

Chair, Secretary Frank J. Busalacchi, Wisconsin DOT
Vice Chair, Rail Manager Ken Uznanski, Washington DOT
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May 21, 2008

The Honorable James Oberstar
Chair, House Committee on Transportation and Infrastructure
2365 Rayburn House Office Building
Washington D.C. 20515

The Honorable John Mica
Ranking Member, House Committee on Transportation and Infrastructure
2313 Rayburn House Office Building
Washington D.C. 20515

The Honorable Corrine Brown
Chair, House Transportation and Infrastructure Committee,
Subcommittee on Railroads, Hazardous Materials and Pipelines
2336 Rayburn House Office Building
Washington D.C. 20515

The Honorable Bill Shuster
Ranking Member, House Transportation and Infrastructure Committee,
Subcommittee on Railroads, Hazardous Materials and Pipelines
Room 204 Cannon House Office Building
Washington D.C. 20515

Dear Representatives:

Thank you for your leadership on intercity passenger rail and your tireless attention to moving this critical issue forward on our national agenda. For the past four years, I have chaired the States for Passenger Rail Coalition (the Coalition), and I understand the uphill climb we have in creating a revitalized, up-to-date passenger rail system for the citizens of our United States.

It was a pleasure for me to testify on the passenger rail legislation before the Subcommittee on Railroads, Pipelines and Hazardous Materials last week. I sincerely appreciated the opportunity to share my views with Members of the Subcommittee.

In my testimony on HR-6003, the Passenger Rail Investment and Improvement Act of 2008, I highlighted the Coalition's core belief – that to create the intercity passenger rail network, the federal government must provide funding to states in amounts similar to those provided for highway and aviation projects for decades. The states need an 80/20 federal-state funding program to advance their intercity passenger rail projects. The Coalition recognizes this may be difficult for Congress to achieve, but for reasons spelled out in my testimony

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and summarized again in this letter, we believe it is vitally important that such a program be created in the 110th Congress.

As Chairman Oberstar recognized at the January 17th Transportation and Infrastructure hearing on the National Commission's work, we have reached a crossroads in defining the nation's transportation policy. For the next 50 years, we will need to address policy and funding issues affecting the mobility of people and freight in this country in new ways. There is strong consensus that we need mobility options. There is strong consensus that passenger rail addresses the national goal of providing mobility options and that it also addresses national goals related to energy, economic development, emergency preparedness and our environment.

In my testimony, I highlighted the recent increase in passenger rail ridership. This is happening everywhere. Demand is growing and we are unable to respond adequately because we lack the revenue capacity to purchase new equipment and put down new tracks. It is up to Congress to decide when the states will be given the federal support they need to respond to the rapidly emerging demand for an alternative transportation mode.

The central goal of HR-6003 is the long overdue reauthorization of Amtrak. HR-6003 provides critical policy and funding support to the nation's key passenger rail provider, and the Coalition applauds your efforts and those of the Senate to do so. Members of the Coalition are also pleased with the inclusion of a capital assistance program to help the states address their passenger rail needs. This is a critical step forward and one that gives us great optimism.

HR-6003 was introduced and moved to subcommittee and full committee mark-up very quickly. The Coalition fully supports Amtrak's reauthorization and understands the importance of moving quickly to make that happen. We applaud your efforts and encourage you to continue moving quickly on passenger rail legislation in this Congress. In addition, we respectfully request that you reconsider some of the provisions of the capital program that are of concern to the Coalition.

The approach taken in HR-6003 is to employ the Federal Transit Administration's (FTA's) New Starts program as a model for funding state intercity passenger rail projects. Unfortunately, the Coalition's experience with FTA's New Starts program has not always been satisfactory. The Coalition believes that US DOT has given more weight to certain project criteria than others; and some who have worked within the New Starts process have found it to be inefficient, expensive and overly bureaucratic. For example, based on FTA estimates, it currently takes approximately 7.5 years to get from project development to final design.

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In defining project selection criteria in the capital program, Section 301 of HR-6003 includes the following:

“The Secretary shall give priority in allocating future obligations and contingent commitments to incur obligations to grant requests seeking a lower Federal share of the project net capital cost.”

This provision violates our core belief that the federal government should fund 80 percent of intercity passenger rail capital costs to assure that all states can consider the expansion of intercity passenger rail. If states are unable to compete by providing additional state funds for proposed projects, their projects would be downgraded despite their potential merits and their success in meeting other selection criteria. We do not believe that the ability or inability to provide additional state match should be a priority factor in project selection.

Under the existing New Starts program, the average federal share for projects appears to be between 50 and 60 percent. If this were the case under the Section 301 program, I venture to say that Wisconsin may be unable to take advantage of the program even though we are one of the few states that have completed environmental review on our proposed Milwaukee to Madison segment. Only a handful of states could likely accommodate the lower federal share. Our strong concern is that the program, as currently envisioned, would not allow participation by all states.

In addition, the Coalition does not support the use of a New Starts-like process for expanding our intercity passenger rail network. FTA’s New Starts process, as currently administered, is expensive, cumbersome and overly complex, both for program administration and for states that apply to the program for assistance. We respectfully request that the Federal Railroad Administration, in consultation with the states, be made responsible for establishing the process of awarding these grants, apart from the existing New Starts process.

A strong intercity passenger rail network will provide a real mobility option to our citizens and help our nation address the worldwide challenge of climate change. Many states will consider the rail option when it is as appealing as a highway or aviation solution. The Coalition believes that eligible projects should be funded at 80 percent. We face, with passenger rail, what the nation faced with the Interstate Highway System in 1956. Without a similar federal commitment, most states will be unable to implement intercity passenger rail options.

The Coalition supports HR-6003. We believe Amtrak needs to be reauthorized by this Congress. In this letter, we have tried to bring to your attention the bill’s provisions that do not provide the needed federal funding partner for states to

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expand their passenger rail corridors. We are concerned that the bill, as introduced, will not deliver the new intercity passenger rail service that we hoped would materialize after the bill's enactment.

Thank you for considering the views of the Coalition states. We stand ready to work proactively with committee members and staff, as needed, to work through these issues. We raise them today with sincere recognition for and appreciation of the hard work that committee members and staff have already done in support of intercity passenger rail.

Sincerely,

Frank J. Busalacchi
Chair, States for Passenger Rail Coalition
Secretary, Wisconsin Department of Transportation

cc: Members of the Subcommittee on Railroads,
Pipelines and Hazardous Materials

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