

March 29, 2012

The Honorable Patty Murray
Chair
Senate Appropriations Subcommittee on
Transportation, HUD, and Related Agencies
448 Russell SOB
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Senate Appropriations Subcommittee on
Transportation, HUD, and Related Agencies
413 Dirksen SOB
Washington, DC 20510

Dear Chairwoman Murray and Ranking Member Collins:

On behalf of the States for Passenger Rail Coalition (SPRC), an organization representing 34 member states across the nation, thank you for the opportunity to provide input into the FY 2013 Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriation process. As state officials, we appreciate the extraordinary budgetary constraints you face. We continue to believe strongly that investment in intercity passenger rail to increase frequencies, allow better equipment utilization, reduce travel times, and ultimately grow both ridership and revenue will lead to valuable economic growth and environmental benefits for the nation. The improvements that are made are generally on privately owned freight railroads and will not decrease their ability to meet their customer's transportation needs. To that end, we respectfully submit the following policy proposals.

First, we request \$1.050 billion, the total amount authorized in the Passenger Rail Investment and Improvement Act (PRIIA) (P.L. 110-432, Division B) for Section 301 (Intercity Passenger Rail Service Corridor Capital Assistance), Section 302 (Congestion Grants) and Section 501 (High Speed Rail Projects). This level of investment will send a strong message to the rail supply industry to continue their investment in manufacturing capacity. This will also coincide with completion of planning and environmental documents around the country and continue progress towards the development of a rail national system, which will induce immediate job creation.

Second, we are pleased to report that Amtrak and the states are making progress to implement the PRIIA Section 209 Amtrak operations pricing policy. The Surface Transportation Board recently issued a decision stating that the pricing methodology used to develop the policy complies with PRIIA. As you know, this section relates to the development of a fair, transparent and equitable allocation of Amtrak operating costs for state-supported trains slated for implementation in FY 2014. No funds are requested for this effort.

Third, PRIIA Section 305, the Next Generation Corridor Equipment Pool Committee (NGEC), continues to make substantial progress towards deployment of a fleet of next generation intercity passenger rail equipment. In the span of two years, the NGEC has developed PRIIA specifications for bi-level passenger rail cars; diesel –electric locomotives; single-level stand-alone passenger rail cars; and single-level trainsets. By June 2012, the NGEC expects to adopt a PRIIA diesel multiple unit (DMU) specification, and will then proceed with the development of a PRIIA dual-mode locomotive specification. With four specifications completed and two more on the way, the NGEC has turned its

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New Hampshire
New York
Nevada
North Carolina
Oklahoma
Oregon
Pennsylvania
Rhode Island
South Carolina
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Texas
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Virginia
Washington
Wisconsin

California
Capital Corridor

Northern
New England
Passenger
Rail Authority

Southern High
Speed Rail
Commission

focus to procurement, and sustainable job creation through the reinvigoration of a U.S.-based rail manufacturing and supply industry. In early April 2012, California and the mid-western states will release an RFP for a joint procurement of bi-level rail cars using the PRIIA Section 305 Specification. Following this RFP will be another joint procurement among the states of California, Washington and the mid-west for locomotives using the PRIIA Section 305 Specification. As a result of these accomplishments, the NGEN Executive Board recently launched a Structure and Finance Task Force that will identify institutional and financial options for a longer, sustainable effort. As a result of careful stewardship of initial funds, new additional financial resources are not requested at this time.

Fourth, the Northeast Corridor Infrastructure and Operations Advisory Commission, established in Section 212 of PRIIA, has initiated a series of critical projects to shape the future of one of the most complex transportation corridors in the world. Continued growth in the Northeast Corridor region is driving demand from a multiplicity of rail users (intercity, commuter and freight), while aged infrastructure, constant asset utilization and increasingly common extreme weather events heighten the difficulty of meeting the needs of this significant percentage of the US population and economic hub. We request an additional \$5 million to continue the work of the Commission in carrying out the PRIIA Section 212 requirements.

Finally, we support Amtrak's request for \$2.167 billion in FY 2013, which will support their efforts to build the equipment, infrastructure and organization needed to ensure continued strong growth. These funds will allow Amtrak to make critical investments in its aging rail car fleet and bring all Amtrak stations into compliance with the Americans with Disability Act. The request will provide \$1.435 billion for capital and infrastructure improvements projects that will support faster, more frequent and more reliable service in the heavily-traveled Northeast Corridor, the Midwest and elsewhere by addressing the major backlog of deferred maintenance and enhancing capacity at key chokepoints. It also includes \$450 million in federal operating support, \$16 million less than was appropriated by Congress for FY 2012. Some of those federal operating funds are currently used to help support state-supported intercity passenger routes, which continue to have the highest rate of ridership growth of any trains operated by Amtrak.

Despite a fragile national economy, intercity passenger rail ridership continues to grow across America. As the retail price of motor fuel continues to rise without predictability, people are turning to rail to help meet their mobility needs. As state officials, we respect the budgetary challenges facing the Subcommittee, the full Appropriations Committee and the Congress. We believe that investments in rail will provide a positive rate of return for the nation both now and well into the future and urge your support for these initiatives.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Paula J. Hammond". The signature is fluid and cursive, with a large loop at the end.

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