

Statement of the
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Before the
Committee on Transportation and Infrastructure
United States House of Representatives

“Northeast Corridor Future: Options for High-Speed Rail Development and Opportunities for Private Sector Participation.”

December 13, 2012

Chairman Mica, Ranking Member Rahall and members of the Committee: It is my honor to represent President Obama and Secretary of Transportation Ray LaHood before you today to discuss planning and development activities on the Northeast Corridor. In this testimony, I will summarize the Northeast Corridor’s role from a national perspective, describe recent achievements on the Corridor, and update the Committee on the status of the Northeast Corridor FUTURE program.

The Northeast Corridor – A Unique American Asset

On July 4, 1828, the “First Stone” of the Baltimore & Ohio (B&O) Railroad was laid in Baltimore, Maryland. During the ceremony, Charles Carroll (a signatory to the Declaration of Independence) stated,

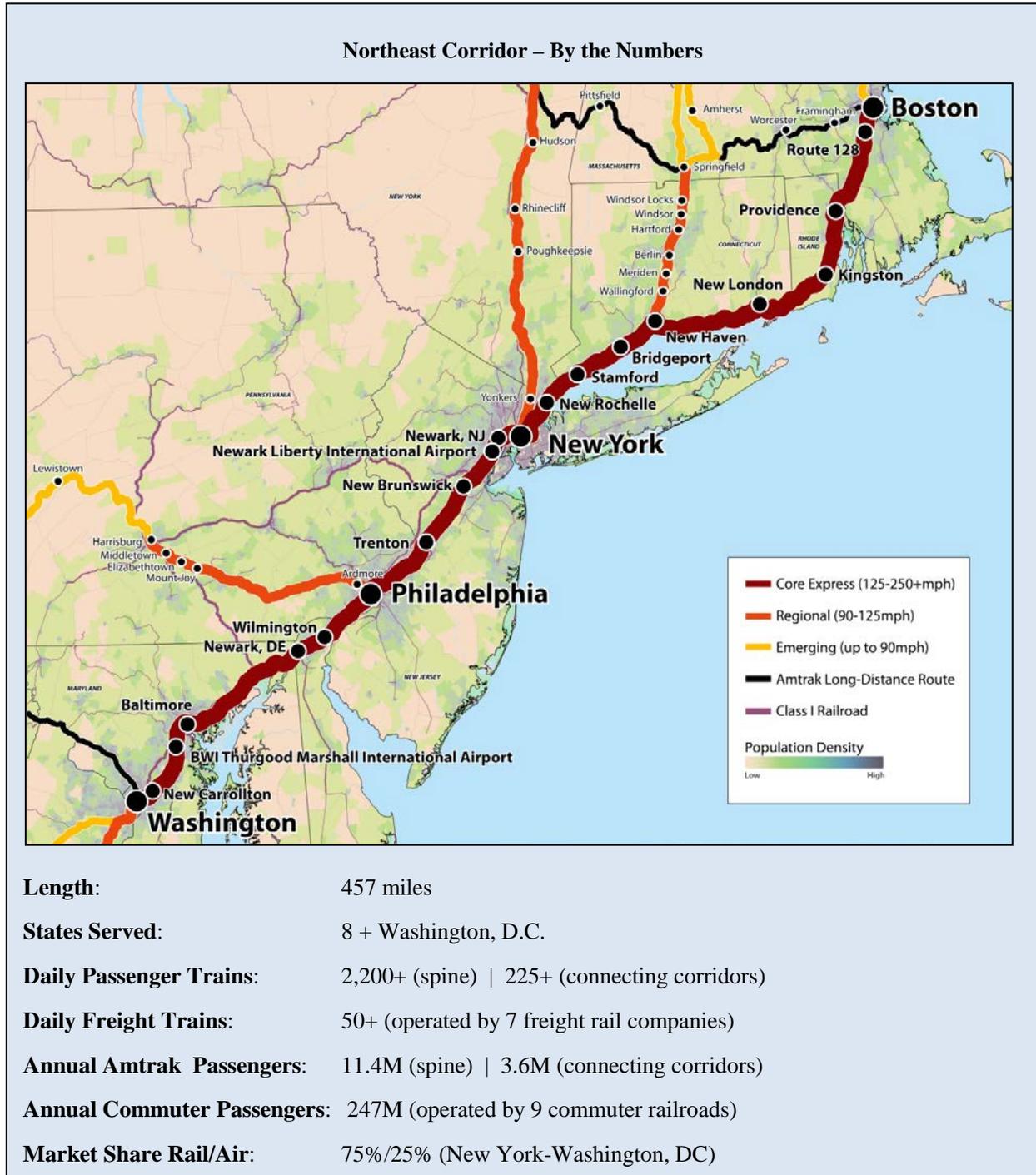
This Stone is deposited in commemoration of the commencement of the Baltimore and Ohio Railroad. A work of deep and vital interest to the American people. Its accomplishment will confer the most important benefits upon this nation, by facilitating its commerce, diffusing and extending its social intercourse, and perpetuating the happy Union of these, Confederate States.

