

**STATEMENT OF  
THE HONORABLE RAY LAHOOD  
SECRETARY OF TRANSPORTATION  
BEFORE THE  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
U.S. HOUSE OF REPRESENTATIVES**

*An Update on the High Speed and Intercity Passenger Rail Program:  
Mistakes made and Lessons Learned*

December 6, 2012

Chairman Mica, Ranking Member Rahall and Members of the Committee: It is my honor to appear before you today to discuss the High-Speed and Intercity Passenger Rail (HSIPR) program. I last testified before this Committee on this topic exactly a year ago today, and we've made great strides in the program since then. I am proud to update the record on our accomplishments from the past year, and answer your questions on how the program will serve the American people in the future.

I thank the Committee for your interest in the HSIPR program, which is extremely timely should Congress undertake legislation to reauthorize the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) next year. In this testimony, I will explain why we believe HSIPR is critical to our transportation future, and then give a current accounting of the progress we have made in the program in the past year. I will conclude by describing the path forward for the HSIPR program and the United States' passenger rail network.

**Reasons for Investment**

The significance of transportation infrastructure to global economic competitiveness is indisputable. The World Economic Forum (WEF) notes, "Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy... Well-developed infrastructure reduces the effect of distance between regions, integrating the national market and connecting it at low cost to markets in other countries and regions."<sup>1</sup> However, the WEF currently ranks the U.S. as 24<sup>th</sup> in quality of overall infrastructure, down from 7<sup>th</sup> in 1999 and below nearly all western European nations as well as several Asian and Middle Eastern nations.<sup>2</sup>

Even in challenging fiscal scenarios, it is imperative that the United States continue to invest in the infrastructure that will enable the country to maintain and strengthen its position as a global economic leader in the 21<sup>st</sup> century and beyond. I would also like to thank the Committee for

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<sup>1</sup> World Economic Forum, [Global Competitiveness Report, 2010-2011](#), 2010.

<sup>2</sup> World Economic Forum, [Global Competitiveness Report, 2011-2012](#), 2011.

their work on our reauthorization bill, Moving Ahead for Progress in the 21<sup>st</sup> Century, or MAP-21, and the FAA Reauthorization – two key pieces of legislation that show how Congress can succeed by working together and investing in our economy.

Studies have shown that construction dollars multiply in the economy. An American Public Transportation Association (APTA) report from July 2012 showed that continuing HSIPR investments will generate \$26.4 billion in net economic benefits over the next forty years.<sup>3</sup>

Maintaining economic competitiveness over the long-term will require the U.S. to address a number of interconnected transportation challenges:

- **Population growth**—By 2050, the U.S. Census Bureau projects that an additional 100 million people will reside in the United States. The vast majority of this growth will be concentrated in a small number of “megaregions.” The U.S. DOT and Department of Commerce have found that 40 tons of freight is moved through the U.S. for each resident. Thus, this population increase will mean an extra 4 billion tons of freight moved each year, an increase of 35 percent over 2010 levels.<sup>4</sup>
- **Congestion and Mobility**—Highway and aviation congestion continues to rise, with an estimated economic impact growing from \$24 billion in 1982 to \$125 billion in 2010 in lost time, productivity, and fuel.<sup>5</sup> In many places with the worst congestion, expanding airports and highways is difficult, as land is limited and environmental/community impacts are significant.
- **Energy consumption**—In 2010, the United States used more than 13 million barrels of oil every day for transportation. U.S. citizens consume nearly twice the oil per capita as citizens of Organization for Economic Cooperation and Development (OECD) member nations, and approximately 53 percent of this oil is imported.<sup>6</sup>
- **Energy costs**—The inflation-adjusted cost of oil increased 129 percent from 1990 to 2010. As a result, Americans spent \$630 million more *per day* on oil for transportation than they did 20 years earlier—an average annual increase of nearly \$750 for every American. The Energy Information Administration expects crude oil prices to rise an additional 50 percent between 2011 and 2035.<sup>7</sup>
- **Environmental protection**—The 2012 *Inventory of U.S. Greenhouse Gas Emissions and Sinks* report found that the U.S. emitted 10.5 percent more greenhouse gases in 2010 than it did in 1990.<sup>8</sup> Thirty-two percent of all greenhouse gas emissions are now from the transportation sector.

