

March 19, 2004

The Honorable Ernest J. Istook
Chairman
Subcommittee on Transportation, Treasury and Independent Agencies
Committee on Appropriations
U.S. House of Representatives
2358 Rayburn House Office Building
Washington, D.C. 20515-6027

Dear Mr. Chairman:

As the Subcommittee begins the fiscal year 2005 transportation appropriations process, the Coalition of Northeastern Governors (CONEG) is pleased to share with the Subcommittee testimony on the FY 2005 Transportation and Treasury Appropriations bill. The CONEG Governors commend the Subcommittee for its past support of funding for the nation's highway, transit, and rail systems. Although we recognize the extensive demands being made upon federal resources in the coming year, we urge the Subcommittee to continue the important federal partnership role that is vital to strengthening the multi-modal transportation system. This system is a critical underpinning to the productivity of the nation's economy and the security and well-being of its communities.

First, the Governors urge the Subcommittee to fund the combined highway, transit and safety programs at levels that will continue the progress in recent years to improve the condition and safety of the nation's highways, bridges and transit systems. These improvements, documented in the U.S. Department of Transportation's 2002 Conditions and Performance Report to Congress, were made possible by the substantial level of investments made by the federal-state partnership in highway, bridge and transit infrastructure under the Transportation Equity Act for the 21st Century (TEA-21). Continued and substantial investment in these infrastructure improvements – in both urban and rural areas – is necessary if the nation's surface transportation system is to safely and efficiently move people and the substantial growth in freight movement that is projected in the coming decade. According to the Conditions and Performance Report, a combined federal highway and transit program of \$53 billion annually is needed simply to maintain our nation's highways and transit systems in the current conditions.

Within the transit program, the Governors strongly urge the Subcommittee to provide funding levels that at least maintain the basic program structure and address the solvency of the mass transit account. Further, the Governors urge the Subcommittee to continue the traditional 80/20 federal-state match for the New Start Program and the Bus and Bus Facilities Discretionary Grant Program. These programs have been instrumental in ensuring that needed funds are invested to improve and extend transit services in both our urban and rural communities.

Second, the Governors strongly urge the Subcommittee to provide at least \$1.8 billion in FY 2005 for intercity passenger rail. Intercity passenger rail is a vital part of the nation's transportation system, particularly in the Northeast and Mid-Atlantic region, where it provides essential mobility, enhances capacity of other modes, and provides much needed redundancy to the nation's transportation system. In recent years, the Congress has imposed discipline on the management of Amtrak operations, with the result being greater financial accountability and oversight of the federal government's investment in intercity passenger rail. While the Congress, Administration and states continue to work cooperatively to determine the future of intercity passenger rail and Amtrak in the nation's transportation system, a funding level of \$1.8 billion in FY 2005 will help provide a period of stability for intercity passenger and commuter rail operations. This funding level is critically needed to maintain services and begin a program of essential investments in equipment and infrastructure to bring the system back to a state of good repair for reliable service. The United States Department of Transportation Inspector General has noted that over \$1 billion in capital funds is needed annually just to sustain the current intercity passenger rail system, regardless of who operates that system. The states are already major investors in the current intercity passenger rail system, with the Northeast and Mid-Atlantic states having invested over \$4 billion in intercity passenger rail operations and infrastructure since 1991.

Third, the Governors urge the Subcommittee to continue funding for investments in Intelligent Transportation Systems (ITS) that can maintain and enhance the capabilities and security of the nation's transportation system. ITS helps states and communities along the densely populated Atlantic Coast region improve the safe and reliable operations on highway and transit systems on a daily basis. The Northeast's rural areas and communities also benefit significantly from ITS investments. The region's ITS systems, including those provided by TRANSCOM and the I-95 Corridor Coalition, have demonstrated their critical role, both in the emergency management and recovery phases, when security demands put added pressure on the region's transportation networks.

Fourth, safety on the nation's highways, transit and rail systems remains a priority of the Governors. The safety of the aging rail tunnels along the Northeast Corridor is a particular concern, and we urge the Subcommittee to fund life safety improvements for the Amtrak-owned Baltimore and New York tunnels. The Governors also support maximum funding for the Section 130 Highway-Rail Crossing Program. As part of the federal-state partnership to correct hazardous conditions on the nation's highways, investments in highway-rail crossings can reduce injuries and death from accidents even as they allow higher train speeds and increased reliability.

Fifth, the Governors urge the Subcommittee to provide sufficient funding for border crossing and gateway infrastructure projects. A strong program – one that invests in transportation projects addressing both security and transportation needs – can contribute to safer, more efficient and secure flows of people and goods across international borders and through gateways.

The Honorable Ernest J. Istook
Page Three
3/19/04

Sixth, the Governors also support the President's funding request of \$20 million for the Surface Transportation Board. The Board is essential for oversight and effective implementation of decisions affecting the ongoing process of railroad consolidations that will affect local and regional economies across the nation.

Finally, the Governors support continued federal investment in transportation research and development programs, particularly the Federal Railroad's Next Generation High Speed Rail program. This program enhances safety and helps stimulate the development of new technologies, which will benefit improved intercity rail service across the nation.

The CONEG Governors thank you, Ranking Member Olver, and the entire Subcommittee for the opportunity to share these priorities and appreciate your consideration of these requests.

Sincerely,

/o.s./
Mitt Romney
CONEG Chairman
Governor of Massachusetts

/o.s./
John Baldacci
CONEG Vice-Chairman
Governor of Maine

*Identical testimony was also provided to the Senate Subcommittee on Transportation,
Treasury and General Government*