a huge amount of public and political support because the resources from the stimulus that were designed to create jobs, ended up tied up with newly-created regulations.

The federal government also made a mistake in reallocating the money to Amtrak because it substantially reduced competition from foreign companies that wanted to build high-speed rail in America. Companies from France, Spain, Italy, Germany, China, Japan, South America, and other European nations were prepared to show the U.S. what a true high-speed passenger rail system really is, but instead the government gave the funds to Amtrak, (despite the President's original intent to create passenger trains that were faster, safer and more reliable than Amtrak). Chairman Mica stated that "Amtrak will never be capable of developing [their] corridor to its full potential."

VI. Lack of Sustained Funding from Congress

The FRA pins the blame for lack of progress on lack of continual funding from the federal government. The FRA is correct. The significant funding for HSR was "one and done" in 2009. After that, the funding was reduced to a trickle. As a result, California is currently the only state that is working towards a true high-speed passenger line. Upgrades to existing rail lines have shown incremental improvements to the train systems. Trains are running with more frequency and reliability, but it will still be years until we are able to see significant speed improvements.

According to the FRA, they have invested in more than 150 planned projects. The FRA also states that fifty-two projects are either complete or underway in twenty-one states and DC, amounting to \$2.7 billion. Within the next six months, an additional twelve projects amounting to \$1.4 billion are expected to be underway. There are currently thirty-nine completed projects and six more projects are expected to be completed within the next six months. In summary, the high-speed rail funds were mostly used for repair and maintenance work on existing lines rather than to build a new state of the art passenger rail system.

The Republicans cannot blame the Administration when they do not support creative and proven methods of raising capital. The idea of a National Infrastructure Bank, which would ideally be self-funding, was proposed by Senators Christopher Dodd and Chuck Hagel in 2007 and has received bipartisan support. President Obama supported the Bank in February of 2008 as a Senator, and again in September of 2010 as President. He suggested the Bank would operate by borrowing \$60 billion of federal funding to invest in surface transportation infrastructure projects, namely high-speed rail, over a ten year period while leveraging \$500 million in private investments. There have been a number of proposals for the Bank from both major political parties, including proposals from Hillary Clinton and Bernie Sanders, and the idea receives support from both political parties. However, despite numerous proposals with varying details, no one has yet come up with a politically feasible way to obtain the startup funds. The idea of an Infrastructure Bank and other public and private partnerships, like the one with All Aboard Florida, are likely the best option for raising the significant amount of funding to take the next step in the journey for HSR.

VII. Conclusion

Despite the numerous mistakes made by various parties, we have successfully advanced the movement toward a high-speed rail system in America. The movement will become a reality, first in California and then throughout the nation. Continued efforts on additional funding from appropriations a National Infrastructure Bank and public/private partnerships that include small and minority businesses, will all be factors in developing a true high-speed rail system. Also, Amtrak will play a major role by continuing its efforts to produce higher-speed and safer passenger rail systems and to enhance existing lines. Finally, the people that work in the chambers of our national government must learn to work together better than we have over the last eight years. With that optimistic view, I yield my remaining time back to the Chairman.

High Speed Rail in America: Key Dates and Events

1. **President Obama's 2009 Stimulus Package** – Also known as the American Recovery and Reinvestment Act of 2009, the stimulus package was signed into law on February 17, 2009. The primary goal was to immediately save and create jobs, and the secondary goal was to invest in education, health care, renewable energy, and infrastructure. Eight billion dollars were appropriated for the High Speed Intercity Passenger Rail System.
2. **President Obama and Vice President Biden at a Joint Session of Congress** – In an address on February 24, 2009, President Obama stated “Over the next two years, this plan will save or create 3.5 million jobs. More than 90% of these jobs will be in the private sector – jobs rebuilding our roads and bridges...and expanding mass transit.” Vice President Biden stated “I'm more happy than you can imagine to talk about a commitment that, with the President's leadership, we're making to achieve the goal through the development of high-speed rail projects that will extend eventually all across this nation.”
3. **FRA Announced HSR Strategic Plan** – On April 1, 2009 the FRA released a detailed plan for the HSR program outlining the funding approach, a timeline for the project's potential and current challenges and proposed legislation.
4. **CHSR to Include Las Vegas** – Transportation Secretary Ray LaHood announced on July 2, 2009 that the federally designated California corridor would extend to Las Vegas, providing potential funding for the Desert Express, now known as XpressWest.
5. **2010 State of the Union Address** – January 27, 2010 President Obama stated, “Next, we can put Americans to work today building the infrastructure of tomorrow. From the first railroads to the Interstate Highway System, our nation has always been built to compete. There's no reason Europe or China should have the fastest trains, or the new factories that manufacture clean energy products.”
6. **President Obama and Vice President Biden Held HSR Rally in Florida** – January 28, 2010 the President and Vice President announced recipients of the American Recovery and Reinvestment Act money for HSR at the University of Tampa. About \$1 billion would go toward improving the line between Chicago and St. Louis. California would receive \$2.25 billion as a down payment for its plan to build high-speed rail, and Florida would receive \$1.25 billion for an 84 mile track between Tampa and Orlando. Florida later received additional funding for the line from Orlando to Miami.
7. **Republicans won back the House in 2010 Elections** - Republicans regained control of the House of Representatives on November 2, 2010. The election resulted in the highest loss of a party in a House midterm election since 1938 and the largest House swing since 1948. The Representatives gained 63 seats in the House, 29 of the 50 state governorships, and 690 seats in state legislatures.

8. **HSR Hearing in Grand Central Station** – The House Transportation and Infrastructure Committee held a hearing at the New York City historic train station on HSR on January 27, 2011. The hearing was led by Chairman John Mica, with former Pennsylvania Governor Ed Rendell and New York City Mayor Michael Bloomberg, Thomas Hart, Petra Todorovich and others. Both men, co-chairs of the infrastructure advocacy organization Building America's Future, expressed support for high-speed rail but suggested that the money should be more narrowly targeted to the Northeast Corridor.
9. **Three Republican Governors returned HSR Grant Money** – February 16, 2011, Florida Governor Rick Scott became the third Republican Governor to reject the money given to his state for HSR development. He returned \$2.4 billion to the federal government because he feared Florida taxpayers would be stuck with construction and maintenance costs when federal funds ran out. He followed Wisconsin Governor Scott Walker, who returned \$810 million, and Ohio Governor John Kasich, who returned \$400 million both on December 9, 2010. Ray LaHood immediately reallocated the funds to Amtrak, St. Louis – Chicago, California, and Texas.
10. **Surface Transportation Extension Act of 2011** – This bill extended funding for surface transportation and provided funding for mass transit systems. It was cosponsored by a bipartisan group of Senators and Congressmen and signed by President Obama on March 4, 2011. It extended the allocation of capital investment grant funds for federal transit programs through FY2011.
11. **Significant Passenger Train Wrecks** – On July 23, 2011, the first high-speed rail collision in China occurred when two trains collided due to faulty signal systems. Forty people were killed, and over 190 were injured. On July 24, 2013, a high-speed train in Spain derailed. There were 79 fatalities and 140 injuries. On May 12, 2015, the Amtrak train *Northeast Regional* traveling from Washington, D.C. to New York City derailed in Philadelphia, Pennsylvania due to loss of situational awareness by the engineer. The train was traveling at about 102 mph in a 50 mph zone on a track that was not equipped with Positive Train Control. Eight people were killed and over 200 were injured.
12. **8th UIC World Congress on High Speed Rail** – The UIC was held in Washington, D.C. and Philadelphia, PA in July 2012. It was a global high speed rail conference that brought together 1,000 delegates from 37 countries, 32 CEOs from railway companies, and 2,700 guests. It was the largest train conference in the nation's history.
13. **President Obama and Republican Governors Re-elected** – President Obama was reelected and so were the three Governors who returned the HSR grants in the 2012 general election. Democrats held control of the Senate and Republicans remained in control of the House and the majority of governors in the gubernatorial elections.

