

Federal Railroad Deputy Administrator Karen Hedlund
Remarks for Presentation
National Environmental Policy Act and High-Speed Rail Conference
San Francisco, California
April 23, 2013

Slide 1

Thank you, Rob. Good morning, everyone.

On behalf of President Obama and Secretary LaHood, it's a pleasure to join you.

I'm here today to talk about our Fiscal Year 2014 Budget Request, our long-term vision for rail, and our comprehensive planning efforts in California, the Northeast Corridor, and throughout the country.

In our discussions with Congress, we are making it clear that our priorities reflect a clear consensus that rail is the mode of opportunity.

Our long-term vision – while bold – is simply what it will take to build the rail network our economy needs to compete, and that our citizens both want and deserve.

Slide 2

By 2050, America's transportation network will need to move 100 million additional people and four billion more tons of freight.

And it will need to do it safely, reliably, and efficiently.

But today, our highways and airports are stretched close to their limits, facing congestion that will only grow with time.

Highway congestion alone now costs our economy more than \$120 billion a year, which boils down to \$800 a year to each commuter.

Our airports – as well – are struggling to keep up with modern demand.

Around 20 percent of all flights are 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.

These challenges underscore the need to invest in more under-utilized transportation alternatives such as rail, which can be the most cost-effective, least oil-reliant, and most environmentally friendly mode to move people and freight.

Slide 3:

Now, over the past-half decade, two landmark pieces of legislation have combined with an unprecedented level of public-private investment to begin positioning rail for its growing role.

The Rail Safety Improvement Act of 2008 – which we call RSIA – has allowed us to focus on risk reduction programs and some of the most challenging safety areas.

Railroad accidents have declined in every fiscal year since. And by virtually all measures, 2012 was the safest year in industry history.

On the development side, the Passenger Rail Investment and Improvement Act – which we call PRIIA – has provided the policy framework for President Obama’s historic investments in modernizing American rail.

Today:

- 6,000 corridor miles are being improved;
- 40 stations are being upgraded;
- Hundreds of new passenger cars and locomotives are being procured;
- And states are completing more than 100 different environmental, engineering, and planning efforts.

Slide 4:

But Fiscal Year 2014 brings us to a critical juncture.

PRIIA and RSIA expire at the end of this year.

And 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 under-investment in rail.

Slide 5:

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.

Our new approach builds on the core principles of our two authorizations; better reflects our on-the-ground experience; and is better suited to the complex realities of a rail system that carries a mix of passenger and freight trains on mostly private track.

Most importantly, it will allow us to build on the remarkable progress made since 2009.

Slide 6:

That progress includes both construction and planning efforts.

As you'll see here on this slide – which outlines our proposed Rail Service Improvement Program – our budget request includes \$70 million to develop national, multi-state, state corridor, and terminal area rail plans to prioritize the Nation's passenger and freight investment needs.

This 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.

Slide 7:

Consider the 152 projects we've been able to invest in through our High-Speed and Intercity Passenger Rail program:

As a result of this Administration's historic investments in passenger rail, 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.

North Carolina has already finished three station projects, and is moving forward now with a Charlotte-Raleigh corridor improvement program that will improve speeds, safety, frequency, and reliability for passenger and freight trains.

And this summer – with more than \$3 billion in federal investments – California will begin building the backbone of the system that will tie high-speed rail into the state's existing passenger rail network.

California is home to the 9th largest economy in the world, and a high-speed rail market as strong as any around the globe.

Its population will grow by more than 7 million over the next 20 years.

And today, the state has the busiest short-haul air travel market; the most delayed airports; six of America's most congested metropolitan areas; and four of the five metropolitan areas with the worst air quality.

To build a transportation system capable of sustaining long-term growth – or the equivalent transportation capacity of high-speed rail – California would need to build more than 2,000 miles of highways and 115 airline gates.

High-speed rail is much less expensive.

And in a state where portions of the interstate highway system are already 26 lanes wide – and visible from space – widening highways and expanding airports hardly seems possible, let alone practical.

It's also important to understand that the planners, supporters, and leaders of this project do not see high-speed rail as a stand-alone transportation entity – but as part of a system that will keep California's economy growing over the long term.

Now, as the federal sponsoring agency, FRA has the primary responsibility for assuring National Environmental Policy Act compliance.

We've worked with California for a decade, first to complete a Program Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for its high-speed rail project in 2005.

We also finished another Program EIR/EIS for the Bay Area to Central Valley Corridor in 2008.

FRA is now the lead agency for 9 project environmental reviews of geographic sections of the system – including Merced to Fresno and Fresno to Bakersfield.

For these sections, FRA has directly engaged permitting agencies, Tribes, cities, and the public – and has attended numerous public meetings.