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<sup>3</sup> “Opportunity Cost of Inaction – High Speed Rail and High Performance Passenger Rail in the United States” - <http://www.apta.com/resources/reportsandpublications/Documents/HPPR-Cost-of-Inaction.pdf>

<sup>4</sup> U.S. Department of Transportation, U.S. Department of Commerce, [Commodity Flow Survey](#).

<sup>5</sup> Texas Transportation Institute, [2011 Urban Mobility Report](#), Sept 27, 2011.

<sup>6</sup> U.S. Central Intelligence Agency, [World Factbook: United States](#), August 1, 2012.

<sup>7</sup> U.S. Energy Information Administration, [AEO2012 Early Release Overview](#), January 23, 2012.

<sup>8</sup> U.S. Environmental Protection Agency, [Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2010](#), April 2012.

In recognition of these challenges and the critical role that rail must play in meeting them, Congress crafted the landmark PRIIA legislation in 2008, which created a framework for advancing the role of rail in the nation's intermodal transportation network. Since this legislation was passed with broad bipartisan support, the need for more and improved rail to bolster our transportation network has only grown:

- The U.S. added an estimated 9.4 million people from 2008-2012 – more than the entire population of New Jersey or Virginia.
- Highway congestion in the Nation's largest cities increased 5 percent from 2008 to 2010, resulting in an annual congestion cost increase of \$226 million.<sup>9</sup>

For these and other reasons, the Administration has continued to include funding for the HSIPR program in the President's annual budget request. We believe it is imperative to our economy, our quality-of-life, our environment, and our mobility that we address these challenges, and that we do so now. I look forward to working with this Committee and others in Congress to develop creative approaches for making America's rail network the best in the world.

### **The American People Want Rail Investment**

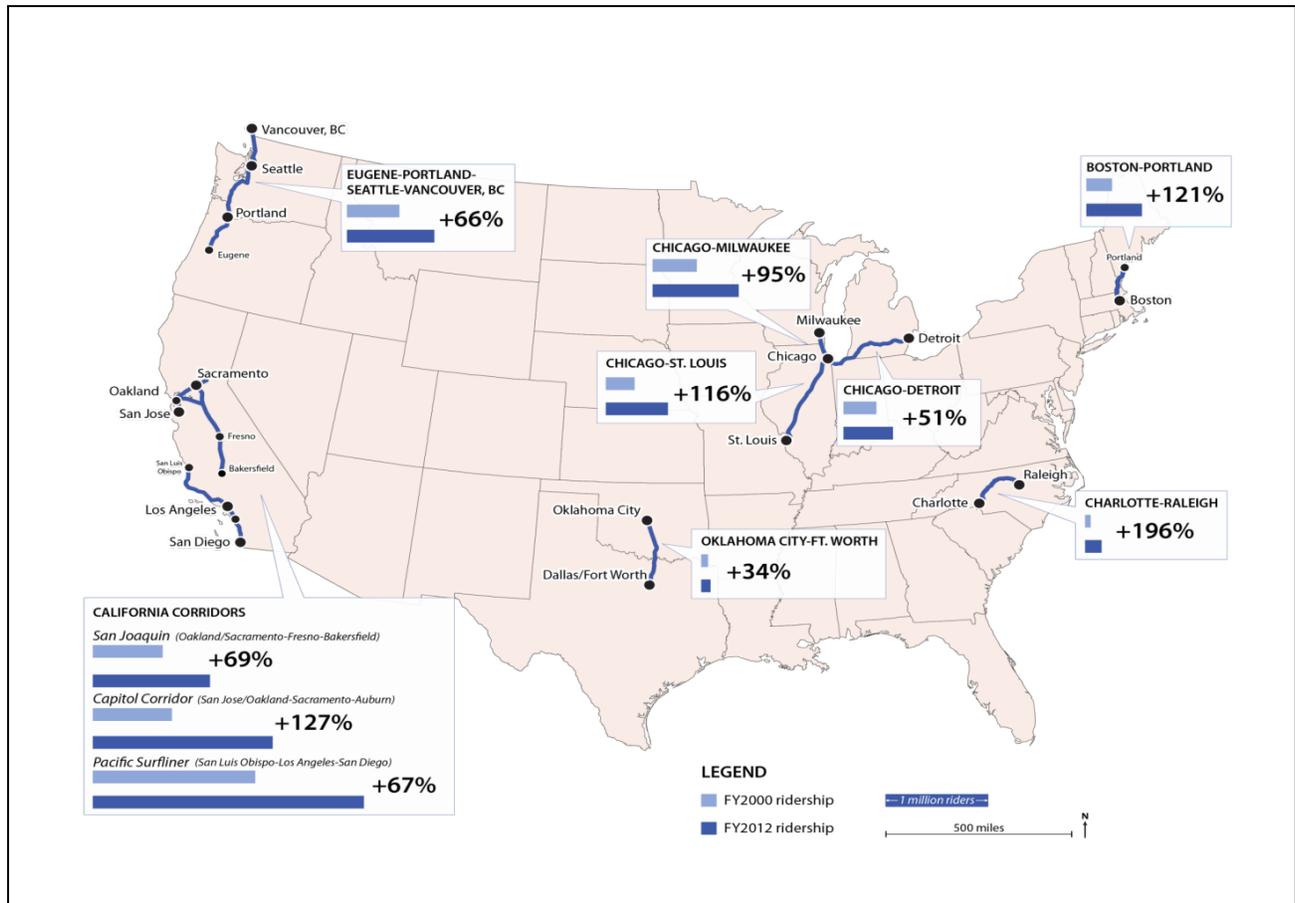
**Americans are choosing rail in record numbers**—Demand for passenger rail is surging across the United States. Ridership levels have set new records in nine of the past ten years. In FY 2012, Amtrak carried a record 31.2 million passengers—a 3.5 percent increase from the year before—and also achieved the highest on-time performance in 12 years (83 percent).<sup>10</sup> These ridership levels are being achieved even before the substantial service improvements funded in recent years begin to come online. Once new trains are added and trip times and delays are reduced, the system will attract even higher levels of ridership.

