

**Prepared Remarks of  
Federal Railroad Administrator Joseph C. Szabo  
National Lieutenant Governors Association  
Federal-State Relations Meeting  
Panel: *Modern Economy Relies on Rail & Highways-  
Multimodal Transportation*  
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Thank you Lt. Gov. Murray for that kind introduction.

Good morning everyone. On behalf of President Obama and Secretary LaHood, it's an honor to join you.

World-leading economies do not develop by accident, nor do they evolve by resting on one's laurels.

World-class economies rely on a world-class – and constantly-improving – transportation system.

And the key word here is *system*.

It's not good enough to build the best roads, or the best airports, or the best railroads.

A world-leading economy requires a true integrated system – one in which each mode works in unison with the others to ensure the safe and efficient movement of people and goods.

This is why the American Road & Transportation Builders Association, the U.S. Chamber of Commerce, the U.S. Conference of Mayors, and the American Society of Civil Engineers – all agree:

The future of American transportation is multimodal.

And in order to build this multimodal system, President Obama recognizes that rail must play a much larger role in moving both people and goods than it does today.

In other words, high-speed rail, higher-performing intercity passenger rail, and next-generation freight rail – these are the modes of opportunity for the future.

2012 was one of the greatest years for America's railroad industry in generations.

It was the safest year in railroad history.

Amtrak achieved record on-time performance and set an all-time ridership record.

And we saw intermodal freight traffic surge above 12 million units, very close to an industry record.

While this growth is impressive, it pales in comparison to what is just around the corner.

Over the next three decades America will need to move 100 million additional people and 4 billion more tons of freight each year. All while our highways and airports are stretched close to their limits – and the cost of over-reliance on them continues to grow.

According to the Texas Transportation Institute annual *Urban Mobility Report* released last month, the annual cost of highway congestion alone is now over \$120 billion a year; or about \$800 per year for each commuter.

Our airports, as well, are struggling to keep up with soaring travel demand that exceeds network capacity. Around 20 percent of all flights are delayed. And as a way of confronting high fuel prices and changing traveler demand, airlines are now making significant cutbacks to short-haul flights to small and medium-sized cities.

In the face of these challenges, rail's efficiencies simply cannot be ignored. With service levels targeted to meet market needs, rail can be the most cost-effective, least oil reliant, and most environmentally friendly mode to move people over distances of 200 to 600 miles.

Two railroad tracks can carry as many travelers in an hour as 16 lanes of freeway. And for freight, one double-stacked intermodal unit train can carry the equivalent payload of 300 trucks – saving nearly 80,000 gallons of fuel over the course of a cross-country haul.

Today, thanks to the President's vision for rail – and record-setting federal and private-sector investments in our rail network – we are hard at work laying the foundation for a modern 21<sup>st</sup> Century rail system. In partnership with 32 states, we are making strategic investments that are advancing new passenger rail projects through our High-Speed and Intercity Passenger Rail Program.

The \$19 billion this Administration has invested in rail since 2009 is building, improving, or creating 6,000 corridor miles and 40 passenger stations.

States and Amtrak are buying 260 new passenger cars, 105 new locomotives, and 3 new train sets.

In the Midwest, 110 MPH service – the fastest trains outside the Northeast Corridor – was introduced on the Chicago-St. Louis and Chicago-Detroit routes. In just a few years, the majority of both lines will run at these sustained speeds with improved reliability, cutting trip times by close to an hour.

Furthermore, the service will include a new fleet of next-generation, high-performance trains – certified to go 125 MPH – that will be manufactured in America.

In the Pacific Northwest, 21 projects are moving forward that will increase roundtrips and cut trip times in the growing rail market connecting Portland, OR and Seattle, WA. The region's ultimate goal is for hourly service between those cities, with additional service north to Vancouver, BC and south to Eugene, home to the University of Oregon.

North Carolina has already finished three station projects – on time and on budget - and is moving forward now with a series of construction projects between Charlotte and Raleigh that will increase operating speeds, safety, frequency, and reliability for passenger and freight trains.

The North Carolina project is laying the foundation for a southeast corridor that would stretch from Washington, DC to Atlanta.

Service along the entire corridor would connect a multistate region of 47 million people, 4 state capitals, 750,000 college students, and more than 50 Fortune 1000 companies.

This summer California will begin building the backbone of the high-speed rail system that will tie into the state's existing passenger rail network – building a true system that connects the state's two major mega-regions.

At half the cost of highway and airport expansion, rail will offer travelers in the world's eighth largest economy new transportation options.

