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Good morning.

On behalf of President Obama and Secretary LaHood, it's my pleasure to join you with FRA's policy and development team — led by Associate Administrator Paul Nissenbaum and Director Corey Hill.

I'm sure everyone knows by now that Secretary LaHood will not stay for a second term. And I think we should start by recognizing his outstanding leadership.

Every great mega-project in world history has faced critics and naysayers. But thankfully, they've also had visionaries — the champions who pushed them forward.

The history books will recognize Ray LaHood as one of these champions. And for our State DOT partners, what better way to honor the Secretary's four years of service than by continuing to put in the planning and hard work that brings projects in on time and on budget.

We wouldn't be where we are today without this Administration's historic down payment on 21^{st} century rail — or without the bold and achievable plan for American rail President Obama laid out four years ago. But, just like the great mega-projects of the past, ours won't be finished overnight. It will require a sustained commitment — not just from the federal government, but from the private sector, stakeholders, and of course, our backbone: our State DOT partners.

Four years ago, we learned that a modern rail network is not just a priority for this Administration — It's a priority for the American people. For the \$10.1 billion in total High-Speed and Intercity Passenger Rail program funding, we received more than 500 applications requesting more than seven times that amount. And in just a short amount of time, we've developed a sophisticated grants management process for one of the largest discretionary infrastructure programs in the country.

The GAO has praised our project selection practices — and we've listened very closely to their recommendations to craft performance outcome agreements that ensure effective project delivery. We also made sure to put in place win-win agreements with states and host freight railroads to ensure that — not just our passenger rail network — but our entire rail network can grow to meet future demand.

So today, together, we are not only laying a foundation for 21^{st} century rail. Through the program we've put in place, and through your successful planning, building, and implementation of 152 projects, we have also built a framework for rail development that — once the politicians catch up to the people — the federal government can invest in with confidence.

We are already seeing the economic ripple effects of our investments. Of the 11 construction projects completed last year, Maine's rail extension project – in addition to generating millions of dollars in new commercial and residential development around Brunswick's new train station – created and sustained jobs at 53 companies in 20 states.

And in the past three years, your efforts have played a part in helping American businesses add more than six million new jobs — including half-a-million manufacturing jobs.

But President Obama understands we have more work to do. Furthermore, he recognizes that, while sensible steps must be taken to balance our deficit, America can never afford not to ignore its veins and arteries of commerce, or to cease investment in our future.

We should be proud that 2012 was one of the greatest years for rail in generations.

It was the safest year in railroad history. Amtrak saw record on-time performance and achieved an all-time high in ridership. Intermodal freight traffic surged above 12 million units – very close to an industry record.

With a vote of the General Assembly, world-class 220 MPH service moved forward in California, and will break ground this summer. In the Midwest, 110 MPH service – the fastest trains outside the Northeast Corridor – was introduced on two key routes.

We made historic investments in new passenger rail equipment — certified to go 125mph — that will be manufactured in America. We launched the first comprehensive Northeast Corridor planning effort since the Carter Administration. And we successfully obligated 100% of our Recovery-Act funded High-Speed and Intercity Passenger Rail program funding prior to the September 30th statutory deadline.

Last year, 20 projects were completed. But all of this is simply a warm-up. The \$19 billion this Administration has invested in rail since 2009 is building, improving, or creating 6,000 corridor miles, 40 stations, 75 planning studies, and 30 state rail plans or service development plans. And our High-Speed and Intercity Passenger Rail program is now entering its two busiest years of construction. Moving forward, 52 construction projects in 19 states - a \$3.6 billion federal investment - are either complete, under construction, or set to begin.

Now, in many respects, the benefits of the projects we've been able to invest in through the HSIPR and TIGER programs stand alone. These investments are transforming the way America moves people and goods for decades to come. But, like the U.S. Chamber of Commerce, the U.S. Conference of Mayors, the American Road and Transportation Builders, and the American Society of Civil Engineers ... just to name some ... President Obama recognizes that it's not enough — that we've only gotten started.

He understands that world-leading economies do not develop by accident, nor do they evolve by resting on one's laurels. And above all, he understands that world-class economies rely on world-class transportation.

As he said in the State of the Union, "Ask any CEO where they'd rather locate and hire: a country with deteriorating roads and bridges, or one with high-speed rail ..."