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<sup>9</sup> Texas Transportation Institute, [2011 Urban Mobility Report](#), Sept 27, 2011.

<sup>10</sup> Amtrak, [Amtrak Sets New Ridership Record](#), October 10, 2012.

## RIDERSHIP GROWTH ON SELECTED PASSENGER RAIL CORRIDORS, FISCAL YEAR 2000 TO 2012



Source: Amtrak.

**Americans' travel habits are changing**—Reports show that since 2005, Americans have been driving fewer miles each year. In 2011, the average American drove six percent fewer miles than they did in 2004. What's even more significant is that studies show the trend away from driving is being led by youth. Between 2001 and 2009, Americans ages 16 to 34 decreased their average number of vehicle-miles traveled by 23 percent and increased their passenger miles traveled on trains and buses by 40 percent. Factors causing these changes may include new communication technology, shifts in driving laws, and higher fuel prices. And while the Great Recession had some role in influencing habits, research indicates that travelers will continue to look for transportation alternatives even as the economy recovers.<sup>11</sup>

<sup>11</sup> U.S. Public Interest Research Group and Frontier Group, [Transportation and the New Generation: Why Young People Are Driving Less and What It Means for Transportation Policy](#). April 5, 2012

**Rail is a vital part of a multimodal transportation network**—The American Road & Transportation Builders Association (ARTBA) has written: “The U.S. public transportation, rail transit, intercity passenger rail, and freight rail systems are integral and vital components of the nation’s intermodal transportation network ... These systems must be expanded to meet public demand, and continue to be integrated into the overall surface transportation planning process.”<sup>12</sup>

**Communities across the nation are competing for rail investment dollars**—Almost every region in the U.S. has demonstrated demand for investments in passenger rail services. Between August 2009 and April 2011, the Federal Railroad Administration (FRA) evaluated nearly 500 applications submitted by 39 states, the District of Columbia, and Amtrak, requesting more than \$75 billion for rail projects. Over four rounds, the Transportation Investment Generating Economic Recovery (TIGER) program has received more than 85 applications requesting over \$3.5 billion for intercity passenger rail projects, and more than \$4 billion in funding has been requested for freight rail-related projects.