Improved mobility for citizens and businesses will generate significant public benefits and serve as a catalyst for future economic growth.

This Administration has invested in more than \$3 billion in near term improvement projects on the Northeast corridor, to replace and rehabilitate aging infrastructure such as New Jersey's Portal Bridge, Connecticut's Niantic Bridge, Baltimore's B&P Tunnel, and the Susquehanna Bridge in Maryland.

Other projects include station enhancements, modernizing track and power systems, and procuring new rolling stock.

We have also invested in improving and expanding service on the regional feeder routes that connect to the Northeast Corridor in Pennsylvania, New York and New England.

More importantly, in order to bring world-class service to one of the world's most densely populated rail markets –we launched the NEC FUTURE initiative – one of the largest multi-state transportation planning projects ever undertaken in the United States.

The end result will be a clear vision for how to optimize the NEC – and a 30-year rail investment plan to guide those efforts.

As I tell my staff every day, this planning work is critical, and will be the foundation for the success of the program.

The successful construction projects in the Midwest I mentioned earlier are directly attributable to the Midwest Regional Rail Initiative – a multi-state planning effort that dates back to the 1990s.

Long before any funding materialized, the state DOTs worked together planning a long-term goal to connect the 40 largest markets in the Midwest with fast, frequent and reliable service.

The commitment lasted as governors, statehouses, and congressional delegations changed over nearly 20 years.

Their efforts paid off. They were able begin construction within eight months of their award.

Now other states are beginning to work together to plan the type of service that works best in their regions. And their timing couldn't be more appropriate as the travel habits of our nation are evolving.

According to a recent study by the U.S. PIRG and Frontier Group, over the past decade Americans have actually driven less, while using passenger rail and transit in record numbers. And this change is happening fastest among young people, who reduced their vehicle miles driven by 23 percent and increased their passenger miles traveled by rail and transit a whopping 40 percent.

AARP has also indicated that seniors are seeking communities that embrace walkability, transit and passenger rail, allowing them to remain active as they age.

Compared to a decade prior, in 2009, seniors made 328 million more trips by rail and transit.

At DOT, we're also focused on seeing freight rail's role grow substantially.

Through DOT's TIGER program – that's Transportation Investment Generating Economy Recovery – we've awarded more than a billion dollars to projects that strengthen freight rail infrastructure and intermodal terminals.

Several of these projects addressed some of the largest bottlenecks in America's freight network, like the Tower 55 project in Texas.

New capacity provided by these projects will take thousands of trucks off the road - reducing congestion, saving fuel, and improving safety.

The DOT Freight Policy Council was recently formed to take a multimodal approach to strengthening America's freight network, allowing each mode to do what it does most efficiently.

And to ensure stakeholder involvement, Secretary LaHood also just announced the formation of a Freight Advisory Committee.

The Policy Council will implement a National Strategic Freight Plan, as required by the Moving Ahead for Progress Act in the 21<sup>st</sup> Century.

And while MAP-21 lacked a rail title, establishment of the Freight Council offers us a unique opportunity to ensure that the role of rail transportation is integral to the national policy discussion.

So while planning will be the foundation of our success, we must make the investments needed to build and maintain a world-class system.

This is why the President continues to support long-term increases in rail funding; why he continues to support the creation of a National Infrastructure Bank; and why in his recent State of the Union Address he proposed two programs focused on modernizing our infrastructure.

The President proposed the Rebuild America Partnership, which calls for enhancing the role of private capital to support vital infrastructure projects.

And he also proposed the "Fix it First" program, which targets our most urgent critical infrastructure needs.

America's last major sustained transportation investment was the creation of the Interstate Highway System.

And just like the early stages of that enterprise, we're now in the initial phases of a multi-generational effort to build a rail transportation network to support our 21<sup>st</sup> Century Economy.

The Interstate system started with eight lonely miles in the middle of rural Kansas.

It took 10 Administrations and 28 sessions of Congress to complete – but year by year, piece by piece, we got it done.

And like the Transcontinental Railroad a century earlier, the Interstate Highway System propelled our economy forward by meeting the mobility needs of the nation.

So now is the time to develop our transportation network for the future – and rail offers unparalleled promise as the mode of opportunity for the next generation.

As I stated at the outset, the world's leading economies rely on robust, modern transportation systems.

And the case is clear: America cannot afford to sit on the sidelines.

We must answer the call and tackle the challenges posed by our projected population growth and surging transportation demand.

Our generation must answer the call the way our predecessors did by thinking and acting boldly.

I look forward to working with each of you in making that bold action a reality.

Thank you for welcoming me today.