Chair, ***Paula Hammond***, Washington DOT
Vice Chair, ***Bill Bronte***, California DOT
Secretary, ***Caitlin Hughes Rayman***, Maryland DOT
Treasurer, ***Donna L. Brown***, Wisconsin DOT

SPRC
States for Passenger Rail Coalition

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May 17, 2011

The Honorable John D. Rockefeller
Chair
Commerce, Science and Transportation Committee
254 Russell Senate Office Building
Washington, DC 20510

The Honorable Kay Bailey Hutchison
Ranking Member
Commerce, Science and Transportation Committee
560 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Rockefeller and Ranking Member Hutchison:

On behalf of the States for Passenger Rail Coalition I would like to commend the Committee for its efforts to enact multi-year surface transportation policy legislation. I am especially heartened by your expressed desire to have a robust rail title in the legislation. In that regard I would like to offer the following specific suggestions:

1. Enhance the Railroad Rehabilitation and Improvement Financing (RRIF) Program. The program should be strengthened to provide an important source of capital for investment in intercity passenger rail projects. Geoffrey S. Yarema's testimony to the Committee on March 14, 2011, provides a comprehensive array of proposed improvements.

   He stated: "The RRIF application process must be streamlined and made more interactive, driven by FRA commitment to support applicants and a recognition that elements of passenger rail projects differ from traditional RRIF loan freight rail projects."

   The RRIF program should be amended to offer no-interest loans, eliminate loan rankings based on purpose, be aligned more closely with the fiscal soundness loan award policies of private lenders, and require only NEPA categorical exclusion documentation for all RRIF loans.

2. Make intercity passenger rail eligible for "toll credits" as provided for highways and transit.

Toll Credits were created in the Transportation Equity Act for the 21st Century (TEA-21) and are to be used as a credit toward the non-Federal matching share of programs authorized by Title 23 (except for the emergency relief program) and for transit programs authorized by Chapter 53 of Title 49.

The amount of credit earned is based on revenues generated by the toll authority (i.e., toll receipts, concession sales, right-of-way leases or interest), including borrowed funds (i.e., bonds, loans) supported by this revenue stream, that are used by the toll authority to build, improve or maintain highways, bridges or tunnels that serve interstate commerce.

The federal government has allowed state and local governments to use toll credits to be part of the 20 percent local matching funds in regard to transit grants.

This results from the recognition that different modes of transportation are interconnected. Capital expenditures to reduce congestion in a particular corridor benefit all modes in that corridor, be they automobiles, airlines, transit buses, or a rail system.

Further:

1. In order to facilitate the effective and timely implementation of NEPA, the modal administrations within USDOT should honor NEPA documents previously completed under the other USDOT administrations with a minimum of additional documentation,.

   FRA should adopt the model for Categorical Exclusions in 23 CFR 771.117(d) as developed by the Federal Highway Administration.

2. Preserve key rail/highway crossing programs - 130 and the Swift Act 1103 (c) (2). Continue to invest in Positive Train Control (PTC) programs.

3. We support the amendment of section 301 of PRIIA to allow the use of funds to support operating expenses for up to one year. State supported intercity rail services are long-term investments; use of PRIIA section 301 funds for a portion of initial operating expenses would allow new services, extensions of existing services, and/or increases in frequency to be properly launched.

4. Preserve CMAQ eligibility for both capital and operating expenditures and make that eligibility permanent.

Again, thank you for the several opportunities to provide input into your policy making process. We look forward to continuing to work with you on this vital effort.

Sincerely,

Paula J. Hammond, P.E.
Chair, States for Passenger Rail Coalition