The B&O would go on to become one of the most vital transportation assets in the Nation. More than 184 years later, that infrastructure continues to play an important role in moving people and goods throughout the Northeast, accruing immeasurable benefits for the region (and the country) thanks to the foresight and commitment shown by past generations of Americans.

The Northeast Corridor (NEC) has a similarly extensive history, one which spans nearly 175 years. Long before Logan, John F. Kennedy, or Reagan National airports were built, and long before Interstate 95 came into being, the Northeast Corridor was the key artery for moving Americans among the major metropolitan areas of the Northeast. The first segments were constructed in the 1830s, and most of the significant sections were in place by the 1870s. The major bridges and tunnels built in the early 20th Century (and still in use) unified these segments into the Corridor we know today.

The NEC is a not a single, simple rail line – rather, it is complex rail system in a complex ecosystem that is shared by interlocking networks of intercity, commuter and freight operations.

It is one of the most heavily traveled rail corridors in the world, with more than 260 million annual passengers and over 250 businesses shipping freight over the line. The NEC serves an area that includes four of the ten most populous U.S. metropolitan areas, and that produces twenty percent of our gross domestic product while occupying less than two percent of the country's land mass.



Today, the Northeast region faces a series of challenges that must be addressed if the region is to maintain its global economic competitiveness and quality-of-life:

- **Population growth:** By 2040, an additional 6 million people are projected to live in the areas directly served by the NEC.
- **Mobility:** The Northeast is home to many of the United States’ most-frequently-delayed airports, including four of the top five in 2011: Newark Liberty, LaGuardia and John F. Kennedy (New York), and Boston Logan. Highways in the Northeast are also highly congested; Interstate 95, which largely parallels the NEC, is routinely listed among the busiest and most congested roadways in the Nation.
- **Air quality:** Nearly 75% of residents in the region served by the NEC live in a nonattainment area for ozone pollutant levels.

The economic vitality of the Northeast depends on our ability to meet these challenges. Substantial investments in the region’s airports, transit systems, ports, and roadways are all part of the answer, but the Administration firmly believes that improving the Northeast Corridor should be central to the region’s long-term mobility strategy. The NEC is currently capacity-constrained, however, and the region lacks an integrated, consensus-based plan for coordinated Federal and State rail investments. The Northeast Corridor FUTURE program, discussed further below, is intended to fill that gap.

Accomplishments in Recent Years

Thanks to the efforts of this Committee and other stakeholders, the recent level of Federal commitment to the Northeast Corridor far surpasses that of any previous Administration. In the 33 years from the Ford Administration through 2009, a total of \$8 billion in inflation-adjusted Federal funds were invested in the NEC. In the 3 years since 2009, more than \$3.3 billion in Federal rail dollars have been invested in the Corridor.

