Statement of the Coalition of Northeastern Governors
to the Subcommittee on Transportation,
Housing and Urban Development, and Related Agencies
Committee on Appropriations
United States House of Representatives
Regarding FY2010 Appropriations for
Transportation and Community Development Programs
April 16, 2009

The Coalition of Northeastern Governors (CONEG) is pleased to share with the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies this testimony on FY2010 appropriations for transportation and community development programs. The CONEG Governors appreciate the Subcommittee's longstanding support of funding for the nation's highway, transit, and rail systems and critical community development programs. We applaud the Subcommittee's strong support for incorporating transportation and community development funding in the comprehensive American Recovery and Reinvestment Act (ARRA). These flexible funds for transportation infrastructure and community development projects are vital to advance the nation's commitment for sound investment in multi-modal, national transportation systems and livable communities. However, these infrastructure funds for ready-to-go projects do not replace the need for adequate transportation and community development program funding in the FY2010 appropriations.

We recognize that the Subcommittee faces a unique and particularly difficult set of fiscal challenges and interlocking issues in crafting this FY2010 appropriations measure. Two national commissions have documented the increasing gap between surface transportation needs and available public revenues. A dire economy contributes to a shortfall in the Highway Trust Fund and to greater demand for public transportation and intercity passenger rail services. At this time, the surface transportation authorization framework to guide highway and transit programs in the coming fiscal year is uncertain. In spite of these challenges, we urge the Subcommittee to continue the strong federal partnership so vital for a national, integrated, multi-modal transportation system. This network underpins the competitiveness of the nation's economy, broadens employment opportunities, and contributes to the efficient, safe, environmentally sound, and energy smart movement of people and goods.

TRANSPORTATION

Surface Transportation

The CONEG Governors urge the Subcommittee to fund the combined highway, public transit, and safety programs at levels greater than the current FY2009 levels authorized in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). This higher level of federal investment is necessary to sustain the progress made under SAFETEA-LU to improve the condition and safety of the nation's highways, bridges, and transit systems. Particular attention is also needed to address the pending shortfall in the Highway Account of the Highway Trust Fund.

Continued and substantial federal investment in these infrastructure improvements – in urban, suburban, exurban, and rural areas – is necessary to safely and efficiently move people and products and to support the substantial growth in freight movement projected in the coming decades. The federal government has invested significant resources in the nation's transportation system, and it has a continuing responsibility to maintain and expand a transportation infrastructure that will keep America competitive in a global economy.

Specifically, the CONEG Governors urge the Subcommittee to:

- Increase the federal aid highway obligation over the FY2009 authorized level;
- Increase public transit funding over the FY2009 authorized level, including full funding for Formula and Bus Grants, the Capital Investment Grants, and the Small Starts Programs; and
- Ensure that these funds are provided to the states in a timely manner.

Rail

The FY2010 appropriations for intercity passenger rail will mark the first full appropriations cycle for intercity passenger rail – in all its forms – since the passage of the Passenger Rail Investment and Improvement Act (PRIIA). Many internal Amtrak reforms and new intercity passenger rail initiatives instituted by the Subcommittee are incorporated into the PRIIA authorization framework. The American Recovery and Reinvestment Act of 2008 also provides critical resources to accelerate the states' plans for passenger rail service, as well as Amtrak infrastructure and safety improvements that were beyond its budgeted resources.

The ability of Amtrak and the states to realize opportunities for service expansion and ridership growth in corridors across the country will depend upon a substantial and on-going federal capital investment in infrastructure, equipment, and safety. These investments in "state of good repair," capacity, and safety improvements are essential for the accessible, reliable, frequent and on-time service that attracts and retains ridership. In addition, the Federal Railroad Administration will need adequate resources including additional staffing to carry out its expanded responsibilities for intercity passenger rail grant programs and related studies.

Amtrak: The CONEG Governors request that the Subcommittee provide the authorized level of $1.84 billion in FY2010 federal funding for Amtrak, with specific funding levels provided for operations, capital, and debt service.