14. **Chicago to St. Louis Rail Line Began Higher Speed Service** – On November 22, 2012, the 15 mile section of track between Dwight and Pontiac, Illinois began operating at 110 mph speeds, the maximum speed planned for the corridor.
15. **Private Rail Company in Florida Received Finding from FRA** – In January of 2013, All Aboard Florida received a Finding of No Significant Impact from the FRA, clearing the way to begin construction on the new rail line to connect Orlando and Miami. Construction began on the Miami to West Palm Beach section in mid-2014.
16. **Transportation Secretary Ray LaHood Announced Resignation** – On January 29, 2013, Ray LaHood announced his resignation from the Department of Transportation. His last day in office was July 2, 2013 and he was replaced by former Mayor of Charlotte, North Carolina Anthony Foxx.
17. **California HSR Broke Ground** – California became the first state to break ground on a true high-speed rail project on January 6, 2015, more than six years after the voters approved \$9 billion in high-speed rail bonds. The HSR line will connect Los Angeles and San Francisco. Governor Jerry Brown and other elected officials spoke to hundreds of people at the groundbreaking ceremony in downtown Fresno, and a few protesters stood nearby shouting “show me the money.”
18. **Chicago to St. Louis Line Broke Ground on a New Station** – On August 11, 2015, the Illinois Department of Transportation broke ground on the first new station in Dwight, Illinois.
19. **California Judge Dismissed Lawsuit Against HSR** – A Sacramento County Superior Court Judge dismissed a lawsuit on March 8, 2016 that sought to stop the building of the California HSR bullet train. The suit, brought by Kings County and two farmers, alleged that the project did not comply with restrictions that voters put in place in 2008. Judge Michael Kenny wrote that there were still “too many unknown variables” and that the suit was “not ripe for review.” The case held up the project for five years.
20. **Texas Statewide HSR** – In April, 2016, Texas Central filed documents with the federal Surface Transportation Board indicating that it is ready to begin acquiring right-of-way for HSR track. This will mark the beginning of eminent domain negotiations with landowners. The FRA approved the rail corridor on August 26, 2015, one month after the company announced that it had raised \$75 million for the \$10 billion project from private investors. The company is currently meeting with stakeholders along the corridor to finalize the rail route.

Mr. MICA. Thank you, and we will now hear from the Mayor from Normal, Illinois, Mr. Koos.

Welcome, Mayor Koos.

STATEMENT OF CHRIS KOOS

Mr. KOOS. Chairman Mica, Ranking Member Duckworth, and distinguished members of the subcommittee, thanks for the opportunity to testify today and a special thanks to Congressman Davis for his kind words and steadfast support for our community and small transportation investments.

My name is Chris Koos, and it's true. I am the only Normal Mayor in the United States. Normal is a medium-sized city in central Illinois, about 140 miles southwest of Chicago and home to Illinois State University.

First off, I'd like to thank the members of this committee and the Transportation and Infrastructure Committee for including a passenger rail title for the first time in the surface transportation authorization known as the FAST Act. This legislation provides my city, State, and region the tools needed to address safety, capital, and rail operations to support a truly multimodal and efficient transportation system. I look forward to working with our Federal Government partners on implementing the programs outlined in the bill.

I'm always glad to share Normal's success with passenger rail and transit-oriented development and the use of public-private partnership to maximize return on investment. As recently as 10 years ago, Normal's development was primarily occurring on its perimeter. The central business district, now known as uptown Normal, was struggling, as it does in many cities throughout the United States. The town's political leaders and business community began to rally around a vision to improve access to transit and revitalize uptown and awaken it into a key asset that could help our region compete and prosper economically.

Our passenger rail station is the second busiest in the State of Illinois and the busiest on the 284-mile Chicago to St. Louis corridor outside of these cities. The previous station was built in 1990 on the Normal town hall parking lot. By the mid 2000s, increased ridership on the Lincoln and Texas Eagle services resulted in overcrowding to the facility that was affectionately referred to as "Amshack."

Key to our uptown Normal master plan was a transportation center designed to provide a multimodal hub to accommodate an expanding city bus system, intercity and charter buses, a station, a new platform for Amtrak, and pedestrian and bike connections to our uptown and the universities.

The plan for the Normal uptown station received tremendous support from the State of Illinois, our sister city Bloomington, McLean County, our regional airport, Illinois State University, Federal and State legislators, and our local business community, including our local Chamber of Commerce and the area's largest employer, State Farm Insurance.

In 2010, Normal was awarded one of the first TIGER grants in the Nation. The \$46 million project received \$22 million from TIGER, \$11 million in additional Federal funding, and more than

\$13 million in State and local contributions. Six months after receiving funds, it was the first TIGER project in the Nation to break ground and begin construction.

Less than 2 years later, in 2012, the multimodal transportation center was completed, on time and within budget. Since opening in July 2012, uptown station and its adjacent plaza has become the new heart of Normal, and I think we have a slide that shows the new transit station that, again, serves local bus connections, regional bus service, as well as amenities such as a restaurant. And the city hall occupies the top floors, and there is also a park and ride deck that you can see in the background.

Uptown Normal is now a vibrant neighborhood with residential, commercial, and entertainment opportunities. Local transit ridership is up 34 percent, and transit-oriented development continues to abound.

Thus far, public investment of approximately \$85 million in Federal, State, and local monies in the transportation arena has generated more than \$150 million in private investment in the uptown district, including construction of a 228-room Marriott hotel with a 40,000 square foot conference center and an adjacent 114-room Hyatt Place hotel also shown in this picture.

Currently, there are plans to invest an additional \$45 million of private dollars to further promote livability and quality of life in our uptown. In the next slide here, you'll see this bike and pedestrian friendly roundabout built with local and Federal funds, and the next slide refers to a couple of hundred feet from the new station of new mixed-use developments like the ones that have been built, with more expected to come online within the next year or two.

Following comprehensive planning discussions, including the Union Pacific Railroad, Amtrak, and a dozen municipalities with stations along the rail line, Illinois was allocated \$1.2 billion to improve service between Chicago and St. Louis from FRA's High-Speed Intercity Passenger Rail Program, with \$690 million in State and local match.

When completed in 2017, the project will produce safer conditions, decreased travel times, improved on-time performance, and produce increased ridership and economic benefits for our town and our residents. Construction is ongoing as we speak and is anticipated to be completed in early 2017.

The town of Normal along with our local stakeholders rely on a strong partnership with Congress, FRA, and Amtrak and is committed to a shared vision in a local, regional, and Federal planning process to continue to make improvements to our regional and long distance rail system to connect the region with reliable, fast, and frequent passenger rail service.

Robust and reliable Federal capital investments are key to make all modes of transportation, including passenger rail, to be of benefit to our citizens and our economy. Federal support for transportation is a longstanding tradition and a core constitutional responsibility. We are proud to work with our Federal partners in creating, maintaining, and funding safe and efficient transportation systems and look forward to future collaboration.

Thank you for the opportunity to contribute on this important national discussion, and I'd be happy to take any questions.
[Prepared statement of Mr. Koos follows:]

Witness Testimony of
Honorable Chris Koos
Mayor, Town of Normal, IL

Before the
Committee on Oversight and Government Reform, United States House of Representatives
The Honorable John L. Mica, Chairman
The Honorable Tammy Duckworth, Ranking Member
Subcommittee on Transportation and Public Assets

Hearing: "Lagging Behind: The State of High Speed Rail in the U.S."

Thursday, July 14, 2016

Introduction

Chairman Mica, Ranking Member Duckworth, and distinguished Members of the subcommittee, thank you for the opportunity to testify today. I am Chris Koos, and have proudly served as the Mayor of the Town of Normal, Illinois since 2003. Normal is a medium-sized city in central Illinois, about 140 miles southwest of Chicago, and 160 miles northeast of St. Louis. We are the seventh most populous community in Illinois outside of the Chicago metropolitan area and home to state's oldest public college, Illinois State University (ISU).

First, I would like to thank the members of this subcommittee and the Transportation and Infrastructure Committee for including a passenger rail title for the first time with the surface transportation authorization in the Fixing America's Surface Transportation (FAST) Act programs. The FAST Act provides my city, state, and region the tools needed to address safety, capital, and rail operations to support a truly multimodal and efficient transportation system. I look forward to working with our federal government partners on implementing the programs outlined in the FAST Act. I believe transit is a necessary investment and a core function of federal, state, and local governments. Managed properly, mass transit investment is a very wise use of public money as it promotes economic growth, increases mobility, and improves quality of life.

About Normal

The Town of Normal is adjacent to the City of Bloomington in McLean County and since its founding in 1865 has been a railroad town. Our community is anchored in education as home to Illinois State University, Heartland Community College, Illinois Wesleyan University, Heartland Community College, Lincoln College and renowned Children's Discovery Museum.

We pride ourselves on being a business friendly community and are home to the corporate headquarters of State Farm Insurance, Country Financial, Advocate Bromenn Medical Center, Growmark Inc, Nestle, and Beernuts to name a few.

Normal is served by Interstate 39, I-55, I-74, one passenger railroad line, the Central Illinois Regional Airport, and Connect Transit public bus service, and the Constitution Trail which is one of the most extensive urban multiuse trails in the state.

Improving Transit and Valuing Transit Oriented Development (TOD)

As recently as 10 years ago, Normal's development was primarily occurring on its perimeter. The central business district, now known as Uptown Normal was struggling. While most buildings were occupied, rents were low, turnover was high, and the area was beginning to lose key businesses. The Town's political leaders and the business community began to rally around a vision to improve access to transit and revitalize Uptown and awaken it into a key asset that could help our region compete and prosper economically. Early planning efforts identified road, rail, and transit improvements as key to Uptown redevelopment.

Our passenger rail station is the second busiest in the state of Illinois and the busiest on the 284-mile Chicago to St. Louis corridor outside of these cities. The previous station was built in 1990 on the Normal Town Hall parking lot, replacing a station in Bloomington that was in disrepair. By the mid-2000s, increasing ridership on the Lincoln and Texas Eagle Service resulted in overcrowding at the so-called "Amshack."