**Public support for rail is increasing**—Public opinion polls consistently reveal strong support for intercity passenger rail. A 2011 Harris Poll survey revealed that nearly two-thirds of Americans (62 percent) support using Federal funds to develop high-speed rail.<sup>13</sup> The National Association of Realtors’ *2009 Growth and Transportation* study showed only 20 percent of Americans favored building new roads to deal with congestion, while 47 percent believe that improvements in public transportation would better mitigate congestion and accommodate future U.S. population growth.<sup>14</sup> Additionally, polls show that almost 19 of 20 people are concerned with the state of America’s infrastructure, and approximately 84 percent support infrastructure investments.<sup>15</sup>

**Rail has demonstrated public benefits, domestically and internationally**—Strengthening passenger rail services can help balance the Nation’s transportation network, as demonstrated on the Northeast Corridor (NEC). Since the introduction of the *Acela* service 10 years ago, Amtrak has almost tripled its air/rail market share on the NEC, carrying 75 percent of travelers between New York and Washington.<sup>16</sup> These changing travel patterns can free airport capacity for more cost-efficient long-distance flights.

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<sup>12</sup> American Road & Transportation Builders Association (ARTBA), [Railroad/Transit Policy](#), June 2010

<sup>13</sup> [Harris Poll survey](#) conducted between January 17, 2011, and January 24, 2011.

<sup>14</sup> National Association of Realtors and Transportation for America, *2009 Growth and Transportation Survey*. Hart Research Associates, Jan. 5 to 7, 2009.

<sup>15</sup> U.S. Department of the Treasury and Council of Economic Advisers, [An Economic Analysis of Infrastructure Investments](#), October 11, 2010, quoting survey from [The Building America’s Future National Survey](#), Luntz et al., 2009.

<sup>16</sup> Amtrak, “[State-Supported Corridor Trains, FY2011-12](#),” April 2012.

## HSIPR Program Successes

**Successful launch of a new, highly complex program:** In the short time since Congress enacted PRIIA, the American Recovery and Reinvestment Act of 2009 (ARRA or the Recovery Act), and the FY10 Department of Transportation Appropriations Act, the Federal Railroad Administration has established one of the largest discretionary infrastructure investment programs in U.S. history. In so doing, FRA identified worthy projects, obligated almost \$10 billion in project funding using objective data-driven processes, applied innovative and appropriate risk management practices, and began effective grant oversight. FRA accomplished these actions within unprecedented resource constraints and within tight time limitations. In recognition of these efforts, the American Association of State Highway and Transportation Officials (AASHTO) passed a resolution lauding FRA's efforts in building this historic program from scratch.<sup>17</sup>

**Investment decisions and financial obligations made in prudent, timely manner:** Between August 2009 and April 2011, FRA evaluated nearly 500 applications submitted by 39 states, the District of Columbia, and Amtrak, requesting more than \$75 billion. The portfolio of projects selected from this vast pool comprehensively addresses all aspects of passenger rail development, including: 1) designing and building world-class systems operating at over 200 mph; 2) improving speed and reliability and increasing frequencies on existing services through enhanced track, signal systems, and station facilities; and 3) planning for new services and developing a pipeline of future projects. GAO reviewed FRA's selection process and found that "FRA established a fair and objective approach for distributing [Recovery Act] funds and substantially followed recommended discretionary grant award practices used throughout the government."<sup>18</sup>

These projects will ultimately lay thousands of miles of track and ties, build new stations and make existing facilities more functional, comfortable, and accessible for all passengers, install advanced signaling and communications systems, and procure hundreds of modern and more efficient and comfortable locomotives and passenger cars. These investments will increase the number of corridor route miles with top speeds of 110 miles per hour or higher by more than 80 percent.