With one EIR/EIS complete and construction ready to begin, the second Fresno to Bakersfield EIR/EIS will be finalized later this year.

Across the country, we are now actively engaged with states and other sponsors on more than a dozen Corridor Investment Plans that include a Service Development Plan and Tier 1 NEPA evaluation and document.

And we are committed to accomplish NEPA requirements as efficiently as possible.

Slide 8

So let me focus now on our largest planning effort – NEC FUTURE, which was chosen by the Council on Environmental Quality for a NEPA pilot project.

First, some background:

NEC FUTURE is one of the large multi-state transportation planning efforts ever undertaken. And it's the first comprehensive planning effort to occur in America's busiest rail corridor since the Carter Administration.

Its focus is to develop a long-term vision for the Corridor. And the planning effort – all told – includes the preparation of a Rail Corridor Investment Plan, which in turn includes a Service Development Plan and Tier 1 Environmental Impact Statement.

In support of this process, we're collaborating with stakeholder groups to identify alternatives to grow the region's passenger rail services – and to conduct an environmental evaluation of the proposed alternatives that's consistent with the National Environmental Policy Act and requirements of Section 106 of the National Historic Preservation Act.

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

Slide 9

Based on the efforts and inputs we have received over the past year, our team has developed a range of alternatives and a no-action alternative.

Nearly 100 combinations were identified as Initial Alternatives. And we recently published our Preliminary Alternatives Report.

So through our scoping process and by organizing alternatives, we are now further developing a market-based assessment of the Northeast Corridor's investments needs.

We will soon be evaluating these preliminary alternatives to reach a set of Reasonable Alternatives, which will be carried into the Tier I EIS.

Now, the goal of our NEPA pilot project has been to better engage stakeholders and Federal and State resource and regulatory agencies early on in the planning process.

By reaching these agencies and the public in the early stages of the planning process, we're able to set benchmarks that maintain rigorous environmental protections.

But we also avoid many of the conflicts and delays that typically arise during such planning efforts, and therefore also save time and reduce costs.

Our NEPA pilot has revealed the following best practices.

Slide 10

The first best practice – clearly – is early outreach.

CEQ and FRA began meeting with agencies well in advance of our June 2012 filing of a Notice of Intent.

Additionally, we established formal points of contacts for each participating agency – even at the field office level, if needed – which has helped each agency respond to the FRA with one voice.

We also reached out early on to state transportation and economic development representatives.

All of this has led to much higher levels of coordination and overall engagement.

And when scoping meetings began a few months after our initial outreach efforts, agencies were already well familiar with the project and ready to provide substantive comments.

To further our goals of early engagement, CEQ, FRA, and participating agencies also developed a Statement of Principles.

We saw this as an alternative to entering into a Memorandum of Understanding, which can take a long time to arrive at then result in legal requirements that are difficult to enforce.

To craft our Statement of Principles, we reviewed and analyzed more than 50 MOUs.

Next, we created a brief document containing a statement of principles – and called it just that.

This has been well received.

And each agency signaled their agreement to it by granting permission to place their agency seal on the statement.

Slide 11

One major challenge, of course, is collecting an array of environmental, resource, transportation, and economic data.

This data covers a vast area – from multiple local and state jurisdictions, to transportation authorities, to watersheds.

And much as we're challenged by its sheer volume, agencies are challenged to quickly review it and provide substantial input.

This is why we established a Data Collection Plan.

The plan includes protocols for requesting data. And it established a data management system for cataloguing publicly-available GIS and non-GIS data.

Furthermore, to make sure this extensive data base was being fully used, our NEC FUTURE team also developed a web-based Data Viewer – a useful tool to map and examine environmental impacts.

To further expand our reach, we made all of these meetings accessible through teleconference and webinar.

This not only helped overcome challenges such as limits being placed on travel: It promoted a greater sense of transparency – and ultimately, trust.

Slide 12

Building trust among all participating agencies is really what fosters the collaboration and accountability necessary to keep large-scale planning efforts like NEC FUTURE on track.

Initial and subsequent meetings have helped agency representatives and the FRA project team become more familiar with each other, and has helped maintain an open dialogue.

Going back to the Statement of Principles, our view is that this helps remove the common consultation mindset of being legally bound to statements in formal communications.

Rather, by encouraging more informal communication, the work space is more collegial and collaborative – which allows agency representatives to more freely express their opinions.

Slide 13

Looking ahead, our plan is to complete NEC FUTURE with exhaustive public engagement over the next 24 months – after which we'll have an immediately actionable rail investment plan.

Going back to what I said earlier, this type of comprehensive long-range planning – and a sustained commitment to rail, as we've proposed in our 2014 budget – will enable us to build the rail network our economy needs and our people deserve.

I look forward to your questions.