Key to our Uptown Normal master plan was a transportation center designed to provide a multimodal hub to accommodate an expanding city bus system, intercity and charter buses, a station and new platform for Amtrak service to Chicago and St. Louis, airport shuttles, taxis, park and ride facilities, and pedestrian and bike connections to downtown and the universities. We wanted a well-designed and well-constructed station that would provide better access to jobs and school, improve safety and security at the rail stop and spur transit oriented development.

Partnerships

Key to the success of Uptown redevelopment has been the Town's philosophy of partnership and engagement with elected officials, community stakeholders and federal agencies. As a result, the Town enjoys great support from all levels of government at the local, state and federal level. I attribute our redevelopment success to a number of factors including:

1. Unified stakeholder relationships,
2. A strong commitment by the Town council to delivering a high-quality, cost-effective project under fiscal constraint,
3. Partnerships with private developers to find innovative solutions for higher-density, mixed-use communities designed to increase transit ridership and promote pedestrian and bicycle mobility,
4. Solid local agreements with UPRR and IDOT, and
5. Robust communications with FTA and FHWA.

The plan for the Uptown Station received tremendous and steadfast support from major players in the community, including from the state of Illinois, our sister city Bloomington, McLean County, our regional airport, Illinois State University, and Federal and State legislators. The business community was extremely supportive as well; the McLean County Chamber of Commerce, State Farm Insurance, the Bank of Illinois, and the Bloomington-Normal Economic Development Council were strong advocates for the station. As part of the process, the Town worked closely with Amtrak and the Union Pacific Railroad.

The Uptown Station

In 2010, Normal was awarded one of the first TIGER grants in the nation. The \$46 million project received \$22 million from TIGER, \$11 million in additional federal funding, and more than \$13 million in state and local contributions. Six months after receiving funds, it was the first TIGER project in the nation to break ground and begin construction.

Less than two years later, in 2012, the multimodal transportation center – called Uptown Station - was completed on time and within budget. The 63,385 square foot facility was constructed on the north side of the railroad tracks, across from the former stop, includes a new Amtrak station and space for public transit and regional buses. The upper three stories of the station serve as municipal offices for the Town of Normal. A 381-space parking deck is attached to the west side with bus bays located on the ground floor. The center is adjacent to the Constitution Trail, a popular rails-to-trails conversion that runs through the center of Normal and its sister city, Bloomington, and offers covered bicycle parking near the bus bays, additional bicycle parking outside the building on the sidewalks, and public restrooms.

Since opening in July 2012, Uptown Station and its adjacent plaza have become the new heart of Normal. City Hall was relocated to the upper floors of the station building, the adjacent children's museum began drawing even more families and school visits from miles around, and two major hotels along with several other businesses opened nearby. Adjacent to the station, the Town of Normal and the Illinois Department of Transportation constructed a roundabout that won the US Environmental Protection Agency's 2011 National Award for Smart Growth Achievement in the category of Civic Places. It also won the Transportation Planning Excellence Award from the FTA and FHWA. The circle is an attractive public space with ample seating encouraging people to talk, play, and hang-out in the middle of this revitalizing neighborhood.

Private Investment

Uptown Normal is now a vibrant neighborhood with residential, commercial, and entertainment opportunities. Thus far, public investment of approximately \$85 million in Federal, state and local monies in the transportation has generated more than \$150 million in private investment in the Uptown Normal district.

The station itself includes a Subway sandwich shop and a shoe shine stand and has supported the construction of a 228- room Marriott Hotel with 40,000 square foot conference center. A

114-room Hyatt Place hotel opened one year ago across the street from Uptown Station. The museum and hotel/conference center have already drawn many visitors to Uptown Normal, and the station serves as a transportation hub for visitors arriving by train, bus, etc. Currently there are plans to invest an additional \$45 million in the area, further promoting livability and quality of life.

Mobility

The Uptown Station is conveniently located just two blocks from ISU, one of the largest universities in the state with over 25,000 students, and less than two miles from Illinois Wesleyan University. The station provides a critical, reliable, and economical link for students to Chicago and other cities throughout the country. The station also helps colleges and universities in our region improve their competitiveness in the international academic community by attracting students, faculty, and often their families who expect to be able to get to major cities quickly and reliably without the use of an automobile.

Normal's location between the two mega-regions of Chicago and St. Louis benefits immensely from having a passenger rail station served by the Lincoln Service – a four daily round trip state-supported service – and Amtrak's Texas Eagle long-distance service. Traveling to Bloomington-Normal via Amtrak is a two and a half hour ride from both St. Louis and Chicago. Greater mobility and access to education and jobs provided by the Amtrak service is vital to our residents, businesses and economic stability.

The new station has had a positive impact not only on Amtrak service, but also Connect Transit, the local public transportation provider. The opening of Uptown Station has assisted in the reinvention of the local transit system, which has increased local bus ridership 34% since 2012, the year of the station's opening. Uptown Station is now the busiest stop in the county, with around 470,000 passengers per year.

Connect Transit, which was named 2015 Small System of the Year by the American Public Transportation Association, has recently completed a transit network redesign study to further improve and modernize service. Uptown Station will anchor this redesign, serving as an endpoint for the Green line, the first high frequency transit route in the region, providing 15 minute service between the Normal and Bloomington central business districts. In addition, six other redesigned and streamlined routes will utilize Uptown Station, which will provide faster, more direct access to the community's universities, major employers, retail, and a direct connection to the Central Illinois Regional Airport.

Higher Speed Rail

In an effort to improve reliability and frequency of long distance rail service, the Town in partnership with UPRR, the state, dozens of municipalities, Amtrak and the Federal Railroad Administration (FRA) have identified system upgrades that will benefit both freight and passenger rail service in the Midwest. Subsequently, Illinois received \$1.2 billion to improve

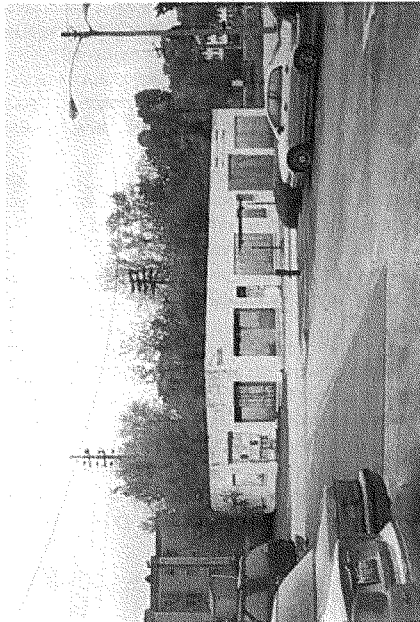
service between Chicago and St. Louis from FRA's High-Speed Intercity Passenger Rail (HSIPR) program, with \$690 million state and local match. The state is currently upgrading tracks and bridges, installing Positive Train Control, and making grade crossing and right-of-way improvements this year. When completed in 2017, the project will produce safer conditions, decrease travel times, improve on-time performance and produce increased ridership and economic benefit for our town and our residents. In Normal, the Illinois High-Speed Rail project is funding a second platform and upgrades to the waiting room. Construction is ongoing and is anticipated to be completed in early 2017.

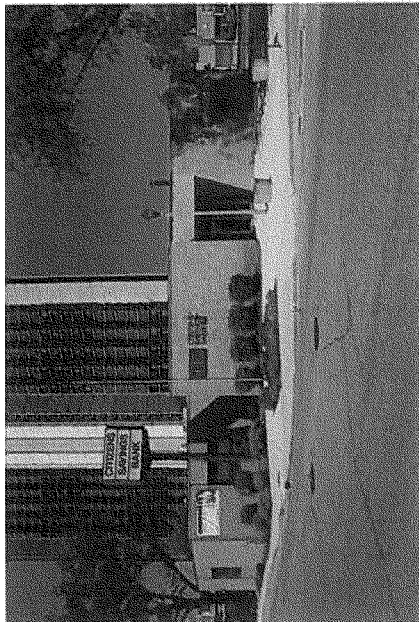
The Town of Normal along with our local stakeholders rely on a strong partnership with Congress, FRA and Amtrak, and is committed to a shared vision and a local, regional, and federal planning process to continue to make improvements to our regional and long distance rail system to connect the region with reliable, fast, and frequent passenger rail service. When completed, about 90 percent of the Midwest's population will be within a one-hour car ride to a Midwest Regional Rail System station or within 30 minutes of a feeder bus station.