Since the first project selections were announced in January 2009, FRA and its grantees have been hard at work refining project scopes, budgets, and schedules as part of the award obligation process. To date, FRA has obligated 99 percent of total HSIPR funding, including 100 percent of Recovery Act funding, ahead of statutory deadlines. With the passing of this important

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<sup>17</sup> AASHTO Board of Directors. *Administrative Resolution AR-3-09: Commendation of Federal Railroad Administration's Partnership and Hard Work with State Departments of Transportation for the American Recovery and Reinvestment Act of 2009 (ARRA)*. October 26, 2009

<sup>18</sup> U.S. Government Accountability Office, *Intercity Passenger Rail: Recording Clearer Reasons for Awards Decisions Would Improve Otherwise Good Grant Making Practices*, GAO-11-283, May 2011.

milestone, we are now starting to see real, tangible, on-the-ground accomplishments throughout the nation.

The map below highlights the key corridors in which Federal and states investments have been made to date.

### CURRENT HIGH-SPEED AND INTERCITY PASSENGER RAIL PROGRAM INVESTMENTS



**Construction is underway throughout the U.S.:** In 17 states, approximately \$1.7 billion in HSIPR construction projects are either underway or complete, and an additional \$1.5 billion in construction projects in two states and the District of Columbia will get underway in the next six months, creating jobs and supporting local economies and construction businesses, as well as domestic rail manufacturers.

For example, a project was recently completed in Vermont that rehabilitated bridges, improved grade crossings, and upgraded 190 miles of track to provide for shorter travel times, greater reliability and higher safety standards on the historic *Vermont* corridor. The Illinois DOT recently completed substantial track, signal, and roadbed construction work, allowing for a test run of passenger trains operating at speeds up to 110 mph on the Chicago to St. Louis corridor; revenue service is slated to begin later this month.

In Maine, extension of the Boston-Portland service to Brunswick, ME was just completed with revenue service in place now. Brunswick has seen \$100 million of real estate investments in the

area around the station, in anticipation of the new rail service. Relocation of the historic *Vermont* corridor in western Massachusetts was completed very recently. Other construction is underway in North Carolina, Oregon, and Minnesota.

Construction is also occurring in California, where citizens are seeing the birth of America's first world-class high-speed rail system. The California legislature approved funding for that California High-Speed Rail Authority's first construction segment in the Central Valley, and hundreds of people are at work building a new landmark in downtown San Francisco, the Transbay Terminal Center. Major environmental benchmarks have been reached, and a Record of Decision was issued for the alignment that includes the first construction package. A Request for Proposals (RFP) has been issued and proposals are due in January for the first construction that would begin in Fresno, CA.

**Aging and obsolete equipment is being replaced:** Partially through FRA's participation on the Next Generation Equipment Committee (NGEC) established in PRIIA and its awarding of grant funds, FRA is playing a central role in developing a comprehensive strategy to coordinate procurements, manage fleets across corridors and states, and develop technical specifications to promote equipment standardization.

