

Federal Railroad Administrator Joseph C. Szabo
Prepared Remarks
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Thank you, Scott – and hello, everybody.

On behalf of President Obama and Secretary LaHood, It's an honor to join you at this annual conference.

World-leading economies do not develop by accident – or evolve by resting on one's laurels.

And from this nation's earliest days, it has been understood that a world-class economy requires a world-class – and constantly improving – transportation system.

This is why President Lincoln – even as the Civil War raged on – held firm to his vision to build the Transcontinental Railroad, a project he recognized was essential to the development of a national economy.

This is why President Eisenhower declared firmly in his 1955 State of the Union Address that a modern, efficient highway system was *essential* for this nation's continued economic prosperity.

And this is why, four years ago, President Obama laid out a vision for rail in America, that – much like Lincoln's and Eisenhower's vision – struck at the core of our country's growth and mobility challenges.

As a result, 6,000 corridor miles are being improved; 30 stations are being upgraded; hundreds of new passengers and locomotives are being procured; and states are completing more than 100 different environmental, engineering, and planning efforts.

The policy framework for these investments was the Passenger Rail Investment and Improvement Act of 2008.

And another landmark act passed that year – the Rail Safety Improvement Act – helped make last year the safest in railroad industry history.

The industry, overall, is dramatically stronger since these authorizations took effect.

Accidents have decreased every year. Amtrak ridership and on-time performance have reached an all-time high; intermodal freight traffic has surged near record levels; and the financial performance of both the freight rail industry and Amtrak has never been better.

But these two core authorizations are set to expire at the end of this year.

And to build on the progress being made today, our Fiscal Year 2014 budget lays out a comprehensive blueprint for moving forward.

At its core, we are proposing to take a more coordinated approach to enhancing the Nation's rail system – a holistic, integrated strategy that addresses safety issues, passenger and freight service improvements, and planning.

Our budget requests \$6.6 billion to invest in rail safety and passenger and freight rail programs.

And this includes \$6.4 billion to establish a National High Performance Rail System program, the first of a five-year, \$40 billion reauthorization.

As much progress as we've made these past four years to build a rail network that is safer, more reliable, and more efficient, much more needs to be done to re-balance the Nation's transportation system – and to make up for decades of public underinvestment in rail.

Just think about how much America's mobility challenges have changed since the Eisenhower Administration.

Over the next three decades, our transportation network will need to move 100 million additional people and 4 billion additional tons of freight per year.

But today, the annual cost of highway congestion alone now costs our economy over \$120 billion a year.

Our airports – as well – are struggling to keep up with modern demand, with nearly 20 percent of all flights delayed.

And as a way of confronting high fuel prices and changing demand, airlines are now making significant cutbacks to short-haul flights to small and medium-sized cities.

Here in the Northeast, Interstate 95 is routinely listed among the most congested roadways in the nation – and four of the region's airports are among the most frequently-delayed.

Such challenges underscore the fact that, today, it's no longer good enough to build the best highways, or the best airports, or the best railroads.

Sustainable economic growth requires a true system: one in which each mode works in unison with others to ensure the efficient movement of people and goods.

This is why the American Road & Transportation Builders Association, the I-95 Corridor Coalition, the U.S. Chamber of Commerce, the U.S. Conference of Mayors, and the

American Society of Civil Engineers all agree that the future of transportation is multi-modal.

And to build this multimodal system, rail's role in moving people and goods must substantially increase.

Rail is the mode of opportunity.

The freight rail industry is now investing in capacity expansion like at no other time since the 19th Century – inspiring the Wall Street Journal to recently declare a “Revival of the Railroad Age.”

And passenger rail is experiencing its own renaissance.

Since 1997, Amtrak's overall ridership has shot up 55%, making the railroad America's fastest-growing major travel mode.

Fifteen years ago, in regional markets like Washington-New York or Seattle-Portland, travelers overwhelmingly chose air over rail.

But today, those numbers are reversed – as rail increasingly claims its sweet spot for trips in the 400- to 600-mile range.

We have targeted our investments in these travel markets where demand for intercity rail will continue to rise.

Here in the Northeast, we have invested more than \$3 billion – for station and track development, for modernizing power systems, for replacing aging infrastructure, and for buying new equipment.

We have invested \$450 million – one of our largest High-Speed and Intercity Passenger Rail program grants – to improve reliability and raise speeds up to 160 MPH between Trenton and New York City.

We've also invested in untangling chokepoints at Harold Interlocking in Queens, and also in Delaware and Rhode Island.

Stations are being upgraded in Boston, Washington, D.C., at BWI airport, and in New York, where the Moynihan Station project will expand Penn Station.

And major engineering projects are moving forward – including the replacement of New Jersey's Portal Bridge, Baltimore's B&P Tunnel, and the Susquehanna Bridge in northern Maryland.

We've made unprecedented investments in vital Northeast Corridor feeder routes, including in two projects that have already come in on time and on budget.

Last year, Maine finished extending the Boston-to-Portland line to Brunswick and Freeport – restoring service there for the first time since 1959.