Approximate Federal Funding in the Northeast Corridor, FY 2009-present

Program	Appx. Federal Funding (\$M)
High-Speed Intercity Passenger Rail Program (HSIPR)	\$984
Railroad Rehabilitation and Improvement Financing (RRIF)	\$563
Transportation Investments Generating Economic Recovery (TIGER)	\$106
Recovery Act funding provided to Amtrak	\$683
Annual Amtrak Capital Account Funding	\$987
TOTAL	\$3,323

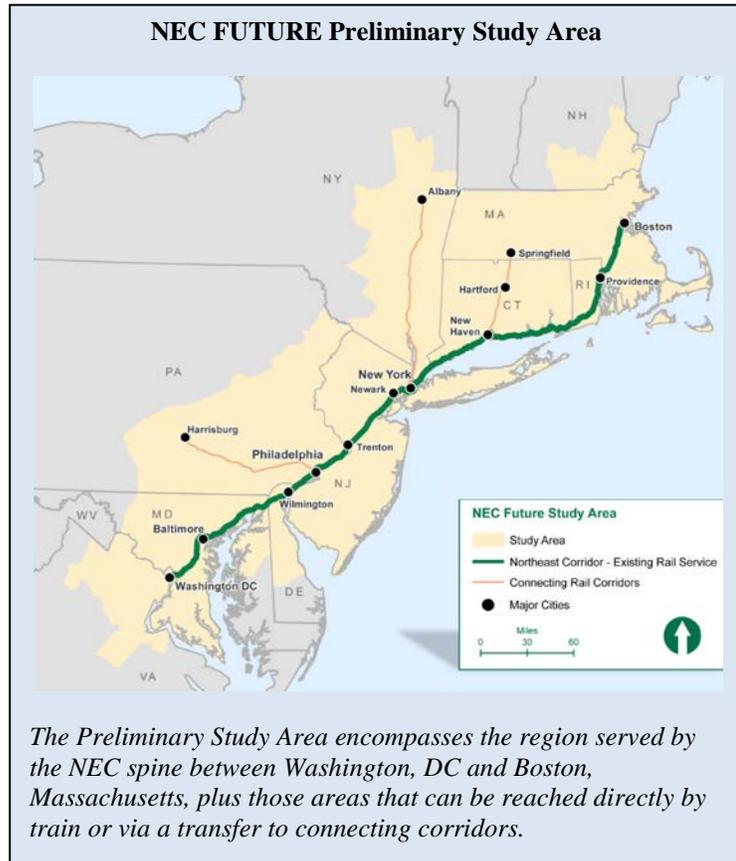
These Federal investments, combined with investments being made by Amtrak, States, and other entities, are resulting in tangible benefits up and down the Northeast Corridor.

- **HSIPR grants are improving speed, passenger comfort, and reliability – for all users:** Major capital projects are adding or upgrading track, modernizing power systems, and expanding constrained stations. Upon completion of these projects, rail passengers will benefit from increased speeds between Philadelphia and New York, significantly reduced delays at several bottlenecks – such as Harold Interlocking in Queens and locations in Delaware and Rhode Island – and enhanced stations in Boston, Washington, D.C., and at Baltimore/Washington International Airport. Major engineering projects are also underway, preparing for the replacement of some of the Corridor’s oldest and most complex components, including Portal Bridge in New Jersey, the Susquehanna Bridge in northern Maryland, and the B&P Tunnel in Baltimore.
- **A new rail gateway to New York City is under development:** Pennsylvania Station (Penn Station) is America’s busiest passenger transportation facility, with a weekday pedestrian volume of 640,000, including Amtrak, Long Island Rail Road, New Jersey Transit, and New York City Subway passengers. The existing facility suffers from design and operational challenges and congested passenger flows. The Moynihan Station project will expand Penn Station into the historic Farley Post Office Building, creating a new landmark in Midtown Manhattan. Phase 1 is underway through Federal, State, and Amtrak funding, expanding concourses and adding new ingress and egress points to improve access and increase passenger capacity. Construction on Phase 1 began in September 2012 and is expected to be complete by September 2016.
- **A century-old bridge has been replaced in Connecticut:** On September 7, Amtrak opened the new Niantic River Bridge, which replaced a 105-year-old moveable bridge in East Lyme, Connecticut. Benefits of the project have included higher speeds, increased reliability, and reduced delays. The \$140 million, three-year project was funded in part by Amtrak’s annual capital grants and funding provided through the Recovery Act.
- **New electric locomotives are being procured:** Through a loan provided by FRA under the Railroad Rehabilitation and Improvement Financing program, Amtrak is purchasing 70 new electric locomotives, plus maintenance parts and facility upgrades, to replace existing locomotives, increase reliability, improve service, and provide for future capacity expansion on the NEC and connecting corridors. The locomotives are currently being manufactured at plants in California, Ohio, and Georgia, and the first deliveries are expected in Spring of 2013.
- **Northeast Regional service to Norfolk, Virginia opened yesterday:** New service extending NEC trains south through Richmond to Petersburg and Norfolk, Virginia began on December 12. This new service is a result of a partnership among Amtrak, the Commonwealth of Virginia, CSX, Norfolk Southern, and the City of Norfolk.

