

**WRITTEN STATEMENT OF  
SARAH FEINBERG  
ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION  
U.S. DEPARTMENT OF TRANSPORTATION**

**BEFORE THE  
HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
SUBCOMMITTEE ON TRANSPORTATION AND PUBLIC ASSETS  
U.S. HOUSE OF REPRESENTATIVES**

**”LAGGING BEHIND: THE STATE OF HIGH SPEED RAIL IN THE U.S.”  
July 14, 2016**

Chairman Mica, Ranking Member Duckworth, and Members of the Subcommittee:  
Thank you for inviting me to discuss the current state of high-speed and intercity passenger rail in the United States and the Federal Railroad Administration’s (FRA) High-Speed Intercity Passenger Rail (HSIPR) Program.

Nearly eight years ago, Congress rightfully recognized that for our country to have a strong and modern transportation system, we must continue to move beyond a dependence on motor vehicles and aviation – we must have more reliable, frequent, and faster passenger rail service. To achieve this goal, Congress passed two landmark pieces of legislation: the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) and the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act). PRIIA, passed by the Congress in 2008 and signed by President George W. Bush, established the foundation for FRA’s High-Speed and Intercity Passenger Rail Program. ARRA provided the seed money to begin building this stronger passenger rail system while also jump-starting the country’s economic recovery from the Great Recession. Congress appropriated \$8 billion from the Recovery Act for the high-speed rail program, and, a year later, Congress provided another \$2.5 billion in Fiscal Year (FY) 2010 Appropriations.<sup>1</sup>

Over recent years, much attention has been paid to the transportation challenges facing the United States and the need to continue to innovate to remain competitive in the global economy. Secretary of Transportation Anthony Foxx tasked us to take a comprehensive look at our current transportation system and what we require for a successful future. In 2015, Secretary Foxx issued the *Beyond Traffic* report, which detailed many of these transportation challenges, including:

- **Population Growth** – America’s population will grow by 70 million people – more than 20 percent – by 2045. The majority of this growth will be concentrated in eleven megaregions. The national transportation system must prepare to meet this increased demand. In addition to providing safe and efficient mobility and travel choices for this growing population, we must also identify solutions to accommodate resulting freight demand, which is anticipated to increase 45 percent during this timeframe.

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<sup>1</sup> In April 2011, Congress rescinded \$400 million from this total.

- **Congestion and Mobility** – Highway and aviation congestion continues to rise, with an estimated economic impact growing from \$24 billion in 1982 to \$121 billion in 2011 in lost time, productivity, and fuel. By some estimates, Americans spend 41 hours stuck in traffic each year.
- **Infrastructure Deficit** – As our population continues to grow, so does the use of our transportation infrastructure. The funding necessary to maintain and improve our transportation system has not kept pace with this usage and the burdens placed upon it, which has led to a widening infrastructure deficit as more and more transportation assets fall into a state of disrepair. The World Economic Forum ranks the United States 13th in the quality of overall infrastructure. The Northeast Corridor (NEC) – one of our most critical rail assets – has accumulated a backlog of more than \$28 billion in state-of-good-repair projects.

The country has faced many of these challenges the *Beyond Traffic* report highlighted for some time – and they are why in 2009 President Obama directed FRA to begin working to achieve a long-term, 25-year goal to connect 80 percent of the country’s population for reliable, frequent and fast passenger rail service. The program had two parts:

1. Improving existing rail lines to increase capacity, speed and frequency of current passenger rail service; and
2. Developing new corridors to serve new markets with world-class rail service – the likes of which already exist in many other countries.

The HSIPR Program was built as a national program in scope, but state-based in execution, similar to how the federal government built the Interstate System more than a half-century ago. States were given the ability to seek funding for projects that best reflected the needs and characteristics of their individual markets.

When Congress passed and the President signed the Recovery Act, it included a mix of programs that provided an immediate “shot in the arm” to taxpayers and the economy. It also included longer term investments that would continue to create jobs through a multi-year recovery and would support the economy over the longer-term through transformative investments. These included the investments in HSIPR. The Recovery Act and FY 2010 initial funds were critical in beginning to address the historical underinvestment in passenger rail.

Thirty-nine states, the District of Columbia, and Amtrak submitted nearly 500 applications, requesting more than \$75 billion worth of projects – far exceeding the \$10.1 billion available. These applications proposed a wide variety of service improvements, including increases in speeds, reliability, and frequency of service. However, it is important to note that operating speeds are only one element of a high-performing rail service. While 150 mph or 200 mph plus service makes sense in the context of segments of the Northeast Corridor (NEC) or the new high-speed service under construction in California, the infrastructure and resources required to construct and operate such services in other markets may not be economically feasible. In many

markets, improving reliability, adding service frequencies, and addressing congestion issues will reduce trip times and deliver high-performing rail services operating at speeds of up to 110 mph.