And in Vermont, 190 miles of track upgrades have shaved 30 minutes off Amtrak's trip time.

But these time savings won't end in Vermont.

A project in Massachusetts – on that same corridor – is improving track and creating a more direct route. And in Connecticut – by 2016 – the segment between New Haven and Hartford will be completely double-tracked. So combined, the result will be a time savings of close to 70 minutes between Vermont and New Haven.

These investments in feeder routes – given the shared right of way – are also improving the safety and reliability of freight service.

In Vermont, for example, the host freight railroad is benefitting from 140 miles of new continuously welded rail; the installation of 130,000 new ties; and the strengthening of more than 50 bridges.

Together, these improvements have increased the track's weight capacity to allow for 286,000-pound freight cars, and for heavier loads.

And throughout the region, all of our investments are working together to fortify a rail corridor that – for almost two centuries – has been the backbone of what's now the world's fifth-largest economy.

The Northeast Corridor is the busiest rail corridor in the United States, with a rail market as strong as any in the world.

So as we look to position the Corridor to serve the region for decades to come, it is essential to have a clear vision to guide us forward.

Last year we launched NEC FUTURE, the first comprehensive planning effort for the Corridor since the Carter Administration.

Thus far, through our scoping process, we've heard from nearly 800 individuals, agencies, and organizations who are helping us better understand the needs of the market.

With this market-based assessment, we'll know from the very beginning what types of rail services will be needed to meet future demand.

Our plan is to complete NEC FUTURE with exhaustive public engagement over the next 34 months – after which we'll possess an immediately actionable rail investment plan.

And while FRA is the lead agency for NEC FUTURE, we're working very closely with the Northeast Corridor Commission, whose members include representatives from Amtrak, US DOT, the states, and freight railroads.

As I tell my staff every day, this kind of planning work is critical, and will be the foundation of our effort to build a rail network that is safer, more reliable, and more efficient.

In the Midwest, 110 MPH service is now expanding throughout most of the Chicago-St. Louis and Chicago-Detroit routes.

And these successful projects are directly attributable to the Midwest Regional Rail Initiative, a multi-state planning effort dating back to the 1990s.

In the Pacific Northwest, Oregon and Washington are now working together on a corridor improvement program with the ultimate goal of providing hourly service and reducing an hour off the trip time between Seattle and Portland.

In the Southeast, North Carolina and Virginia are planning for a powerful southeast network stretching from Atlanta into the Northeast Corridor.

This summer, California will start building the backbone of the nation's first 220 MPH passenger rail system.

And, it goes back to a regional vision – in this case, a high-speed rail system that will tie into the state's existing passenger rail network, and connect the state's two major urban areas.

For our part, we remain focused on managing and executing high-quality projects, and advancing market-based service improvements.

And we remain committed to seeing freight rail's role grow substantially.

With our passenger rail projects, we've established agreements with states and host freight railroads to ensure that – not just our passenger network – but our entire rail network can function at a high level of performance.

And through DOT's TIGER grant funding program, we've awarded more than a billion dollars to projects that strengthen freight rail infrastructure and intermodal terminals.

We're also now working with other DOT modes to re-tool our approach to freight development.

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 – as it implements MAP-21's call for a National Strategic Freight Plan.

And while the transportation bill lacked a rail title, the Freight Council is seen as an opportunity to insert rail firmly back into the conversation.

Long term, the efficiencies of rail – freight and passenger – simply cannot be ignored.

With service levels targeted to the market, rail can be the most cost-effective, least oil-reliant, and most environmentally friendly mode.

Two railroad tracks can carry as many passengers in an hour as 16 lanes of freeway.

And, one double-stacked train can carry the equivalent payload of 300 trucks – saving nearly 80,000 gallons of fuel over the course of a cross-country haul.

We can't ignore the fact that Americans' travel habits are evolving.

You sometimes hear the old 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 past decade, Americans have reduced the amount they drive, while using passenger rail and transit in record numbers.

And this change is happening fastest among young people, who in an eight-year period reduced their vehicle miles driven by 23 percent, while increasing their passenger miles traveled by rail and transit by a whopping 40 percent.

Not long ago, the University of New Hampshire had to hold a lottery for student parking passes.

Parking was at that much of a premium.

But along came the rising popularity of Amtrak's Downeaster service, followed by the remodeling of the Durham-UNH Station into the college community's transportation center.

And this year, for the first time, UNH actually had a surplus of parking passes.

So as we look to build the transportation system needed to answer the vast growth, mobility, and economic challenges of a new century – this is the future we must prepare for.

As I said in the beginning, world-leading economies do not develop by accident – or evolve by resting on one's laurels.

The Interstate Highway System got started with eight lonely miles in the middle of rural Kansas.

It took 10 Administrations, 28 sessions of Congress.

But year by year, piece by piece, we got it done.

This is the commitment we must make to American rail.

And a sustained-long term funding strategy – similar to those in place for highways, transit, and aviation – is needed to keep this commitment on track.

The next generation is counting on us.

And the time for action is now.

Thank you.