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Prepared Remarks
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Good morning, everybody. Let me thank the U.S. High Speed Rail Association for organizing this conference. And let me acknowledge the outstanding leadership of Secretary LaHood.

A review of history shows that every mega-project has had its visionary – its champion – that drives that vision forward against all challenges. When the history books are written on high-speed rail in America, Ray LaHood will be viewed as one of those champions.

2012 was a monumental year for American rail – one of the greatest in generations. It was the safest year in railroad history. Amtrak saw record on-time performance and achieved an all-time high in ridership. And we saw intermodal freight traffic surge 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 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. And we launched the first comprehensive Northeast Corridor planning effort since the Carter Administration.

We also successfully obligated 100% of our Recovery-Act funded High-Speed and Intercity Passenger Rail program funding prior to the September 30th deadline. Last year, 11 construction projects, five service development plans, and 4 state rail plans 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 with our High-Speed and Intercity Passenger Rail program, the next two years will be our busiest years of construction yet.

We have 43 projects in 19 states worth \$3.6 billion in funding that either complete, under construction, or set to begin. And the big news is – this summer – California's high-speed rail project will break ground.

In the Midwest, by 2015, trains will run at 110 MPH throughout most of the Chicago-St. Louis and Chicago-Detroit routes – cutting both total trip times by close to an hour. In the Pacific Northwest, 21 projects are moving forward that will increase roundtrips and

cut trip times in a growing rail market connecting Portland and Seattle. We're also seeing planning efforts for high-speed and higher-performing intercity passenger rail service move forward in North Carolina, Virginia, Georgia, and Texas.

In the Northeast, our planning effort is called NEC FUTURE – and it's one of the largest multi-state transportation 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 us forward.

But in addition to planning in the Northeast corridor, this Administration has invested in more than \$3 billion worth of NEC development projects – for station and track development, for modernizing power systems, for replacing aging infrastructure, and for buying new equipment. These investments are allowing for faster train speeds between Philadelphia and New York – and for the untangling of delay-causing bottlenecks at Harold Interlocking in Queens, and 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 also made unprecedented investments in vital NEC 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 Amtrak line to Brunswick and Freeport – restoring service there for the first time since 1959. And in Vermont, 190 miles of track upgrades have sped up freight and passenger service.

But the 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.

As we move forward, our case is clear: America cannot afford *not* to have high-speed and higher-performing intercity passenger rail – a comprehensive passenger rail system that allows service speeds and levels to be targeted to the needs of the marketplace.

Let me go back to something President Eisenhower said in his 1955 State of the Union address. He said: *A modern, efficient highway system is essential to meet the needs of our growing population, our expanding economy, and our national security.*

That was so true 60 years ago. In some respects, it remains true today.

But today, we're looking at challenges like how to move 100 million additional people and 4 billion more tons of freight over the next three decades. And for that, we need a modern, efficient transportation system – one with all modes working at full strength.

It is fundamental that no economy can ever grow faster than its transportation network can carry it – it's the bloodline of our economy. But today, our highways and airports are stretched close to their limits – and the cost of our over-reliance on them continues to increase.

According to a Texas Transportation Institute Report released last week, 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 – and it continues to grow. Close to three billion gallons of fuel – enough fuel to fill the New Orleans Superdome four times – is wasted annually.

And for the first time, the Institute also measured travel reliability. Underscoring the need to provide more transportation alternatives, the study found that increasing amounts of time must be set aside to ensure on-time arrival for high-priority freeway trips.

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.

In the face of these challenges, the efficiencies of rail 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 to move people.

Two railroad tracks can carry as many travelers in an hour as 16 lanes of freeway. And, while the cost of building rail compares favorably with roads, rail right-of-way only consumes one-third of the land required by roadways.

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.

The changes are happening fastest among young people. In an eight-year period starting in 2001, young people reduced their vehicle miles traveled by 23 percent and increased their average passenger miles traveled by rail and buses by a whopping 40 percent.

But it's not just the next generation. AARP has made it clear that more and more senior citizens are seeking communities that make it easier to walk places or use public transportation rather than drive, allowing them to remain active and independent as they age. Compared to a decade prior, in 2009, seniors made 328 million more trips by rail and transit.

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

Ultimately, it's up to us to form the partnerships – and to build the vast public and private support we'll need to gradually realize the President's goal.

I'm sure all of you heard President Obama remind us in his Inaugural Address that, "Together, we determined that a modern economy requires railroads and highways to speed travel and commerce." It was a great reminder of the timeless value of public-private partnerships in advancing transportation – and our economy and way of life.

Before the government and private sector began working together in the 1850s to expand our rail network, there was no national economy. All we had were a series of small local economies and none was any bigger than the distance a horse could walk in a day.

But the Transcontinental Railroad changed that, and ignited the greatest economy the world has ever seen.

New railroad towns sprouted up all over America. And new industries – with a connection to rail – were able to thrive anywhere in our vast nation.

And we not only built the Transcontinental Railroad in America – we made it in America. The Pacific Railroad Act of 1864 required that the rails and all other iron used in construction be American-made.

And as we modernize our rail network today, we're building on that legacy through our Buy America program, which ensures that everything from tracks, to cross ties, to train sets, to new stations, gets built in America with American-made parts and supplies.

At the same time, across America, we're again witnessing the transformative power of station development and improved connectivity. Due to the extension of service in Maine, millions of private dollars poured into downtown Brunswick for commercial and residential development around the station center. Similar stories have played out in cities like Normal, Illinois and Denver, Colorado, proof that revitalized train stations are magnets for economic development.

I'm particularly pleased that Amtrak and California High Speed Rail Authority have answered our call to work together to explore a bundled procurement for the next generation of high-speed rail equipment – equipment designed to reach 220 mph. Through the good work of the safety team at FRA and our industry stakeholders, we have achieved a performance-based safety approach that will allow proven high-speed trainsets – based upon existing international platforms – to be designed for use in the United States.

Combining orders will incentivize high-speed rail manufacturers to build factories domestically, creating new high-quality jobs and tremendous opportunities for

suppliers. And above all, Amtrak's and California High-Speed Rail Authority's announcement shows you how far we've come in just four years.

Now, there will be always be the critics. There always is. Just read the history on virtually every mega-project.

But all great projects – whether it's the Golden Gate Bridge, the Panama Canal, or the tunnels under the Hudson River into Manhattan – have at least two things in common: They all start with a vision – and they don't happen overnight.

The Interstate Highway System started with eight lonely miles in the middle of rural Kansas, with no direct connection to a major city.

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

Just like our work today for a high-performing rail network, it was a multi-generational effort. We stayed committed to it because we knew it would propel our economy forward and meet the mobility needs of the 20th century.

So today, we must commit to solving the challenges of a new century – congestion, fuel utilization, air quality and global warming.

The next generation is counting on us. Years from now, they will study our actions and choices – our success or failure. They'll look at the choices we made, taking into account all the knowledge we had.

Will they see we got it right?

With the commitment of President Obama – with the talent, the energy, and the vision of everyone here in this room – I'm convinced the answer will be yes.

Thank you very much.