In addition to the critical infrastructure projects funded, the FY 2010 Congressional appropriation directed applicants to apply for planning and environmental studies to establish a pipeline of future projects for when the next round of funding became available.

Nearly eight years following the Recovery Act, the demand for increased passenger rail service continues: Amtrak's ridership has increased 27 percent over recent years. In the Midwest, ridership between 2006 and 2015 is up nearly 50 percent. In the Southeast, the expansion of services in Virginia has helped to nearly double ridership in the region over the same timeframe. In the Pacific Northwest, 120,000 more people are choosing to travel by intercity passenger rail. And in the Northeast Corridor, where more than 750,000 people utilize Amtrak and commuter rail services each day, Amtrak set a new ridership record in FY15 with 11.7 million passengers.<sup>2</sup>

### **HSIPR Implementation**

Since PRIIA established the HSIPR Program in 2008, the program has supported nearly 150 projects in 35 states and the District of Columbia. Nearly 85 percent of these investments are concentrated in six key corridors:

- San Francisco-Fresno-Los Angeles;
- Boston-New York City-Washington, D.C.;
- Seattle-Portland-Eugene;
- Charlotte-Richmond-Washington, D.C.;
- Chicago-Springfield-St. Louis; and
- Chicago-Kalamazoo-Detroit.

Through the HSIPR Program, thousands of corridor miles of track are being constructed or improved, new passenger rail cars and locomotives are being procured, and more than 30 stations are being upgraded. These projects are improving the rider experience by increasing reliability, adding new capacity, reducing travel times, and making stations and equipment more efficient and accessible. Many HSIPR projects have also benefited freight rail services by increasing capacity, reducing congestion, and improving fluidity on the freight rail network.

As we have seen time and time again in our country's history, rail has been the mode of opportunity that drives investment and job creation. The influx of public funding provided by Congress and HSIPR to state grantees also reinvigorated and attracted private sector interest in developing intercity passenger rail in the United States. The investment to improve Minnesota's St. Paul Depot has led to additional investment and the rebirth of the Lowertown area, where industrial buildings are being modernized and repurposed. In Central Illinois, the Town of Normal's new Uptown Station has spurred millions in new development of hotels, restaurants, apartments, and retail.<sup>3</sup> The same has happened in Brunswick, Maine.

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<sup>2</sup> Amtrak, [Monthly Performance Report](#), September 2015.

<sup>3</sup> <http://highspeedrailworks.org/2014/10/new-study-shows-high-speed-rail-spurs-job-growth-in-normal-illinois/>.

In addition to the examples listed above, projects are underway on both coasts to dramatically improve rail transportation in their respective regions.

In California, nearly \$3.9 billion in HSIPR funds have been awarded for the California High-Speed Rail system. This generational project will transform travel patterns and mobility options in the State of California. The California High-Speed Rail Authority is sequencing the construction of the system to commence initial operations between the Silicon Valley in San Jose and the Central Valley north of Bakersfield by 2025. Operations on the full Phase 1 system from San Francisco and Merced to Los Angeles and Anaheim are targeted for 2029. When service begins, a mix of express, local, and limited-stop trains is designed to provide several trains per hour between all possible station pairs with frequent, non-stop service provided between major markets.

Along the NEC, nearly \$1 billion has been awarded for improvements on the NEC mainline between Washington, DC – New York City – Boston. This includes \$450 million to increase capacity, reliability, and speed along one of the NEC's most heavily used segments from New Brunswick – Trenton, NJ.

### **Safety Benefits**

In addition to the rail development and economic outcomes resulting from the HSIPR Program, improving rail safety was and continues to be a key criterion and the primary mission of the FRA.

HSIPR funding has been critical to improving safety on rail corridors across the country. HSIPR funding has allowed for safety critical track and bridge improvements, upgrades to highway-rail grade crossing protection measures, additional grade separations, and signal system upgrades. It has also meant \$460 million in signal upgrades related to the implementation of Positive Train Control (PTC) technology.

