

**ORAL TESTIMONY OF
THE HONORABLE JOSEPH C. SZABO,
ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION,
U.S. DEPARTMENT OF TRANSPORTATION**

**BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN
DEVELOPMENT, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS,
U.S. HOUSE OF REPRESENTATIVES**

April 25, 2013

Chairman Latham, Ranking Member Pastor, and Members of the Committee, thank you for this opportunity to discuss our Fiscal Year 2014 budget request.

The budget request we present to you today is this Administration's multi-year blueprint for investing in the next era of America rail – and also reflects an emerging consensus that rail is the mode of opportunity.

We are requesting \$6.6 billion for FY 2014. And this request includes \$6.4 billion for the development of a National High Performance Rail System program, the first of a five-year, \$40 billion rail authorization.

The program will be focused on two connecting priorities: modernizing our existing rail system, and building an enhanced passenger and freight network that will meet future demand.

Our budget additionally requests modest funding for expanding key safety initiatives that have helped make 2012 the safest in railroad industry history.

Furthermore, as part of the President's initiative to invest \$50 billion in transportation infrastructure this coming year, we are requesting \$5 billion for rail projects.

In the next few decades, America's transportation network will need to move 100 million additional people and 4 billion more tons of freight per year – and it will need to do it safely, reliably, and efficiently.

But today, our airports and highways are stretched close to their limits, with network congestion costing our economy more than \$120 billion a year.

And 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, most environmentally friendly mode to move people and freight.

Congress recognized this need in 2008. Back then, it passed with broad bi-partisan support two landmark pieces of legislation --- the Rail Safety Improvement Act and the Passenger Rail Investment and Improvement Act --- that have helped fuel the resurgence of American rail.

Since these acts were passed, railroad accidents have fallen to record lows – while Amtrak’s ridership and on-time performance have risen to record highs.

On the freight side, intermodal traffic surged last year near record levels.

And all told, over the past four years, historic levels of public and private investments have been made in safety improvements, passenger rail equipment, corridor upgrades, and freight capacity.

But key elements of PRIIA and RSIA are now set to expire at the end of this fiscal year. And as much as we’ve accomplished, much more needs to be done to re-balance our nation’s transportation network.

Our budget proposes 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 new approach builds on the core principles of PRIIA and RSIA.

And it better reflects both our on-the-ground experiences and the complex reality of our rail system, which mainly runs on privately-owned track carrying a mix of passenger and freight trains.

So much of the rail infrastructure we rely on today was built by past generations of Americans who acted boldly on our behalf. Now is the time for our generation – for the sake of our children and grandchildren – to recapture that visionary spirit.

But to do so, sustained and predictable federal funding for rail programs is a necessity.

For decades, Congress has funded highway, transit, and aviation programs through multi-year authorizations that provide guaranteed funding – and that enable states, local governments, and the private sector to plan for and make bold investments.

Around the world, major rail systems have been developed through similar multi-year funding programs.

So to build the rail network our economy needs and that Americans deserve, we are proposing to adopt this budgeting approach for rail, and to establish a new Rail Account of the Transportation Trust Fund.

Given the enormous pent-up demand for rail projects, this is an entirely appropriate step forward.

I remind you that for the \$10 billion this Administration invested in high-speed and higher-performing intercity passenger rail, we received applications requesting funding for more than *seven times* that amount. And just since 2009, 75 environmental and engineering studies and 30 state rail plans and corridor plans are underway, creating an even stronger pipeline for future projects.

With your support, we can safely position our rail network for its increasingly vital role. Thank you.