Despite these recent achievements, significantly more funding is needed simply to bring the Northeast Corridor into a state-of-good repair – to say nothing of the need to accommodate future growth. The U.S. has underinvested in this vital asset for decades, and it will take substantial effort on the part of the Federal government, State governments, Amtrak, and other users of the corridor to modernize and upgrade the aging infrastructure.

Moving Forward: Status of the Northeast Corridor FUTURE Study

In February 2012, the Federal Railroad Administration initiated a comprehensive planning effort to define, evaluate and prioritize future investment alternatives for the Northeast Corridor through 2040, and to develop a new EIS that is aligned with this vision. This new EIS is being used as a vehicle for identifying all Federal permits, reviews, and approvals – including the environmental permits, reviews, and approvals – to ensure compliance with requirements at the plan level and to facilitate and ease the permitting, approval, and review of future Federal actions implementing the plan and the projects proposed and developed to implement the plan. This effort – named NEC FUTURE – is one of the largest transportation planning programs ever undertaken, spanning hundreds of political jurisdictions across one of the most complex transportation, infrastructure, and land use environments in the world.



The NEC FUTURE program will result in a Passenger Rail Corridor Investment Plan (PRCIP), which essentially establishes a roadmap for future investment on the Corridor. The PRCIP consists of two coordinated documents:

1. *Service Development Plan (SDP)*: defines the vision for the NEC rail network in 2040; details the investments needed through 2040 to attain that vision; and quantifies the transportation and economic impacts/benefits that will accrue from implementing that vision.
2. *Tier 1 Environmental Impact Statement (EIS)*: as required under the National Environmental Policy Act (NEPA), this document evaluates broad environmental benefits and consequences of implementing the Service Development Plan, and is used as the vehicle to identify and address the Federal permitting, review and approval processes for the plan and its implementation. It sets the framework for subsequent project-level, "Tier 2" environmental review, permitting and approval analyses.

NEC FUTURE will result in a comprehensive, immediately-actionable development plan that accomplishes many objectives. It will ensure that we're improving the Corridor in a way that best meets the market-based needs of the Northeast's residents, visitors, and businesses. It will ensure that all near-term investments – in projects large and small – are designed to fit a long-term vision, saving substantial amounts of money and re-work in the years ahead. It will provide the legal and regulatory foundation for future capital projects by creating the envelope or foundation for the future development of the corridor. The Tier 1 EIS will also define what options are no longer on the table so these issues will not have to be revisited. And it will provide a technical and analytical base for subsequent engineering, environmental, and construction work.

The program will be completed in three phases:

- **Phase 1** focuses on data collection and validation, agency coordination, initial stakeholder and public involvement, the NEPA Scoping process, and initial development of alternatives for NEC FUTURE. This phase began in February 2012 and is scheduled for completion in February 2013.
- **Phase 2** includes further development and screening of alternatives, the Draft Service Development Plan, the Draft Tier 1 Environmental Impact Statement, opportunities for additional stakeholder and public involvement, and supporting technical analyses. This phase is scheduled to begin in Spring 2013 and take approximately 18 months to complete, pending the availability of Federal funding.
- **Phase 3** includes the Final Tier 1 EIS, Record of Decision, and Final SDP. This phase – as well as the project as a whole – is scheduled for completion in mid-2015, pending availability of Federal funding.