A few additional examples of safety-related outcomes from the HSIPR-funded projects include:

- **Track and Bridge Improvements**
  - **Vermont** – Significant track, signal, and bridge improvements on the *Vermont*. The project installed approximately 150 miles of new rail across the state, replaced 130,000 older rail ties, upgraded or replaced 38 switches and 46 rail crossings. In addition to improving safety along the corridor, the track and signal upgrades reduced travel time by approximately 30 minutes.
  - **Illinois** – Replacement of two bridges in northern Illinois to improve safety and reliability on the Chicago – Milwaukee corridor. The new bridges, which carry 16 daily passenger trains, allow passenger trains to maintain their current speeds without slowing due to safety concerns.

- **Grade Crossing Improvements**
  - **North Carolina** – Engineering, environmental review, and construction of a highway-rail grade separation for Sugar Creek Road in North Charlotte – the most heavily trafficked grade crossing in the state of North Carolina.
  - **Pennsylvania** – Design and construction to eliminate three public grade crossings on the Keystone Corridor between Philadelphia – Harrisburg.
  
- **PTC Installation**
  - **California** – Funding to implement PTC between Moorpark and San Diego on the *Pacific Surfliner* corridor, the busiest corridor outside the NEC (2.8 million passengers in FY 2015).
  - **Michigan** – Funding to implement PTC on the Chicago-Detroit-Pontiac corridor, part of a larger award for the Dearborn-Kalamazoo corridor program that will also increase speeds and reduce trip times.

### **Program Challenges**

Like all major and ambitious transportation projects, whether public or private and no matter the mode, there have been, and remain, important challenges that demand continued attention and conscientious oversight. Stepping back, the funding that ARRA provided the HSIPR program itself was unprecedented. Such funding had not been available in the past, and as a result, the pipeline of ready projects was limited. Even more advanced projects already in process required extensive planning and development. Additionally, there are challenges associated with setting up a new program, identifying initial funding beyond the Recovery Act dollars, and in gaining stakeholder acceptance for projects that will result in significant changes to the landscape. These factors have also been compounded by the September 30, 2017 spending deadline for each HSIPR grant recipient. This deadline requires that any federal dollars not expended by the designated date be returned to the United States Treasury.

On a larger national scale, decades of limited investment in passenger rail required that the FRA and its state partners build capacity and recruit skilled engineers, rail planners, and project managers to help administer the expanded portfolios. In addition to that, Amtrak and freight railroads reshuffled and re-prioritized resources to carry out their roles in implementing the HSIPR Program, all while continuing to focus on their core operating businesses.

Despite these challenges, the HSIPR program has still maintained progress in adhering to the criteria and administrative deadlines associated with the program.

### **Oversight**

During the existence of HSIPR, both the Government Accountability Office (GAO) and the Department of Transportation Office of Inspector General (OIG) have exhaustively audited FRA's implementation of the Recovery Act and appropriations for passenger rail grants. In no case, did the auditors identify waste, fraud, or abuse in any of the grants.

With a frequency at which few other federal grant programs have been reviewed, the two agencies issued 14 audit reports and made 30 recommendations for program improvements. FRA has fully addressed 26 of the recommendations, meaning GAO and OIG consider them

closed. GAO issued three of the remaining recommendations just six weeks ago, and we are well on our way to completing actions to address them.

Beyond these numbers, we should note that the recommendations focused on FRA administration of the program, not the underlying program goals or strategic direction. Some recommendations required such simple actions as adding one sentence to FRA's grant management manual or improving planning tools.

To help mitigate program implementation challenges and ensure proper stewardship of taxpayer dollars, FRA established a dynamic and robust oversight program for HSIPR.

FRA's program management model comprises three major components: grant compliance reviews, project implementation oversight, and technical assistance delivery.

- **Grant Compliance** – FRA grant agreements clearly outline each award recipient's grant administration responsibilities, in compliance with federal grant oversight regulations and FRA policies. FRA requires grantees to submit detailed and accurate quarterly financial and project progress reports. FRA closely reviews reports for accuracy and has developed a compliance assessment tool to evaluate grantee adherence to administrative requirements on a monthly basis. Further, grant compliance is a component of FRA's monitoring program discussed below.
- **Project Implementation Oversight** – Before awarding funds, FRA requires each grant recipient to submit a detailed, thorough, and feasible statement of work (SOW), including a clear scope, schedule, budget, and deliverables that grantees must submit throughout the grant period of performance. FRA uses these grantee-generated deliverables and other resources to assess grantees' adherence to the SOW and general project quality.

FRA also manages an intensive grant and project monitoring program that includes a combination of detailed reviews of grantee and project documentation, as well as grantee and project site visits. Utilizing these tools to evaluate grantee performance and identify project delivery issues, the FRA grant oversight team may require grantees to submit and implement corrective action plans, if necessary.

