

**Federal Railroad Administrator Joseph C. Szabo
Intercity Passenger Rail Forum
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Slide 1

Good afternoon, and welcome to DOT.

As Administrator of the Federal Railroad Administration, I oversee the agency tasked with investing in our nation's rail network while also ensuring continuous safety improvement.

World-leading economies do not develop by accident, nor do they evolve by resting on one's laurels.

It's not good enough to build the best roads, or the best airports, or even the best railroads.

A world-leading economy requires a true transportation system – one where each mode works in unison with the others to ensure the efficient movement of people and goods.

That is why the American Road & Transportation Builders Association, the U.S. Chamber of Commerce, the U.S. Conference of Mayors, and the American Society of Civil Engineers all agree:

Transportation options are critical to the future of America's mobility.

Slide 2: 21st Century Challenges

While the Interstate Highway System served us well in the 20th Century, we need to ensure a transportation system that will address the needs of the 21st Century.

Among these challenges are:

- Population growth
- Our dependence on foreign oil
- Congestion on our highways and runways
- The growing threat of Climate Change
- And the high cost American families pay for transportation when compared to the rest of the world.

Slide 3: Highway and Airport Congestion

According to the Texas Transportation Institute, highway congestion alone now costs our economy over \$120 billion a year.

That boils down to \$800 annually for each and every commuter.

And the cost of congestion will continue to increase in the coming years. Over the next three decades, we will need to move 100 million additional people and 4 billion more tons of freight each year.

Our airports are struggling to keep up with modern demand – around 20 percent of all flights are delayed.

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

And in many parts of the country, expanding highways and airports are no longer feasible.

In the face of these challenges, rail's efficiencies simply cannot be ignored.

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

And 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.

Slide 4: Rail Gaining Market Share

A recent Brookings Institution report on American passenger rail validated what rail supporters already know well: *American passenger rail is in the midst of a renaissance.*

The report noted that Amtrak ridership grew by 55 percent since 1997, faster than any other major travel mode, and at a rate that also outpaces both our growth in population and GDP.

The Brookings' report shows that Amtrak's corridors that serve regional travel markets under 400 miles collectively generated a positive operating balance in 2011.

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

Today, those numbers are reversed.

By moving more travelers by rail in these regional markets, where door-to-door travel times are comparable to flying, valuable air capacity can be made available for more long distance flights.

Jet Blue CEO, Dave Barger, sees passenger rail as “a complement [to the airlines],” and has stated, “I don’t think we need hundreds of departures every day from the Bay Area to Los Angeles.”

Slide 5: Market-Driven Approach

Our initial investments have targeted America’s most densely populated regions – those ripe for passenger rail growth – with service that is tailored to the needs of each market.

This includes three tiers of service.

For the most densely populated markets, it means high-speed express service, at speeds of 150 to 220 MPH.

In mid-level markets, it means regional express service, speeds of 90 to 125 MPH.

And for smaller communities, it means emerging and feeder services, at speeds of 79 to 90 MPH.

All connect together, creating a comprehensive network.

Slide 6: Accomplishments

Since 2009, we have partnered with 32 states, investing in 152 projects.

Together, investments are building or improving, 6,000 corridor miles, 40 stations.

The states and Amtrak are buying 260 new passenger cars, 105 new locomotives, and 3 new train sets.

And we are also planning for the future, with states now completing more than 100 different engineering and planning efforts.

The program is now entering its busiest construction years yet, with 44 construction projects in 14 states worth \$3.5 billion in funding are either complete, under construction, or set to begin.

You can begin to see some of these results as you look at each region.

Slide 7: Regional Map

Midwest

In the Midwest, 110 MPH service – the fastest trains outside the Northeast Corridor – was introduced on the Chicago-St. Louis and Chicago-Detroit routes.

In a couple of years, the majority of both lines will run at these sustained speeds with improved reliability, cutting trip times by close to an hour.

And the service will include a new fleet of next-generation, high-performance trains – certified to go 125 MPH – that will be manufactured in America.

Pacific Northwest

In the Pacific Northwest, 21 projects are moving forward that will increase roundtrips and cut trip times in the growing rail market connecting Portland and Seattle.

The region's ultimate goal is for hourly service between Portland and Seattle, with additional service north to Vancouver, BC and south to Eugene, home to the University of Oregon.