He also acknowledged the importance of our freight network by mentioning the need for modern ports to move our goods. And he proposed two programs that will not only put Americans to work improving infrastructure, but also building the new infrastructure that will create even more high-quality construction and manufacturing jobs, and help us tackle pivotal growth and mobility challenges: the Partnership to Rebuild America and the "Fix it First" program.

The Partnership to Rebuild America calls for leveraging private sector investment to create jobs upgrading the infrastructure most critical to the growth of our businesses, including our transportation system. "Fix it First" targets our most urgent infrastructure repairs — and calls for a long-term increase in rail funding we need to meet the growth and mobility challenges of the 21st century.

We have more than 100 million more people and 4 billion more annual tons of freight to move by 2050. And according to a Texas Transportation Institute Report released earlier this month, the annual cost of highway congestion alone now costs our economy over \$120 billion a year – a cost of \$800 per year to each commuter.

But the congestion gripping our highways and airports today only faintly resembles what's to come if we fail to properly act. And in the face of these realities, the efficiencies of rail simply cannot be ignored. With service levels targeted to the market, it can be the most cost-effective, least oil-reliant, and most environmentally friendly mode to move people and freight.

At the same time, we also can't ignore the fact that Americans' travel habits are evolving.

It's a common myth that America has too much of a car culture to embrace trains. But, according to a recent study by the U.S. PIRG and Frontier Group, over the last eight years, Americans have actually driven less, while using passenger rail and public transit in record numbers.

Friends, this is the future we're preparing for.

This year we're celebrating the 100^{th} anniversary of Grand Central station — an amazing project that took 10 years and two billion in today's dollars to build. At peak periods, 10,000 workers were assigned to the site, working 24-7. And when it was complete, the New York Times wrote, "It is not only the greatest station in the United States, but the greatest station — of any type — in the world."

As its rail lines extended out to the Bronx and New York City suburbs, economic opportunity followed, with development thriving near commuter stations.

This model – this pattern – is timeless. And we know this because – once again – train stations are playing a powerful role in shaping and transforming cities and communities.

Normal, Illinois and Denver, Colorado – these are just two examples of how improved service, improved regional connectivity, and station renovations continue to form a magnet for economic development.

In San Francisco, transit-oriented development at the future site of the Transbay Terminal — which will serve the state's high-speed rail line — is opening up new opportunities for financing rail infrastructure. Late last year, a parcel of land at the site was sold to developers for approximately \$190 million, which will help fund the Transbay Terminal's construction.

We're also seeing the private sector invest in the development and redevelopment of major train stations on the Northeast Corridor. And commercial development in and around these stations has and will continue to provide revenue sources for transportation improvements.

Moving forward, we will continue seeking opportunities to engage the private sector in rail development. Additionally, over the coming months, we look forward to working with Congress and stakeholders to develop a long-term funding source to meet the huge and fast-growing demands for passenger and freight rail.

To our State DOT partners, we ask you to continue working with us to form the partnerships and to build the vast public and private support we'll need to gradually realize the President's goal.

Achieving this goal is not a luxury — it's an absolute necessity. And while there will always critics and naysayers, we know better. We have a vision.

Imagine New York City without Grand Central Station—or, for that matter, without Penn Station.

What if Alexander Cassatt, President of the Pennsylvania Railroad, had listened to critics back in 1900 and had given up on digging the tunnels that connected the rail from New Jersey to Manhattan.

Today, New York Penn Station is the busiest transportation facility in the United States, and by far the busiest train station in North America. And yet, in 1900, it was called a boondoggle – too expensive, impossible to build.

Can you imagine New York without it?

Where would America be today without visionaries like Alexander Cassatt – or without visionaries like Henry Flagler, founder of Florida East Coast Railway.

Flagler's railroad started in the north of the state, in Jacksonville. In time, the railroad made it all the way down to Miami.

Why go further?

But, Flagler still wasn't satisfied.

In fact, 101 years ago last month, he rode on his Overseas Railroad, then dubbed the eighth wonder of the world: a 156-mile extension to Key West.

And upon his arrival, he told a crowd, "Now I can die happy. My dream is fulfilled."

It is essential for us to recapture that tendency to not only think big — but to apply our energies to the challenges of a new century: congestion, fuel utilization, air quality, and global warming.

The next generation is counting on us.

And years from now, when they study our actions and choices ... Will they see we got it right?

Our job today is to make sure that answer is yes.

Thank you.