As part of this process, FRA is working closely with the Northeast Corridor Commission (NECC), an advisory body established by Passenger Rail Investment and Improvement Act of 2008 and consisting of representatives from Northeast States, U.S. DOT, Amtrak, and non-voting representatives from freight and commuter railroads. The NECC provides an important institutional vehicle for organizing the multitude of stakeholders with interests on the Corridor, allowing for much more efficient and effective vetting and decision-making. The NECC is also supporting NEC FUTURE through assistance in data collection and analysis, including conducting a critical survey of highway travel patterns in the region.

The NEC FUTURE project team is currently nearing the completion of Phase 1. The team has largely focused its efforts on three overarching priorities:

- Establishing a strong technical and analytical foundation for the program
- Building collaborative relationships with stakeholders at the federal, state and local levels, including the general public, business community, and elected officials
- Developing an innovative process that reduces delay and enhances the interagency/intergovernmental environmental review process

Establishing the Project’s Technical and Analytical Foundation

The overall planning philosophy guiding the NEC FUTURE effort is to focus first on the needs of current and future travelers in the Northeast. Rather than starting from an infrastructure-based perspective (by, for example, drafting a “wish list” of capital projects), the project team believes it is important to first establish a framework oriented around the market-based needs and opportunities in the Northeast, and then design a capital program to meet those needs.

Over the last 8 months, the project team has been working throughout the study area on public outreach, scoping, data collection, and development of screening criteria and tools. We have made substantial progress in a number of areas:

- The scoping process is complete
- Following substantial public outreach, the list of Initial Alternatives and screening methodologies are now being developed
- Technical working groups are creating tools to evaluate capital costs, operations, and ridership

NEC FUTURE Objectives
• Upgrade & build capacity on mainline to meet 2040 commuter and intercity travel growth
• Evaluate needs and options for high-speed rail service
• Accommodate projected freight demand
• Evaluate options for more efficient railroad operations

The development of Initial Alternatives for NEC FUTURE is one of the most important activities in Phase 1. Through extensive public and stakeholder input, the project team has developed a set of nearly one hundred Initial Alternatives, which encompass a wide variety of options for better accommodating existing needs, establishing new services, and connecting to new markets.

In the coming months, these Initial Alternatives will be consolidated into a set of Preliminary Alternatives that capture the key themes and service elements contained in the larger group. This set will then be evaluated using technical screening tools that are currently under development, resulting in a list of Reasonable Alternatives that will be advanced and carried through the planning process.

Collaboration and Participation

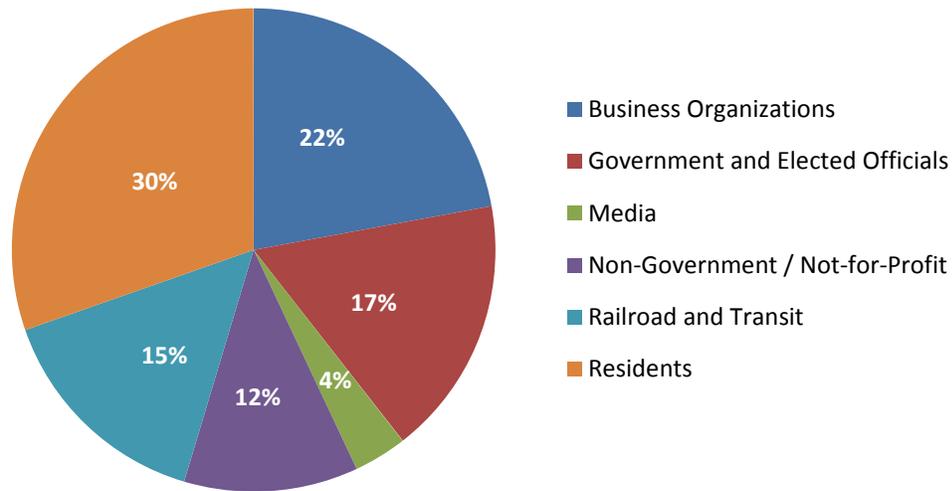
Millions of people and businesses rely on the Northeast Corridor. In order to ensure that the public and key stakeholders have meaningful and plentiful opportunities to participate in this process, FRA has established an outreach process that enables collaboration through a variety of methods:

- *Meetings & Workshops:* The NEC FUTURE team has conducted dozens of meetings with various stakeholder groups up and down the Corridor, including Scoping meetings held in nine cities throughout August 2012. Over 2,000 comments have been formally submitted to FRA as part of this process. “December Dialogues” were held earlier this

month in Boston, Philadelphia, and New York to provide the public with a status report on the Scoping and alternatives development process and allow for additional feedback.

- *Website:* In keeping with the effort’s commitment to transparency, the NEC FUTURE website (<http://www.necfuture.com/>) was created to share materials related to NEC FUTURE. This site provides all stakeholders and interested members of the public with information on project involvement opportunities. Nearly 7,000 unique visitors have used the site since it was launched last spring. Additionally, FRA is tracking NEC FUTURE progress on the Federal Infrastructure Projects Dashboard (www.permits.performance.gov), which was launched in November 2011 to publicly track high impact, job-creating infrastructure projects.
- *Master Mailing List:* The project team has developed a contact list that includes over 1,800 key stakeholders.

Public Engagement at Scoping Meetings



Process Innovation

From the beginning of this effort, the Administration has looked for innovative ways to streamline and enhance the overall NEC FUTURE planning process. On January 13, 2012, DOT and the Council on Environmental Quality (CEQ) announced the selection of NEC FUTURE as part of a CEQ pilot program to establish best practices for providing the environmental permits, reviews, and approvals for making timely for large-scale, multi-state projects. The pilot program focuses on engagement and coordination of Federal and State resource and regulatory agencies, as well as other stakeholders, early in the planning process, in order to:

- provide agencies the opportunity to “guide” rather than “react” to the project;
- identify potentially sensitive resources early;
- avoid and minimize potential impacts;
- ensure that FRA has an early understanding of mitigation requirements and strategies;
- and

- allow for adequate agency participation in the development of analytical approaches and resource methodologies.

The NEC FUTURE project team held meetings and webinars with numerous Federal and State agencies throughout the Spring and Summer to develop the project's goals and preliminary purpose and need components. Many of these meetings took place in the field offices in each of the jurisdictions along the Corridor. Government-to-government consultation was initiated in early June 2012 to engage Native American tribes.

As a result of this early collaboration and engagement, when FRA published a Notice of Intent in June 2012 and conducted public and agency scoping meetings in August 2012, the state and Federal resource agencies were already familiar with the project and could provide more informed and effective comments. FRA and CEQ intend to continue this collaborative approach throughout the NEC FUTURE program.