Southeast

North Carolina has already finished three station projects – on time and on budget – and is now moving forward now with a series of construction projects between Charlotte and Raleigh that will improve speeds, safety, frequency, and reliability for passenger and freight trains.

The North Carolina project is laying the foundation for a southeast corridor that would stretch from Washington, DC to Atlanta.

Service along the entire corridor would connect a multistate region of 47 million people, 4 state capitals, 750,000 college and university students, and more than 50 Fortune 1000 companies.

Northeast

In order to bring world-class service to one of the world's most densely populated rail markets – the Northeast Corridor – we launched the NEC FUTURE planning effort.

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 in near term improvement projects – for station and track development, for modernizing power systems, for buying new equipment, and for replacing aging infrastructure.

We have also invested in improving and expanding service on the regional corridors that feed into the Northeast Corridor in Pennsylvania, New York and New England.

California

This summer California will begin building the backbone of the system that will tie high-speed rail into the state's existing passenger rail network.

At half the cost of highway and airport expansion, rail will tie together the world's eighth largest economy, improving mobility for the state's citizens and businesses.

As President Obama said in the State of the Union, "Ask any CEO where they'd rather locate and hire: a country with deteriorating roads and bridges, or one with high-speed rail ..."

Communities across the nation are leveraging their stations and access to travel options to attract new investment, in retail, housing and office complexes.

Slide 8: San Francisco

The San Francisco Transbay Terminal will be the northern terminus of California's high-speed rail system.

Last fall, a 50,000 square foot parcel of land adjacent to the station sold for \$190 million. On a per square foot basis, that's the highest price paid for a large development property in the city's history.

The parcel will be home to the Transit Tower, which will contain 1.4 million square feet of office space and 10,600 square feet of retail.

At over 1000 feet, the Tower is slated to be the tallest building on the West Coast, transforming the skyline of downtown San Francisco.

Slide 9: Normal, IL

A new hotel and conference center was part of more than \$200 million invested in the downtown Normal, Illinois, all spurred by the new DOT-funded Uptown Station and the prospect of a connection to 110 MPH service.

Slide 10: Brunswick, ME

In Brunswick, Maine, a project restored passenger rail service to the city last year for the first time since 1959.

But as soon as the project was announced, millions of private dollars for commercial and residential development started pouring into its downtown.

And by 2030, the Downeaster service is expected to generate \$7.2 billion in new construction development throughout the region.

Slide 11: Denver

In Denver, spurred by the revitalization of Denver Union Station, more than two million square feet of mixed-use development is being built in the adjacent neighborhood.

Slide 12: Sacramento

At the Western Terminus of the first transcontinental railroad, the Sacramento Valley Station is a centerpiece of the city's multibillion dollar Railyards development project. When complete, the project will double the footprint of the city's downtown.

Slide 13: Washington, DC

You don't need to go too far to see what this investment looks like up close.

The neighborhood north of Washington Union Station has been transformed with billions in new private investment since Amtrak Acela and Metro subway service was added to Union Station.

New retail and residential development, as well as major employers like Sirius XM, Kaiser Permanente and CNN have located operations in the neighborhood as transit, commuter and intercity rail has expanded mobility.

Slide 14: Young Americans' Transportation Habits

According to a recent study by the U.S. PIRG and Frontier Group, over the last eight years Americans are 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

passenger miles traveled by rail and transit by a whopping 40 percent.

AARP has indicated that more and more seniors are seeking communities that embrace walkability, public transit, and intercity passenger rail, allowing them to remain active as they age.

Compared to a decade prior, in 2009, seniors made 328 million more trips by rail and transit.

America's success in the 21st Century economy will remain directly tied to our mobility.

So we'll need to provide a balanced transportation network with options, including a robust intercity passenger rail network.

Slide 15: (Kansas Highway Picture)

This will require all of us to commit to a multi-generational effort.

It will take visionary leaders who think past today's Congressional gridlock.

It would be difficult to imagine America today without the transcontinental railroad or Interstate Highway System – but neither happened overnight.

The Interstate Highway System started with eight lonely miles in the middle of rural Kansas, without a direct connection to a major city.

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

So now we must face the challenge of planning for and providing the next generation of transportation.

I thank you again for being here, and I look forward to working with you to turn this vision into a reality.