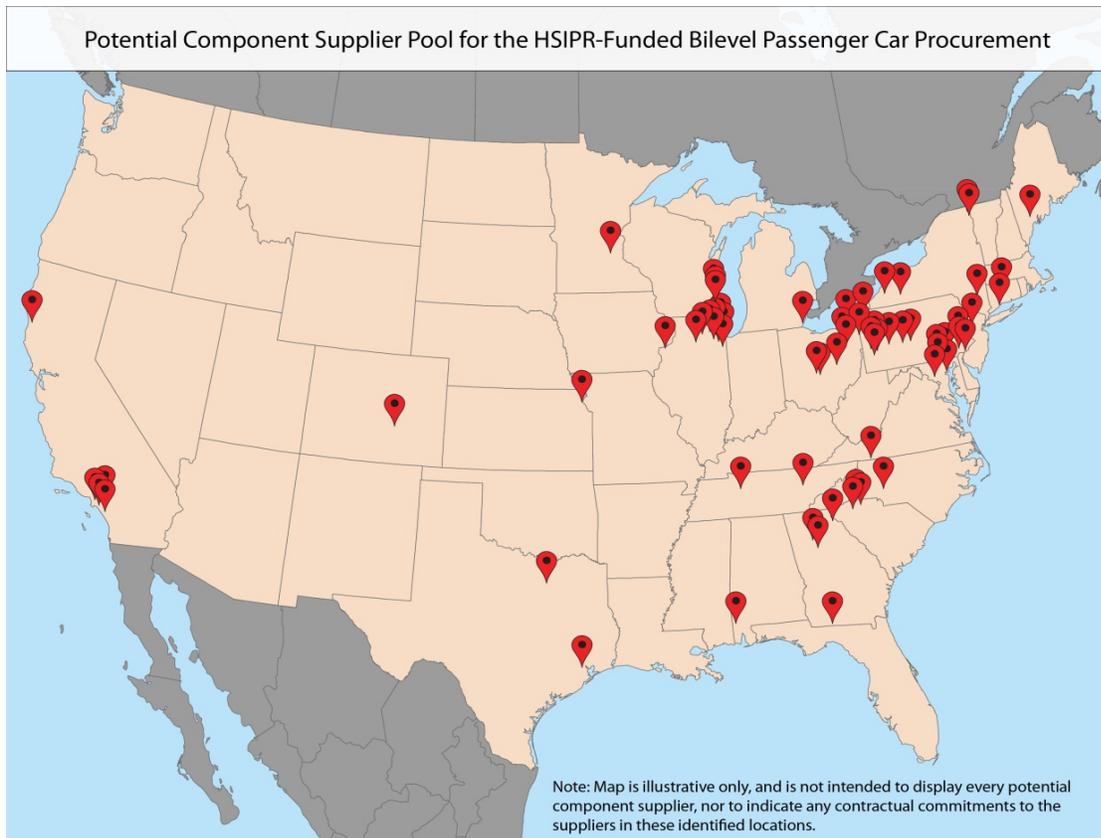
In fact, one of the largest-ever investments in new intercity passenger locomotives and rail cars is currently underway through \$1.7 billion in HSIPR, Amtrak, and state funding. On November 6, 2012, the California Department of Transportation (Caltrans) issued a Notice of Contract Award to Nippon Sharyo for the procurement of 130 bi-level passenger cars that comport with the NGEC standards. These cars will be used on corridors in both California and throughout the Midwest, replacing vehicles that in some cases are several decades old.

Additional HSIPR funding will fund the purchase of next-generation locomotives that comport with the NGEC standard, with the procurement expected for release in late 2012. Finally, Amtrak is procuring 130 single-level passenger cars for use on long-distance routes, and U.S. DOT recently approved a loan to Amtrak for the purchase of 70 locomotives for use on the Northeast Corridor. Cumulatively, these investments will result in upgraded equipment on nearly every U.S. rail corridor, improving reliability and passenger comfort for millions of travelers.

**Domestic rail manufacturers are receiving a boost:** The railway supply industry is big business in the United States. With nearly 2,700 facilities across the United States, there are more railway supply locations than Macy's and Target Stores combined. The industry employs an estimated 94,000 people in 49 out of the 50 states and the District of Columbia.

Dozens of manufacturers and suppliers are receiving orders from project sponsors, delivering jobs and other economic benefits to a variety of states and communities, even those without HSIPR projects in their regions.

Nippon Sharyo opened its first American railcar manufacturing plant in Rochelle, IL earlier this year and competed to produce the next generation of American-built trains. According to the company, the new factory will employ 250 workers by the end of next year and create additional jobs throughout the company's American supply-chain. Nippon Sharyo has already identified more than 200 potential suppliers and vendors in the Midwest region alone. As discussed above, Caltrans has issued a notice of contract award to build 130 new railcars that will serve California and Midwest corridors.



At Cleveland Track Material, Inc., in Cleveland, Ohio, workers designed and manufactured new turnouts for Maine's Downeaster project. Cleveland Track was one of 53 companies across 20 states that received a supply order from Maine. The orders for turnouts, as well as other orders from Amtrak and several transit agencies, kept Cleveland Track's production schedule busy. Over the last year, the company has invested over \$5 million in new production equipment at the plant. Cleveland Track has nearly 300 employees that work in the company's four facilities in Ohio, Tennessee, and Pennsylvania. The company was started with five employees by disabled Vietnam Veteran Bill Willoughby in 1984 in an impoverished section of Cleveland.

The economic benefits of the Chicago-St. Louis corridor construction are being felt nearly 2,000 miles west in Spokane, WA, at L.B. Foster's CXT Concrete Tie plant. To date, over 600,000 ties have been installed on the Illinois project. L.B. Foster, which has factories in Arizona, Indiana,

Pennsylvania and Ohio, makes several other rail products, and will have many new opportunities to compete for business.