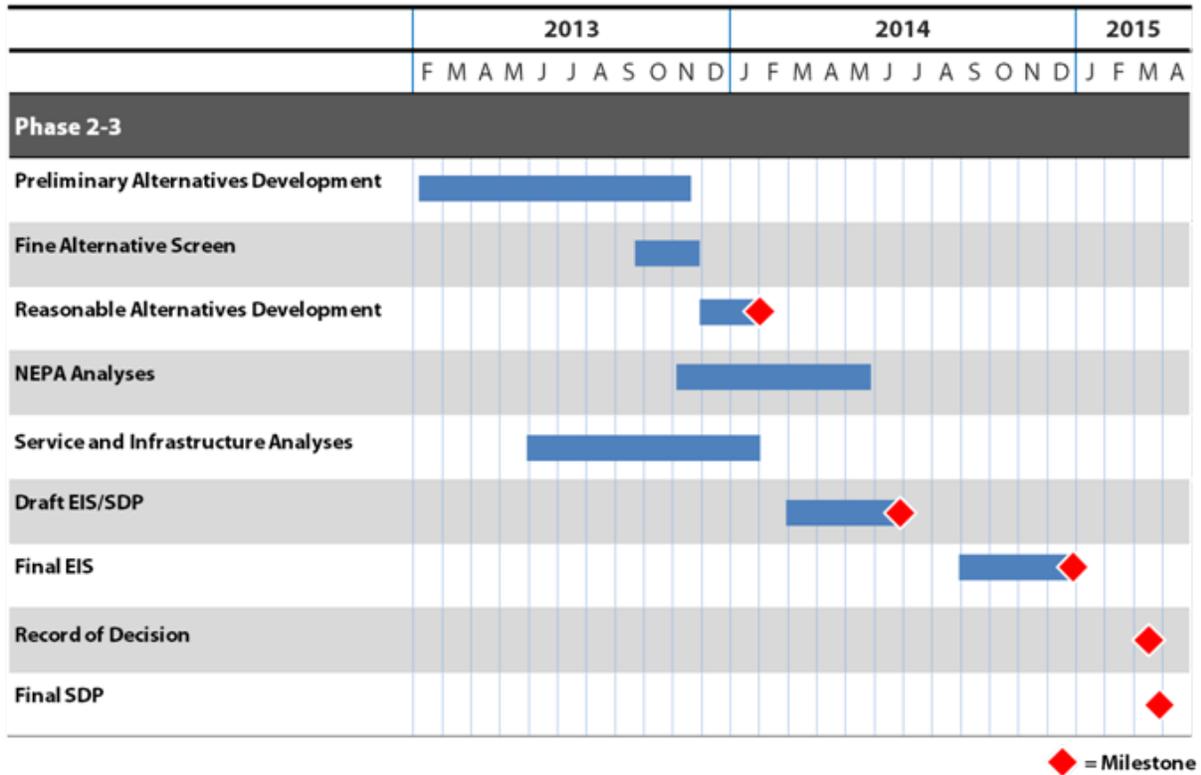
Conclusion and Next Steps

The NEC FUTURE team will be focused on completing Phase 1 in the months ahead. Several key products will be finalized during this time, including the Preliminary Alternatives Report and important technical analyses on a range of topics. The project team will also be continuing stakeholder engagement and outreach efforts throughout the study area.

Maintaining momentum and forward progress beyond Phase 1 is critical to the ultimate success of NEC FUTURE, especially considering the complexity of the program and the number of stakeholders involved. An additional \$20 million is needed for Phase 2 (scheduled to begin this Spring), and \$10 million will be needed for Phase 3 in 2014. This small investment – less than 0.03% of the average annual U.S. transportation budget – will yield significant transportation and economic returns in the decades to come.

Without this funding, the program will have to be put on-hold, stalling momentum in public outreach and agency coordination efforts, as well as resulting in the potential loss of top-tier transportation experts who have built important relationships and technical expertise over the past year. Pausing and then restarting the effort at a later date would increase costs and result in an inefficient process, with potential duplications of effort in data collection/analysis and stakeholder coordination. Now is the right time to complete this program – the right pieces and people are in place, we've generated substantial momentum and public focus on the effort, and the need for a coordinated and comprehensive blueprint to guide investment decisions has never been greater.

Preliminary Schedule for Phases 2 and 3 of NEC FUTURE



In closing Mr. Chairman, the Administration firmly believes that the Northeast Corridor is one of our Nation’s most vital transportation assets. We are proud of the substantial NEC service improvements that have been achieved in recent years, and are excited to proceed with the NEC FUTURE effort. Secretary LaHood and I look forward to working with you to ensure this important work continues uninterrupted, as well as to develop a programmatic and legislative framework that ensures a sufficient and sustainable level of Federal investment in the Corridor for years to come. I would be happy to address any questions the Committee might have.

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