- **Technical Assistance** – FRA's monitoring and oversight team is in constant communication with grantees and are often able to assist grantees in identifying project risks or addressing realized challenges in technical areas such as engineering or environmental compliance. FRA has provided an appropriate level of support to grantees throughout the HSIPR Program to safeguard federal investments and maximize public benefits.

### **The Future**

While HSIPR stakeholders are hard at work and focused on delivering the current portfolio of projects, **more than half of the 150 projects funded are complete**. Half of the projects in the program are funded with ARRA and to date 37 of the 75 are complete with an additional 19 projects scheduled for completion by the end of 2016.

The HSIPR Program and independent regional, state, and private efforts have created a strong pipeline of passenger rail planning, environmental, and engineering projects that are now ready for construction. In every region of the country, there are projects awaiting funding to improve, expand, or introduce new corridor services. As with any major infrastructure project, failure to act in a timely manner on these projects will lead to increased costs and future delays.

Despite continued demand from communities and leaders across the country and the Administration's repeated budget requests for additional funding – a total of \$35 billion requested for rail investment grants since the last HSIPR appropriation in FY 2010, as well as the establishment of a dedicated funding source – Congress has provided no new substantial amounts of passenger rail development funding.

America has been falling behind. While the country has invested \$10 billion in high performance rail through the Recovery Act and FY2010 funds, in 2015 alone, China invested \$126 billion—more than 10 times what the United States has invested during the last eight years—on high-speed rail projects<sup>4</sup>.

Congress has now provided the framework for the next wave of passenger rail investments with the passage of the FAST Act last year. I want to thank the members of this Subcommittee who voted to include, for the first time, intercity passenger rail programs in a comprehensive, multimodal surface transportation authorization bill.

The FAST Act is a critical first step in eventually providing the predictable, dedicated funding that rail stakeholders seek to allow them to more effectively plan and implement large-scale infrastructure investments. A consistent Federal funding program, leveraged by State and local support, can also better attract private markets to invest in the transformative transportation projects needed to move America forward.

### **Conclusion**

Our country's 21st century mobile economy cannot thrive on a 20th century transportation system. We need a strong transportation system, and the investments Congress made eight years ago to begin upgrading our passenger rail system to be more reliable, frequent, and faster is only the beginning and must continue.

Thank you, Mr. Chairman for the opportunity to testify, and I am happy to answer any questions.

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<sup>4</sup> [http://www.chinadaily.com.cn/china/2016-01/04/content\\_22926538.htm](http://www.chinadaily.com.cn/china/2016-01/04/content_22926538.htm).

# Sarah E. Feinberg, Administrator



On Oct. 28, 2015, the U.S. Senate unanimously confirmed Sarah Elizabeth Feinberg to be the Administrator of the Federal Railroad Administration. She was nominated for the permanent post by President Obama on May 29, 2015.

Feinberg is the second woman to lead the agency since its' founding in 1966 and leads a staff of nearly 900 professionals in Washington, D.C. and eight regional offices across the country.

The mission of the FRA is to enable the safe, reliable and efficient movement of people and goods for a strong America, now and in the future. The FRA is one of ten operating modal agencies that make up the U.S. Department of Transportation (USDOT). The FRA workforce develops and enforces rail safety regulations; manages a \$20 billion rail investment portfolio; and oversees research and technology development programs. The FRA is also responsible for administering federal grants to Amtrak and has oversight for the railroad's expenditures.

As DOT Chief of Staff, Feinberg provided strategic advice and counsel to the Secretary of Transportation regarding operational and legislative initiatives across all modes of transportation. One of her key priorities as the Chief of Staff was to lead the effort on the Department and Secretary's \$302 billion surface transportation reauthorization plan.

Prior to joining USDOT, Feinberg served as the Director of Corporate and Strategic communications at Facebook where she managed the company's Washington-based outreach and communications as well as the company's political and crisis communications. She was also previously Bloomberg LP's Director of Communications and Business Strategy.

From 2009-2010 she served in the Obama Administration as Special Assistant to the President and Senior Advisor to White House Chief of Staff Rahm Emanuel. As the Chief of Staff's liaison to the Obama economic team, the national security team, and the press and communications departments, she most notably worked on the White House's strategic communications response to the country's fiscal and economic crisis, the H1N1 flu pandemic and the mine disaster in West Virginia.

Prior to serving in the White House, Feinberg spent several years on Capitol Hill, serving as communications director for the House Democratic Caucus, and the national press secretary to former Senate Minority Leader Tom Daschle.

Feinberg is a graduate of Washington and Lee University with a degree in politics.