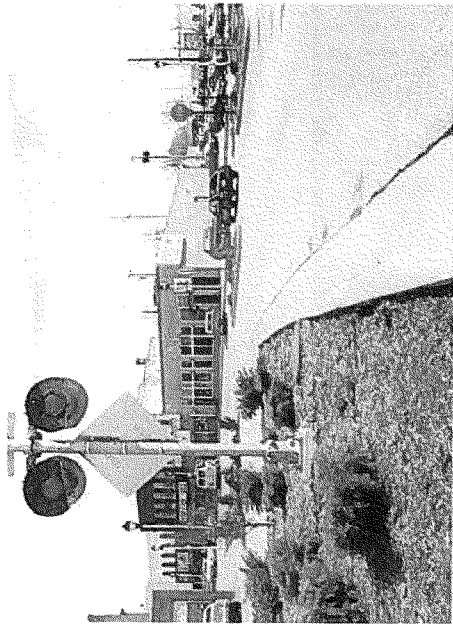
I recognize, along with many other leaders in Illinois and the Midwest, the cost that traffic congestion imposes people and business. Small, medium, and even large businesses are not able to solve the problems associated with congestion on their own. This requires a strong and consistent government investment, that the federal government is especially situated to undertake. Robust and reliable capital investments are key to making all modes of transportation benefit our citizens and our economy – including passenger rail.

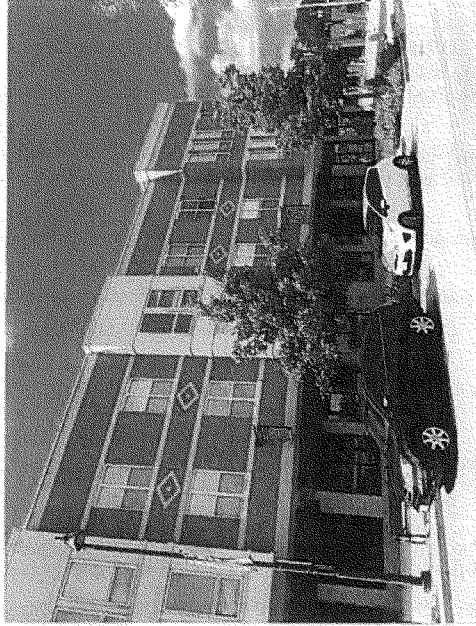
Federal support for transportation is a longstanding tradition and a core Constitutional responsibility since our nation's founding. We are proud to work with our Federal partners in creating, maintaining, and funding safe and efficient transportation systems and look forward to future collaboration.

Thank you for your consideration and the opportunity to contribute to this important national discussion.









Mr. MICA. Well, thank you.

And we will start the questions right now, and I will begin with a question for Ms. Feinberg. Now you weren't there, but a decision was made, as Mr. Hart said, to sprinkle this money around. I know it is sometimes we talk in hindsight, but a high-speed rail project is a very expensive project. We have ended up now with about \$3.9 billion dedicated to California.

That is not enough really to bail that project out, and most of the balance, 99 percent of the money is obligated. What happens with our one potential project, California?

Ms. FEINBERG. What happens?

Mr. MICA. What happens with it? Yes. There is \$3.9 billion. It is a \$64 billion to \$68 billion project. It keeps getting delayed, put off.

Ms. FEINBERG. Well, to California specifically, they're also paying for the project with cap-and-trade funds and with State funds as well.

Mr. MICA. Are you—is there any plan for additional Federal funds?

Ms. FEINBERG. Not at this time.

Mr. MICA. Not at this time. Okay. My preference would have been to put the money in the Northeast Corridor in one route and show some success and partner with the private sector. Maybe \$10 billion wouldn't have done it, but it would have been good seed money to partner, and I think, Mr. Feigenbaum, you said that was the way you recommended to go. Is that right?

Mr. FEIGENBAUM. Yeah, that is correct. That is the way that other countries that I think —

Mr. MICA. Yes.

Mr. FEIGENBAUM.—we look to for high-speed rail, Japan and France, have done it.

Mr. MICA. Because they are very capital-intensive projects. We don't have the money that China has, and they are building thousands of miles of high-speed rail. But, and then Amtrak came up with a proposal for high-speed service in the Northeast Corridor, which was estimated to take 30 years and \$150 billion.

Well, first, I won't be alive. Most people on this panel won't be alive to see that, and they are not going to get \$150 billion or even a good percentage of it from Congress. Isn't that sort of a given, Ms. Feinberg?

Ms. FEINBERG. That's certainly been the case.

Mr. MICA. Yes. So we are trying to get some successes. We put Amtrak, which I call our Soviet-style train system, for lack of a better term, and it has been a monopoly. We opened up with some provisions I put in the last transportation legislation.

Do you know anything about the status of where we are on that, Ms. Feinberg, opening that up? I heard we had some interest?

Ms. FEINBERG. Yes, sir. I think the last time we briefed you on this, which we've been working closely with you on, the request for proposals —

Mr. MICA. Right.

Ms. FEINBERG.—was going out. They're due in August, and so I expect that we will know more then. I have not been tracking them as they come in, but I believe the due date is in August.

Mr. MICA. And when we did the PRIIA bill, we originally opened the Northeast Corridor, which sort of got gobbled up by Amtrak, which we wanted to get some serious proposals. Mr. Hart spoke to it, and we ended up with how many did you say, Mr. Hart? There were a number interested in.

Mr. HART. There were 15 consortia that I know of.

Mr. MICA. Okay.

Mr. HART. And worked with a number of them, particularly on the east coast programs. And they just got frustrated through this process.

Mr. MICA. Right. Well, some of them I was told came in. Amtrak had taken control and basically said, "We aren't interested, go away." That is why we shifted the program over to DOT so they could get some sort of possibility to participate, as opposed to our sole vendor and operator, Amtrak, shooing them off.

No one wants competition. I would love not to have an opponent in the primary or the general election. I am sure these media guys would like to just have one station and all of that, but that is not the reality we live in, and competition is healthy.

Mr. Hart, you gave sort of stinging criticism of FRA and the process they set forward. I know Ms. Feinberg wasn't there, but we have had problems. Even we have in Florida All Aboard, which is probably our most successful higher-speed project in the country, they go about 79 miles an hour from Miami to Orlando, mainly because of speed restrictions that are imposed. It can go faster, I know, and it will go pretty fast in some stretches.

But again, the Federal process, it used to take 15 years. I think we started on this 5 years ago with some of the approvals. Do you think there is anything we —

Ms. FEINBERG. For All Aboard Florida —

Mr. MICA. Anything we could do to speed that up?

Ms. FEINBERG. Are you talking about All Aboard Florida specifically —

Mr. MICA. Yes, well, there is another one, is it Texas Coastal or something? But —

Ms. FEINBERG. Certainly, Secretary Foxx and the FRA have been really supportive of improving and speeding up the permitting process in any way that we can. I mean, part of the frustration of why the process takes so long, frankly, is not really a complaint directed at the FRA. It's actually a complaint directed at NEPA and at the historic societies across America that tend to have strong opinions about major infrastructure projects.

We've been —

Mr. MICA. Well, the other thing, too, is like FEC is about 70 percent on an existing corridor, and then there is another former rail corridor that wasn't developed coming into Orlando airport.

Ms. FEINBERG. They've significant —

Mr. MICA. But I can see if you are plotting a new course and some of those concerns. But I know working with Senator Boxer and others, our intent before was to try to speed up and condense that process.

With Mr. Oberstar, I stood on a bridge on Highway 35 with Members of Congress that had collapsed. People were killed. And it was built in 435 days or something like that, which the normal

procedure would be 4 or 5 years just for permitting, but we put a safer bridge in.

We put—and with All Aboard Florida, they are putting positive train control. They are putting rail safety improvements. They are improving the bridges for maritime traffic, a whole host of things, not to mention new environmental improvements. So getting those new systems in place, actually protect the environment, enhance the environment, and get us a system that is 21st century.

I would like to invite you to—I went down about 2 months ago and saw Miami All Aboard and—members of the committee, subcommittee. The project, this All Aboard Florida, will open, actually the first leg, they have got the three stations—Miami, Fort Lauderdale, West Palm Beach. The vehicles are coming. Almost all private dollars.

The Miami terminal by itself is \$2 billion, and it envelops the existing metro rail and people mover downtown. They will be bringing dry rail, a commuter rail in, and high-speed rail into it. It is a phenomenal project.

But like to invite you down and Members to see that.

Ms. FEINBERG. Thank you.

Mr. MICA. Again, a private-public, to a degree, partnership. But almost all private money in the project. So she nodded yes. So we will make a date.

Ms. FEINBERG. Thank you for the invitation. I would love to come—I would love to come down.

Mr. MICA. Finally, we are spending a lot of money on Acela, and you had talked about some improvements on the Northeast Corridor. One that concerned us after the Philadelphia crash was positive train control. How long before we have that in place, do you know?

Ms. FEINBERG. So Amtrak, to their credit, was quite far ahead on PTC, and they activated PTC on the Northeast Corridor on time for the last deadline, which was December 31st of 2015. That was before the Congress moved the deadline to 2020.

So Amtrak is —

Mr. MICA. But the only section that was done there, I am told, is the section up in New Haven, that there are still sections that were to be done. That was more of a private ownership initiative.