**Planning and engineering projects are creating a pipeline of future service improvements:**

Although planning projects represent only a small fraction of HSIPR funding (about 1 percent), the completion of these studies is vital to identifying cost-beneficial investments and maintaining a “pipeline” of projects, as well as for developing rail engineering and project development expertise at the State and local levels. The first step, as required by PRIIA, is to develop a State rail plan that comprehensively defines a vision for the future role of rail and identifies projects that will promote these goals. To date, 45 State rail plans have either been completed or are underway, with many of these funded through HSIPR grants. Additionally, 25 corridor plans are underway, evaluating how best to implement new rail services or improve existing services.

**Agreements with key infrastructure owners have been reached:** The HSIPR program is like few others in the Federal government, in that much of the underlying infrastructure for the U.S. passenger rail system is owned by private corporations. While the rail industry's ownership structure is unique, FRA was able to draw lessons from established grant management best practices, apply them with ingenuity and creativity, and create innovative mechanisms to safeguard project benefits.

As part of this process, FRA has helped facilitate critical multi-party, performance-based agreements with host railroads that are effective and enforceable. These agreements ensure that HSIPR projects will protect taxpayer investments by delivering real and lasting public benefits while also recognizing the core business needs of the freight railroads.

In prioritizing these stakeholder agreements as a critical pre-requisite to obligating major HSIPR grants, FRA relied heavily on recommendations from the Government Accountability Office (GAO) and the U.S. Department of Transportation Office of Inspector General (OIG) from previous studies. GAO and OIG have repeatedly emphasized performance metrics and accountability as an essential element of grant program success. FRA embraced this perspective as it implemented HSIPR and used it to shape and focus its activities.

While some have expressed concerns over the length of time it took to negotiate and finalize these agreements, it is difficult to overstate just how critical these agreements were to meeting Congress' objectives in PRIIA and ARRA. These agreements established an entirely new set of relationships and commitments among States, freight railroads, Amtrak, and the federal government, and as such needed to be done carefully and in a way that allowed for adequate discussion among all stakeholders on a variety of complex topics. FRA believes it was imperative to get these agreements right from the beginning, as they will set long-term precedents for passenger rail throughout the country.

## Looking to the Future

The HSIPR program is currently focused on three key priorities:

1. Managing and executing high-quality projects;
2. Advancing market-based service improvements; and
3. Laying the foundation for sustainable long-term passenger rail improvements

### *Priority #1. Managing and executing high-quality Projects*

First and foremost, FRA is focused on ensuring that the current \$10.19 billion grants portfolio results in high-quality projects that are delivered on-time and on-budget. With 99 percent of HSIPR funding currently obligated, construction, planning, and engineering activities are now underway across the country.

In April 2012, FRA implemented a new risk-based approach to monitoring, which, along with prior monitoring visits, led to the monitoring of over half of HSIPR funding to-date. Improving and expanding upon the FY 2012 pilot, in October 2012, FRA assessed all active loans and grants in a risk priority model and selected over 80 percent of all active funding for monitoring in FY 2013. FRA's HSIPR oversight approach leverages the best practices from other grant-making agencies, and seeks to strike the appropriate balance between protecting taxpayer investments while still providing grantees with the necessary flexibility to adapt to changing conditions and project innovations. A key element of this approach is fostering strong partnerships between FRA and the grantees.

By working collaboratively to track milestones, identify emerging issues, and evaluate challenges, FRA and the grantees are working together to resolve concerns in the most efficient and effective manner possible. To enable efficient project oversight, FRA launched the Project Management Tool (PMT) as a low-cost platform for team collaboration and a centralized repository for project data and documents in July 2012. The PMT currently houses over 2,000 project deliverables, facilitating the timely review of deliverables and the fulfillment of project delivery responsibilities.