Ms. FEINBERG. So the pieces of the Northeast Corridor that Amtrak owns and controls, they have turned PTC on. There are certainly portions of rail across the country that Amtrak operates on that do not have PTC yet.

Prior to the Philadelphia accident, there was PTC turned on in some portions, but not the specific portion where the Philadelphia derailment happened at Frankford Junction.

Mr. MICA. And they had made a decision not to install it in the direction in which the crash occurred?

Ms. FEINBERG. It's a little bit more complicated than that, but that's it generally. They had turned on a version of PTC in one direction, not in the other, based on the belief that an engineer would be unlikely to be accelerating into a sharp curve, which is exactly what happened in the Philadelphia derailment.

Mr. MICA. I will have more questions, but we will go to Ms. Duckworth, our ranking member now.

Thank you.

Ms. DUCKWORTH. Thank you, Mr. Chairman. And again, thank you for calling today's hearing and agreeing to invite the panel of witnesses, and especially Mayor Chris Koos from Normal, to testify.

Illinois has important passenger rail connections to St. Louis, Detroit, Milwaukee, and throughout the Midwest, and modernizing these rail corridors makes a real difference for the people of Illinois.

Mayor Koos, as you may know, some States led by Republican Governors rejected high-speed rail money. Can you talk a little bit about what the modernization program along the corridor that comes through Normal has done, and where perhaps you would be had those funds not been made available for things that you have been able to do with the TIGER grants, et cetera?

Mr. KOOS. Well, I think the most important things that have come out of that is the reliability and frequency of service along that corridor. We're seeing greater on-time performance on that corridor.

I've come to learn over my years of dealing with this project—I actually know more about railroads than I thought I ever would or want to—but equally important is that high-speed or higher-speed rail is the reliability and frequency of service for that traveler, especially that business traveler, to know that when they have to be at a destination that they will be at that destination in a timely manner.

Currently, through our community, there's significant construction going on with the addition of a second rail line through. So we have double track through our community and quad-gate systems and pedestrian system, gate systems, which are significantly important, given the amount of pedestrian traffic we have around Illinois State University.

So just getting back to your original question, I think frequency and the reliability of service is shown, and it's shown in the ridership.

Ms. DUCKWORTH. Have you heard—Mayor Koos, have you heard any feedback from your major corporate interests that are in the city in terms of the improvement in rail service?

Mr. KOOS. We have. We're seeing some use by our largest corporate partner in terms of their travel to Chicago. They're finding that to be more advantageous. But they're really looking for the completion in 2017 of this higher-speed rail system into Chicago, which shortens the time into Chicago by estimates from a hour half to 45 minutes, which is very significant to the business community in the sense that it makes us almost a suburb of Chicago.

And for our local businesses, small businesses and large businesses, they see this as a business opportunity. I recently spoke with a man who has an insurance company and a tech company both and said with the ability to do business out of Bloomington-Normal community and commute to Chicago to do business, with his lower overhead of operating in my community, makes him a significant competitor in the Chicago market.

Ms. DUCKWORTH. Thank you.

I would like to talk with Ms. Feinberg a little bit about some of the state of our rail infrastructure before the President launched the HSIPR initiative. Can you talk a little bit about what that state was like across the Nation?

Ms. FEINBERG. Certainly. I mean, I think you addressed it in your opening statement quite eloquently that the age alone of many of these routes is more than 100 years old, 135 years old. Generally, we've got tracks in disrepair. A lot of the ARRA money has gone to upgrading track, to improving safety, separating for grade crossings, and all of that needed to be done prior to the money being spent.

Ms. DUCKWORTH. In fact, I was very proud to have helped get some TIGER funding money to replace a 134-year-old bridge over the Fox River and, in fact, it is a bridge that had both freight and commuter rail service. Eight times a day commuter rail service went over this bridge, and the last time it had been repaired was 80 years ago, had been upgraded.

So let me just say that the commuters and the family members of our men and women who have to get on those trains and go to work in Chicago are grateful that that is being upgraded.

I really believe that investing in our transportation infrastructure creates jobs, generates investments, and it is very unfortunate that since taking control of Congress, the majority has refused to provide any additional funds through this program. I think that these are badly needed modernization efforts and that we stand to leverage the investments in infrastructure into the business communities.

As Mayor Koos has said, this actually makes them a viable competitor as a location for major corporations to those who might only look at Chicago.

I thank you for holding this hearing, Mr. Chairman, and I yield back.

Mr. MICA. Well, I would consider just for the record that we have put in over \$1 billion a year into Amtrak capital improvements. They decide where that goes, and we still have money left over. It is obligated, but not expended in the \$10 billion. So, and I know some has been withdrawn. So some of your criticism is correct, but we are trying to see some success and some high-speed service.

Excuse me, Mr. DeSaulnier, didn't want to take your time. The gentleman from California is recognized.

Mr. DESAULNIER. That is fine, Mr. Chairman. I appreciate you having this hearing, and I appreciate the witnesses.

It is nice to meet the only Normal Mayor, and being a former Mayor, I would acquiesce to I was not normal then or now. But then, I am a Member of Congress.

I just, in context, because we talked about California, and having been chair of both Transportation Committees in both houses in the legislature and been a big supporter of the idea of the absolute necessity for California as we continue to urbanize, for our economy to continue to grow in the Bay area, where the economy grew by almost 12 percent in 2015. But one of our biggest obstacles are cost of housing.

And our infrastructure and our struggle with the perfect storm of where our funding sources, as is the case for the rest of the coun-

try, but gas tax in California at the State level, in addition to the Federal level, is particularly problematic when we come to investing in infrastructure.

So the importance of infrastructure, and because, Mr. Hart, I think you and I have a similar sort of perspective of the California project, we were very large supporters. But that has not been without some criticism about how we are going about it.

There are frequently analogies in California between high-speed rail and, for instance, Golden Gate Bridge. I always bring up the Golden Gate Bridge came in under budget and ahead of time, and there was a dedicated funding source agreed to by the private sector and the Bank of America, based on the modeling before we did that.

So execution, I think, is as important as vision, and I just have a sense of urgency about getting this right. So given your comment, I am curious about if California is going to be the first successful model, how do we overcome the lack of funding, some of the struggles we have, and from the public's perception, we are scheduled to add the equivalent of the State of New York's population in the next 30 years, just like were the last 30 years.

So we are going to go from 40 million to 56 million people. It is all being urbanized. We need high-speed rail, but we also need the other components that make, for instance, the Japanese system so successful. So as I understand it, you have to have the connections with intercity rail and transit. You have to have commuter rail, and you have to have traditional rail in between the cities, Amtrak and upgrade it.

But ultimately, you want high-speed rail as part of that, and I hear even the Reason Foundation to agree with that. So my struggle is I am afraid that the way we are doing it in California actually makes it—puts it in a position where high-speed rail will be delayed because we are—and I have to say the Authority has come a long way towards investing in the book ends, as we call it, the blended solution that Ms. Eshoo was such an author of earlier in a previous session of Congress. So how do we fix these moving parts?

And then, Ms. Feinberg, I have a question of you because you mentioned cap and trade and as it relates to the current lawsuit in Superior Court in Sacramento.

Mr. HART. Thank you, Congressman, for the question.

You're right. The California system is a complex project and—but it is underway now. And you know, they broke ground. It's coming along. It's still a challenge, but I do believe that the bifurcated system will accelerate the development of the program.

The—I think one of the keys that in the long term will be tying it into the route to Las Vegas. I think that route, in conjunction with the route from San Francisco to Los Angeles, will really galvanize travel along that west coast region.

Mr. DESAULNIER. Mr. Hart, you realize there is no funding identified for that line, other than the private sector is enthusiastic about it. So the \$10 billion in bond funds as the voter approved are restricted to the San Francisco-L.A. corridor.

Mr. HART. Right. And I believe that one will take shape more rapidly, I hope, with priority funding from the Federal Govern-

ment, and then possibly some additional State revenue can be generated as well. I think the main thing was getting it up and running.

It's still a challenging development, and I know the critics say, you know, the train to nowhere, at this point. But it had to start in the middle, I think, because of the cost factors and just trying to get it off the ground.

But I do continue to be optimistic on the success of that route once it gets developed. But it does have to be interconnected with passenger rail and transit rail in the major cities.

Mr. DESAULNIER. Ms. Feinberg, I was just wondering, in terms of the cap-and-trade funds, there is a good deal of contention about whether that is a tax or fee. The Chamber of Commerce has, along with some environmental supporters, have joined in this lawsuit.

So if they were to prevail in this, do we have a backup plan? Because that is, as you said, the most significant contributor to at least the initial operating system. And even with that, if the modeling stayed the way it originally was, not the last quarter of cap and trade, you would still be \$5 billion short.

So in your discussions with the Authority, is there another source other than the private sector, which heretofore has not been interested?

Ms. FEINBERG. Well, in our conversations with the Authority, I think they do have some backup planning that they are preparing. I would disagree a little bit on the private side not being at all interested.

My sense is that there has been some limited interest and that they have put out requests for interest and have gotten some interest. So I would disagree that there has been no private interest.

Mr. DESAULNIER. I would love to have any information that way. There has been—the L.A. Times has done a lot of stories on this and —

Ms. FEINBERG. The L.A. Times loves this story, yes.

Mr. DESAULNIER. Yes, they do. I have been in some of those articles, much to my chagrin.

Ms. FEINBERG. Me, too.

Mr. DESAULNIER. Thank you —

Ms. FEINBERG. But I mean, to finish—to finish the answer, I mean, I think the Authority has several options. There is cap and trade, which you're taking off the table. There is State money. There are other grant programs. Certainly, the Congress can step in at any moment and decide to more fully fund a high-speed rail program, which I think would be welcome in California and elsewhere. So there is backup planning.

Mr. DESAULNIER. I appreciate it. Mr. Chairman, this is a great hearing. It would be wonderful, I think, if we could have a discussion about how we improve passenger rail, including high-speed rail, which I have never heard you directly challenge investments in high-speed rail. It is just where and how we do that.

So I would be nice to have that discussion because I think it is a complete necessity for the country.

Mr. MICA. Well, thank you. And these projects are expensive. We went, you and I went to New York on the east side access, which is now approaching \$12 billion for a very short line from Long Is-

land to Grand Central, but needed to be done. And you got to find a way to finance it.

Now we will hear from the gentleman from Philadelphia, Mr. Boyle of Pennsylvania.

Mr. BOYLE. Yes, thank you, Mr. Chairman. I want to thank you and the ranking member so much for having a hearing on this topic. It is something that I care so much about that I am skipping—I am supposed to be speaking on the House floor right now and skipping that because I wanted to attend this hearing.

The chairman mentioned that I represent Philadelphia. So representing part of the city and part of the suburbs of Philadelphia, it is probably not too surprising where my passion for Amtrak and high-speed rail comes. But it is not just because of a parochial interest.

I have to say, as an American, it saddened me about a year ago when Japan had a big celebration for the 50th anniversary of the bullet train. Celebrating 50 years of high-speed rail, knowing that most European countries have high-speed rail, that here we are, in what is supposed to be the best country in the world, and we are the one major country that does not have high-speed rail.

It is maddening and enormously frustrating. So I thank you for having this hearing.

In only 5 minutes, I have about 7 or 8 different topics that I could go in. So, obviously, I am not going to get to them all. The first is regarding the FRA. I think it was the FRA that was running the NECfuture.com Web site.

Ms. FEINBERG. Yes, sir.

Mr. BOYLE. I am perhaps the only Member of Congress nerdy enough to spend late at night looking through every single option and plan that was laid out there. I think it was upward of 13 or 16 from running from just what would it cost to maintain the status quo all the way to building a whole new parallel Northeast Corridor that would be entirely for passenger rail and not have to compete with commercial.

I wanted to just kind of find out where we are in that stage now. Maybe you could bring us up to speed?

Ms. FEINBERG. Sure. And it is a delight to talk with someone who is doing things like staying up late at night reading about the NEC future. Great —

Mr. BOYLE. Yes. And then I harass my staff by sending them that email at 2:00 in the morning and was subsequently made fun of when I came back to the office.

Ms. FEINBERG. Come over to the FRA any time. We have a lot of—a lot of people to hang out with. You'll feel right at home.

The NEC future, as you know certainly and as most know, is our attempt to lay out options and eventually a preferred approach to how we should think about the NEC going forward. So over the next 20 years, 30 years, 50 years, as the population grows —

Mr. BOYLE. And it will grow massively.

Ms. FEINBERG. Massively.

Mr. BOYLE. As, and I am sorry to interrupt, as the New York City, Philadelphia, Baltimore, D.C. metro areas are essentially becoming one large megapolis, and that is where we are going. So, sorry.

Ms. FEINBERG. Exactly. No, thank you. These various options, which you described well, were put out over the last several months. There have been hundreds of thousands of public comments that have come in.

The FRA staff had listening sessions, town hall type meetings up and down the corridor to get input and thoughts from the communities up and down the corridor. We have heard a lot of really helpful feedback about what people are interested, what they're not interested in.

As you said, it goes from status quo all the way to a second spine, which, as anyone can imagine, will require significant investment, the likes of which we really haven't seen in this country. So our plan is to release the public comments in the coming weeks so that people can have an opportunity to see what the corridor has been saying —

Mr. BOYLE. Okay. So, in a few weeks, we will be able to see. If you could —

Ms. FEINBERG. Those are the public comments.

Mr. BOYLE. The public comments.

Ms. FEINBERG. Exactly. So that others can see what kind of comments we're getting, and then later in the fall, to try to wrap up the preferred option and put that out for public comment.

Mr. BOYLE. I would strongly encourage FRA to please share with my office, as someone who is very much interested, what the public was saying about that. I will weigh in with my two cents. In a, how can I put this, a highly unusual election year, one common area of agreement, actually, between our two major parties' nominees seems to be spending on infrastructure and going big.

So I would encourage, as you are developing and looking at the plans and if we, as a Congress, argue with this and we are always constrained by money, of course, but recognizing not just the total spend, but the return on investment, it is a slam dunk, particularly in the Northeast Corridor.

I only have about 30 seconds. So I did want to—this is even going kind of more down the line of thinking big, but I met—and I think someone mentioned the possibility of going in a public-private partnership direction with the Northeast Corridor. I sought out and met the group with the Northeast Maglev. Technology that when you first hear about it sounds like science fiction except it already exists and, in fact, is working.

I will be soon going to Japan to see what essentially is the next generation of high-speed rail. I would be curious what your thoughts are on the possibility of the maglev. I know that Secretary Foxx approved that first demonstration project from D.C. to Baltimore, or the study of it and what the possibility is of that.

Because the idea of going up to 300 miles per hour and a safety record that is incredible is just so exciting, and it is the kind of things that we should be thinking of as Americans. Yes?

Mr. HART. I had the opportunity to ride a maglev train in China. It was going over 300 miles an hour, and it was as smooth as this table right now. It was unbelievable. You didn't even feel how fast you were moving until you looked out the window.

But there are some challenges with maglev. It's extremely expensive, much more expensive than the steel wheel high-speed rail

programs. And one of the difficulties with the maglev systems, even the ones from D.C. to Baltimore that are planned, it's not interoperable. In other words, you likely will have to get off of that train and get onto another train.

And so by transferring trains, you're losing the time that you would be saving unless you're going just to those two destinations, and that does bring Baltimore and D.C. into one megatropolis. But if you're going to New York, you know, you get to Baltimore real quick, but then you've got to get off the train and get on another train. And if it's the Amtrak, you're going to lose the time that you had wanted, you know, to make up at the beginning.

Mr. BOYLE. Although to be fair, I mean, I think the vision of Northeast Maglev is that would just be the start, that it would be a Washington, Baltimore, Philadelphia, New York City project, and it would include the airports as well in Philadelphia and BWI. So that would address some of that concern.

Mr. HART. Yes. The proponents of it are very enthusiastic. It is a smooth ride. It's very quick, but it is extremely expensive and—but it does allegedly have less maintenance cost.

So over time, it may pay out, but we're having difficulty, you know, raising any real money for traditional, let's say, high-speed rail. I'm not sure that we're going to have the budget or the commitment to make a long distance maglev train. But I hope we can enhance both technologies so that they can be blended, and then it would be very useful in certain regions, certainly the Northeast Corridor.

Mr. BOYLE. If it is all right, I know I am way over time, but I think that another witness, another witness wanted to—Mr. Feigenbaum?

Mr. FEIGENBAUM. Yeah, sure. No, I'll just—I'll keep this brief. The reason why China and Japan looked at the maglev technology was they looked at it, and they decided it wasn't real feasible. They did build some projects more for demonstration, sort of as I don't want to say "showing off," but you know, sort of as this is what we can do with technology.

But I think they've come to the realization that at least right now—which isn't to say in the future, there might not be differences in cost. But at least right now, the traditional high-speed rail, as Mr. Hart said, is the more realistic option from cost purposes.

Mr. BOYLE. Yes, I would say, I mean, my conversations with the Japanese government, including the Ambassador here, have not reflected that, have not reflected a backing off of a commitment to maglev.

But I thank the chairman, who has been very gracious. As people can tell, I have a real passion for this, and it is great that we are having this conversation. Instead of talking about what is the best way to put a band-aid on the system, talking about the next 20, 30 years and where we can really go in some exciting areas.

I yield back.

Mr. MICA. Mr. Boyle, too, you know, with provisions of transportation opening up Amtrak routes to competition, one of the most—well, of course, the most densely populated and the best potential is the Northeast Corridor. You are right in the heart of it. But that

opportunity is open. We have in the bill some caveats. We are trying to get service between Union Station and Penn Station in 2 hours or less with at least one stop. You would be probably the stop.