The California high-speed rail project is among the most ambitious and complex infrastructure projects in the nation's history. FRA believes that the scrutiny such a project receives from both within and outside the government is healthy and appropriate, and we fully support the GAO's ongoing review of the effort. FRA is taking a number of steps to mitigate the potential risks in delivering this project, including:

- hiring a full-time, senior staff person based in California with the sole responsibility of providing Federal oversight;
- engaging a consultant to conduct an independent review of the budget and schedule for the Initial Construction Segment;

- staying in continual contact with the California High-Speed Rail Authority and other stakeholders in order to fully understand all potential risks and challenges as soon as they arise during the project delivery process.

While no infrastructure grant is without risk, FRA’s approach to monitoring and oversight, in conjunction with frequent and substantive communications between FRA and its grantees, ensures that those risks can be identified and mitigated early in the project delivery process so that projects are completed on time and on budget.

***Priority #2. Advancing market-based service improvements***

Matching service improvements to the needs of specific travel markets is a central principal of the HSIPR program. A “one size fits all” approach to rail investment is neither desirable nor feasible – the highest-speed services, for example, may not be appropriate from financial or transportation perspectives in every market.

The HSIPR program will continue to focus on identifying the market needs of specific regions—based on current and projected travel patterns, demographic changes, geography and distances, and other factors—and investing in a level of rail service appropriate for meeting that need. In some places, numerous trains per hour operating at speeds above 125 mph will best address the market need; in others, incremental upgrades to existing services will be the appropriate solution.

Many of the markets that are best suited for passenger rail service can be found in multi-state “mega regions” – dense networks of metropolitan areas that encompass only 26 percent of total U.S. land area but contain nearly 75 percent of the Nation’s population. Addressing the market needs of these complex, multi-jurisdictional mega regions will continue to require significant Federal, State, and local collaboration and coordination.

***Priority #3. Laying the foundation for sustainable long-term passenger rail improvements***

Finally, FRA is developing the organizational and institutional tools and strategies that will ensure a solid long-term foundation for continued improvement of the nation’s passenger rail network—where these improvements make financial and transportation sense—regardless of whether those improvements are made through HSIPR grants, state projects, or private sector investments.

- **Northeast Corridor planning and environmental studies:** The Northeast Corridor (NEC) is the nation’s busiest passenger rail service, and serves as a critical transportation backbone for a region of over 50 million people. Rail now serves 73 percent of the air/rail market between New York and Washington, D.C., and demand clearly exists for further service improvements. While the NEC has received nearly \$1.8 billion from the

HSIPR program and Recovery Act grants through Amtrak (in addition to a \$563 million loan from the Railroad Rehabilitation and Improvement Financing (RRIF) program), it is clear that a consensus long-term vision—and a strategy for achieving that vision—is needed.

The NEC FUTURE program will identify and evaluate a full range of alternatives to develop an investment program for the future of passenger rail development in the Northeast Corridor. FRA initiated the NEC FUTURE to help determine the improvements needed for the NEC to meet the capacity and growth needs of the region through 2040. The scope of study has two major components:

- A Service Development Plan (SDP) that proposed rail service through 2040.
- A Tier I Environmental Impact Statement (EIS) that addresses the broad corridor wide impacts of the proposed improvements.

Together, these components form a Passenger Rail Corridor Investment Plan (PRCIP), in accordance with the guidelines established by PRIIA. The PRCIP is a foundation for future project development, including engineering design, project level environmental analysis, environmental permitting and construction.

**Other planning analyses:** FRA is undertaking a variety of analytical studies and evaluations that will help states and industry stakeholders better integrate passenger and freight rail projects into regional transportation networks. For example, FRA has been leading an intensive multi-state rail study in the Southwest that is yielding important tools and best practices for regional rail development plans. This study is developing ways to analyze market potential for various classifications of rail investments, as well as assessing different institutional models for planning and developing multi-state rail networks.

## **Conclusion**

The Administration remains fully committed to providing the American people with the improved rail transportation they want and need. Thirty-two states, the District of Columbia, and Amtrak are hard at work on over 150 projects, many of which are among the most substantial capital improvements to the nation's rail network in decades. Americans are already beginning to see significant travel time, frequency, and reliability improvements, in addition to upgraded stations and equipment. The simple fact is that the transportation challenges that are driving increased demand for rail are not going away. DOT looks forward to working with Congress and all stakeholders to ensure we find the most innovative, cost-effective, and practical policies for building a world-class rail network.

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