But I have talked to Richard Branson's folks and others, and we are talking to other people who can come in, bring some cash to help make that happen and show—if we could just get one success in one corridor, I think we would do very well.

Now I am going to yield back to Ms. Duckworth for a unanimous request.

Ms. DUCKWORTH. Yes, Mr. Chairman, I ask unanimous consent to allow the gentleman from California, Representative Jim Costa, to participate in today's hearing.

Mr. MICA. Reserving the right to object because he is one of the most knowledgeable people about high-speed rail. But I am glad to see him, and I apologize for not personally inviting you.

Without objection, so ordered.

Mr. COSTA. Thank you very much, Mr. Chairman.

I want to thank the ranking member and members of the subcommittee here for allowing me to participate.

This is an important issue for the future of America, and it is appropriate that the subcommittee try to focus and renew interest in this effort. Mr. Chairman, you and I have had a number of conversations on high-speed rail in America over the years, and I appreciate your focus and your advocacy and your efforts.

Let me just make a few observations and maybe grind out a few on some of the comments that were made earlier. You know, high-speed rail in America can and, I believe, will happen. And there are a number of factors that are involved in making that a reality. But it is not the technology. We are on four generations of high-speed technology that has been developed in Japan and Europe and now in China.

It is not the understanding of financing on a per-mile basis, depending upon what the corridor selection route is, whether it is in urban areas or whether it is in rural areas or whether it is in mountainous areas. We have some good understandings of that.

There have been so many ridership studies that I have been familiar with over the 25 years I have been looking at high-speed rail in Europe and Asia, and one could deduce a lot of different things from the ridership studies.

But when you look at all the multiple factors that are involved and where it has happened and where it hasn't happened, i.e., the United States, the most powerful nation in the world, it comes down to really one crucible. And that is the political will. You either have to have the political will to make it happen, or you don't.

It has happened in France and Japan initially because they had the political will for a combination of factors that they wanted to proceed on, and then they put the full force and effort of their national governments to begin to make that happen in the '60s and expand upon it in the '70s, and other countries took place.

Let us start, I think, first with the thesis or the understanding at least, and if we differ on this point, then it is a long ways from here to high-speed rail, in my opinion. But there is a subsidy to invest in this major infrastructure project, like any major infrastruc-

ture projects in America or anywhere else in the world, whether we are talking about transportation or water projects that I have a strong, deep interest in.

If we are waiting for the private sector to come in and finance it, especially in this day and age when we are so litigious of a society, good luck. It is not going to happen. It is going involve some type of a public-private partnership, period. And any other model that I have seen just I don't believe you can get there from here.

So, and what we are struggling with here in this—in Washington, and we have for several decades now, is there is no book written on how you build high-speed rail in America, and we are trying to write that book in California, with a lot of challenges, of course. Because a lot of the people who sometimes indicate they would like to see high-speed rail happen, oh, by the way, are throwing in all sorts of obstacles and roadblocks in the process to prevent it from happening.

And they say, oh, by the way, and you have got to build it on time and on budget and da-da-da-da. Well, that is wonderful, but you know, if you are trying to do a lot of stuff to prevent it from happening, how do you expect us to be on time and on budget and with lawsuits and the like?

So we have yet to demonstrate, and this administration, President Obama was the first to come up with \$8 billion. President Clinton's administration talked about it. But if the folks here aren't willing to put up the money, if we in Congress aren't going to be willing to make it happen in terms of developing this public-private partnership, it is not going to happen.

The \$8 billion that was put there as a part of the investment package back in 2009 was seed money. No one believed that that was going to build any high-speed rail corridor in America, let alone in California. So the fact is, is that we have got to determine whether or not we are going to do it.

Now as to—and I am sorry my colleague Congressman Boyle left—maglev versus steel on rail, I am not an expert. But let me say that the Germans before the Urals spent billions of marks and the Japanese have spent billions of yen on both maglev and steel on rail technology. And for themselves, for reasons that I think were multiple faceted, chose steel on rail.

Now I am not to say that sometime in another generation that maglev might have applications in certain instances, but the fourth generation of steel on rail now has trains that can go 260. Actually, on test runs they have gone in excess of 300 miles an hour on steel on rail.

And the Chinese, who basically morphed the Japanese technology on steroids, were running those trains up to 250, I think, miles an hour or faster until they had their accident, and they have slowed down a little bit now. So the fact is, is that I don't think we need to reinvent the wheel here. I don't think we need to reinvent the wheel. A lot of that has been developed.

Let me also indicate that, you know, the California effort—and I want to commend the Governor here, along with the President, for getting the first development to take place—there has been a lot of argument on why you would start at the Central Valley as the place.

Well, the fact is, is that we have got a \$60 billion infrastructure project. And if you want to try to spend \$12 billion and figure out where you are going to get a system to operate between point A and point B that will be viable, that \$12 billion is not going to go very far in the Bay area or in the—where you already have a rapid transit system and an interconnectivity, or in Southern California.

So the—you know, and I think it remains to be seen with the new blended business plan that the High-Speed Rail Authority has developed in California, I think a real opportunity to get there from here. Is it everything we would like? Is it the way you would like to build?

I will tell you what. It follows the pattern on highways. I have never seen us build a freeway in the entirety. We build it what? In segments. And that is because of the cost structure and how much you are willing to invest in it.

So, Mr. Chairman, I want to urge you to continue your efforts, as you have in the past, not just for Floridians, not only for the Northeast Corridor, whether it be the Acela, which you would like to speed up to 110 plus, which I would support your efforts in doing so. The ranking member here in Illinois is very concerned about improving the interconnectivity for the systems that they are developing there and in the Midwest and the connection.

But you know, with the population densities in California, I think we have the density and we have the interconnectivity to make it work. We have the second, third, and fifth most busiest Amtrak corridors in America in California. We spend over \$70 million, the State does, every year to improve that system.

One would argue, one way or the other, that it is average. I can't say it is above average. It certainly is better than what it was 15, 20 years ago. And it could be a lot better if we were willing to make additional investments, that is for sure.

Let me close on one note. When I carried the high-speed rail bond measure back in 2001 and 2002, and in California, Mr. Chairman, we had at those times to get two-thirds vote, which means you needed good bipartisan support. And as I said in the outset, there is no book written on how you build high-speed rail in America.

But a gentleman who I got to know briefly before he passed away wrote a book that comes as close as you can, I guess, to look for examples. And that is Stephen Ambrose, when he wrote the book "Nothing Like It in the World." And I bought 35 copies, Mr. Chairman, and I passed it out to my Republican colleagues and many of my Democratic colleagues who were naysayers.

And I said perhaps maybe America's greatest President, certainly a great Republican President, Abraham Lincoln, the Great Emancipator, in 1862 in the middle of the Civil War, when he was trying to keep the Union together, when budgeting the war was just, you know, challenging as anything we can think of today, I would suspect.

Americans fighting Americans. Inflation was running rampant. The first printing of paper money, which people didn't trust. And in 1862, he decides after developing the standard gauge, if we are going to build across America, that is what we are going to do.

Now I can see if poor President Lincoln—not poor, but if the President were in office today with 24–7 news cycle and talking heads on Saturdays and Sundays and his advisers coming and say, “Gee, Mr. President, we don’t know that politically this is a good idea. Maybe you might want to wait for your second term?” Not. I don’t think so.

But he had the boldness and the courage and, most importantly, the political will when our country was being challenged as never before as whether or not the Union would stay together that that would in part be a symbol of the Union being bound together from coast to coast.

And so I think it is in that spirit of President Lincoln, when the challenges were far greater than they are today, to decide either we are going to have the political will and courage to do it and to make that investment in our infrastructure along with other investments in our infrastructure, or we are not. But otherwise, this becomes a nice conversation, but it doesn’t become real.

And we are trying to make it become real in California, and I will try to do everything I can to support your efforts, Mr. Chairman, and the ranking member as far as the courtesies that you have given me to be a part of this afternoon’s subcommittee hearing.

Thank you so very much.

Mr. MICA. Well, thank you. And we talked earlier about where we are with getting the California train out of the ditch, so to speak. And how much it is going to take to finish that to get a credible segment of it actually operating. That is going to be a challenge for additional administrations, rightly, as we are talking—I think our latest is up to 2025.

Do they—do you know, are they looking at like an incremental, like initially, it was Bakersfield to Fresno, and then they have expanded it up towards San Jose. Are they going to open the first part with that first —

Mr. COSTA. The plan right now is from Bakersfield to Merced, which is under construction, I might add. And the High-Speed Rail Authority has come together with the Governor’s support and much of Northern California delegation’s support as well to connect San Jose and Merced.

Mr. MICA. But is it a phased opening? So they do the southern part first, the initial one they were going to do, and then take that second into the San Jose area?

Mr. COSTA. What the High-Speed Rail Authority would like to do, and they are working with the Governor’s office is, is to get those first two segments complete. These trains could go at 240 miles an hour. And then this year, in the next legislative calendar, get the commitment from cap and trade to then connect San Jose to Merced. That would be the funding source that would then connect San Jose to Merced, and you would then have an operating segment from San Francisco to Bakersfield.

Mr. MICA. Well, if the administrator has a plan that has been submitted by California for that or you are working with them, it would be nice to put that in the record. I just like to put things in the record because people say things. They set up a timeframe,

and then that changes. But at least we can see what was promised, where we should be. You need milestones.

Ms. FEINBERG. Certainly.

Mr. MICA. If you could accommodate us, and we are going to leave the record open for submissions and additional questions.

I have invited, Jim, the members of the committee to come down to Miami to see what we are doing. We have a higher speed. It is not as fast as California. Private sector, pretty much private sector financed project in the intermodal center we are building like in Orlando at our airport, \$1.4 billion to accommodate the terminal in Miami.

Mr. COSTA. Good.

Mr. MICA. Under construction, is \$2 billion dollars. It is under construction, and the three terminals in south Florida are all under construction, and the cars on their way. So we may see something in higher-speed rail, but it certainly isn't high-speed rail.

I want to correct the record, too. On the Florida project, Mr. Hart and several others mentioned the administrator as very intently involved in trying to make that a success. Secretary LaHood added up to \$2.4 billion of a \$2.7 billion cost project that was going to go 84 miles from Orlando airport to downtown Tampa.

We, unfortunately, reached an impasse. Governor Scott just came onboard, and people don't know this, but the Governor got back the financials. And the part from the Orlando airport to the Disney tourist area is a great—it could pay for itself. The rest is a dog because they don't have a fixed system in to connect into, into Tampa.

I tried to divide the project up, phase it. Let us do what is successful. We could come back. Some folks on the other side of the State and aisle and the administration said all or none, and the Governor was not willing to take on the long-term burden.

It also was sort of a bait-and-switch project because the train that they were looking at was only—it was 84 miles. It went 84 miles in 1 hour, which is 84 miles per hour average speed. That is not high-speed rail.

You can right now get on an Amtrak train, which goes from the Orlando station over to the Tampa station, and it takes about 20 minutes longer than that. So it wasn't much for \$2.7 billion and then going into hock. There is more to the story that I thought should be—I would just put that in the record there.

So, again, I want to support it. We have got some opportunity for public-private partnership. Mr. Hart, Mr. Feigenbaum said that those are avenues for success.

Mr. Koos, most of your project, though, I think is—is yours a State, what do you call it, a State-supported route or totally Amtrak?

Mr. KOOS. We have seven State-supported trains a day and one long-haul route, the Texas Eagle.

Mr. MICA. The long-haul route is Amtrak. The money for the investment?

Mr. KOOS. Amtrak operates the State routes, but they're State supported.

Mr. MICA. But a lot of your money came from Federal for the improvement?

Mr. KOOS. That's correct.

Mr. MICA. You cited TIGER II, which again I am citing public-private partnership, predominantly private for huge investment. So I see that and I am even happy when it doesn't have to come out of taxpayer dollars, just informationally.

Huge opportunities for employment. We should have high-speed rail and higher-speed rail across the country. It is just, to me, I think again there are so many savings. We could get more cars off and trucks, which tear up the highway, with better rail system.

But 22,000 miles of our rail is privately owned over which Amtrak runs. Isn't that right, Ms. Feinberg? Amtrak only owns about 600 miles of rail lines.

Ms. FEINBERG. I don't know the exact number, but that sounds right.

Mr. MICA. But, and part of that, almost all of that is privately owned, and there are questions about paying for capital improvements for the private sector. We have tried to provide tax incentives and some assistance for capital improvements that are necessary to upgrade those routes, but also need to look at incentives—and this is something we might work on, Ms. Feinberg—to get the private sector involved in carrying passengers, which they did years ago and then got out of the business.

But now rail is under the most pressure it has ever been under. They are down in transporting coal and oil and all kinds of goods, and it may be an opportunity for them to get in like FEC, Florida East Coast, which is doing the project in Florida, but with some incentives.

Mr. COSTA. Would the gentleman yield?

Mr. MICA. Yes.

Mr. COSTA. To your point, in the late—in the '50s, late 1950s with different technologies, of course, when Santa Fe was in the passenger business before Burlington Northern and Southern Pacific, but many of the trains around the country ran at 99 miles an hour, and they had very nice service.

And they did that with technologies that was vintage '40s and '50s, obviously. But they had an interest. They were making a profit out of it at the time, although that changed the numbers as air jet travel came in and that began to change their economic model.

But the fact is, is that with even the existing, and we do pay the railroads additional money for on-time performance. I don't think it is much of an incentive for them. Of course —

Mr. MICA. But there are incentives, and I will show you one right here, Mr. Costa. Remember I told you about Florida East Coast railroad now back getting in the passenger business. They are building three—this is actually under construction. Three towers, \$2 billion.

This is just one station in Miami, a commercial center. Then above the commercial center in the tower, a hotel, then a professional building, then two more towers looking down the street.

Mr. COSTA. Right.

Mr. MICA. This is in downtown Miami, of 400 units apiece of living. And this is how it is going to look. Isn't that incredible?

And it wraps around the existing metro rail and the downtown people mover. They are bringing high-speed rail in with another

line. And then to get to the airport from that site will be 12 minutes, and you can also—for the first time, we will have our commuter rail —

Mr. COSTA. You have your —

Mr. MICA.—traveling into that station, and there is you know how much Federal money is in it?

Mr. COSTA. You have your interconnectivity there. Well, I mean, you know, the stations have been money generators in France and in Japan—hotels, convention centers, shopping centers, the whole. So, I mean, this model has been used in other parts of the world successfully.

Mr. MICA. I have done a small commuter rail in central Florida, just a small leg. We have \$2 billion either underway or on the planning boards, and they finished almost \$1 billion in transit-oriented development. So there is potential.

But I think we have to incentivize the private sector and partner with it. If we took that \$10 billion and put it in one leg, either California or New York or someplace, and partnered and doubled, you know, you can—there is a lot of ways to extrapolate the money and maximize its potential.

Mr. COSTA. Oh, I agree.

Mr. MICA. We could—we could have, my hope was, about this time be cutting a ribbon somewhere. But right now, we are, as we say, “lagging behind”—the title of this hearing is—“the state of high-speed rail in the U.S.”

Mr. COSTA. You are correct. But you know, we are in negotiations and conversations with the private sector in California for that partnership, and there is a lot of interest.

Mr. MICA. Well, we will get there, and maybe we can do some roundtables, and we are getting toward the end of this session.

Did you want to say something, Mr. Koos?

Mr. KOOS. Specifically, Mr. Chairman, in our corridor, I think one of the benefits of the public infrastructure on the Chicago-St. Louis corridor, it does allow freight traffic and passenger rail traffic to work more efficiently together. And I think that's a—that's a noble goal. It makes the railroads more profitable.

Mr. MICA. Absolutely.

Mr. KOOS. And it makes Amtrak work much better. And if there is a way, you know, my experience has been if you can go to a freight rail company and show them a way that they can run profitable passenger rail on the line, they would probably be interested. Currently, I don't think they are.

Mr. MICA. Ms. Duckworth?

Ms. DUCKWORTH. Just wanted to, again, thank you for this and urge you to continue your leadership on this issue, and let us talk about this some more.

Mr. MICA. Good, and maybe another roundtable before the end of this session, and then we will see how everything sort of evolves. I recommend to you—you recommended your book. I am finishing one on John Quincy Adams, absolutely astounding book. I love biographies.

I have read “John Adams” by David McCullough, but this is the second part, and learning right now that John Quincy Adams, when he ran for President was, he was fairly conservative, but he

felt that infrastructure was so important to the country. It was his—he went beyond that.

And then he was pitted against Andrew Jackson. Andrew Jackson wanted absolutely bare bones Federal Government, minimal, and that was part—this was 1820s, and their argument over infrastructure. And the cute thing is, is reading John Quincy Adams' defense was the Founding Fathers intended this because George Washington, built the canals, the first post roads.

So his justification was the Founding Fathers did this to expand the potential of the Nation, and he brought it back to that. But again, reading the commentary and the debate of the 1820s, things haven't changed too much.

Anything else, Mr. Costa?

Mr. COSTA. No, I just want to thank you, thank all of you.

Mr. MICA. We do have additional—fairly good while here, but we do have additional questions we are going to be submitting, I think, for the witnesses.

Mr. MICA. So we won't belabor this anymore, but it was a good catch-up kind of session, and I think a lot of folks, it is nice to see some of the young Members, too, interested in this because, as I said, if it is 30 years on the Northeast Corridor, I won't be seeing it.

But this young lady will. I just scoped her age, and she is raring to go and will see it complete.

But I thank the witnesses again, thank my colleagues, and there being no further business before the subcommittee, this hearing is adjourned.

Thank you.

[Whereupon, at 3:59 p.m., the subcommittee was adjourned.]