A funding level of $975 million in FY2010 for capital improvements is critically needed for the "state of good repair" improvements to aging infrastructure, modernization of the Amtrak fleet, and such safety improvements as Positive Train Control on Amtrak-owned infrastructure and equipment. Even at its requested level, Amtrak expects that the backlog of deferred investments (currently estimated at approximately $5 billion) will continue to increase. This level of capital investment is vital to Amtrak's ability to deliver efficient, reliable, quality service nationwide. We particularly encourage the Subcommittee to ensure that Amtrak can continue bridge repair projects underway on the Northeast Corridor, as well as the system-wide security upgrades and the life-safety work in the New York, Baltimore, and Washington, D.C. tunnels.

The Governors appreciate the Subcommittee's consistent support for the Northeast Corridor (NEC) and for meaningful collaboration between Amtrak and its state partners served by the Corridor. This guidance contributed to Amtrak's on-going work with the Northeast states on development of an NEC Infrastructure Master Plan. The substantive planning being performed is a valuable resource to the Corridor, Amtrak and the states; and its technical work should continue.

Northeast Corridor Infrastructure and Operations Advisory Commission: The Governors urge the Subcommittee to provide $3 million in appropriations specifically for the Northeast Corridor Infrastructure and Operations Advisory Commission (Commission). The Commission is to be created by the USDOT Secretary this year with members named by the Secretary, the NEC Governors, and Amtrak. It is uniquely designed to encourage mutual cooperation and planning among all three parties for intercity, commuter and freight use of the Corridor – and to also maximize the economic growth and the energy and environmental utility of the NEC Network. The Northeast Governors stand ready to name our representatives to this important new federal-state partnership, and to work cooperatively with the Secretary and Amtrak.

The Commission has extensive responsibilities to set policy goals and recommendations that encompass passenger rail mobility, intermodal connections to highways and airports, energy consumption, air quality improvements, and local and regional economic development. To conduct the required assessments, the Commission will need access to resources, data and expert analysis that extend far beyond the infrastructure focus of the NEC master plan being developed by Amtrak. Funding at the $3 million level for FY2010 will allow the Commission access to the resources that are essential for conducting these assessments.

Intercity Passenger Rail Corridors: The CONEG Governors also support increased funding for the continued development of state-directed intercity passenger rail corridors and service, consistent with the President's initial request of $1 billion per year for five years. This state capital grant program was also initiated by the Subcommittee and is authorized at $300 million for intercity passenger rail and $300 million for high-speed rail. It is an important foundation for a vibrant federal-state partnership that will bring expanded, enhanced intercity passenger rail service to corridors across the nation. Infrastructure and service plans for these intercity passenger rail corridors take many forms across the country, reflecting the diverse range of city pairs, market opportunities, and travel time needs. Therefore, we urge that these grant funds be available to states to advance plans for reliable, frequent and travel-time competitive service and corridors, regardless of maximum speed requirements.

Other Programs: A number of other national rail programs are important components of the evolving federal-state-private sector partnerships to enhance passenger and freight rail across the country. In this time of uncertainty in financial markets, the Railroad Rehabilitation and Improvement Financing Program (RRIF) can be an important tool for railroads (particularly regional and small railroads) and public agencies to access the financing needed for critical infrastructure and intermodal projects. We encourage the Subcommittee to provide funding for the Rail Line Relocation and Improvement Program, the Next Generation Corridor Train Equipment Pool, and the Nationwide Differential Global Positioning System which benefit

passenger rail and freight rail systems. In addition, funding for the Advanced Technology Locomotive Grant Pilot Program, created in Section 1111 of the Energy Independence and Security Act of 2007, would be an important first step to assist the railroads and state and local governments in a transition to energy-efficient and environmentally friendly locomotives for freight and passenger railroad systems.

The CONEG Governors also support a modest increase in funding for the Surface Transportation Board (STB) above the $26.8 million provided in FY2009. Increased funding will allow the STB to carryout its expanded responsibilities for intercity passenger rail corridor service, and to provide critical oversight as the nation's rail system assumes increasing importance for the timely, efficient, and environmentally sound movement of people and goods across the nation.

Community Development

The CONEG Governors urge the Subcommittee to provide at least $4.1 billion for the Community Development Block Grant (CDBG) program. The CDBG program enables states to provide funding for infrastructure improvement, housing programs, and projects that attract businesses to urban, suburban, exurban, and rural areas, creating new jobs and spurring economic development, growth and recovery in the nation's low income and rural communities.

Conclusion

In conclusion, the CONEG Governors urge the Subcommittee to:

- Increase the federal aid highway obligation over the FY2009 authorized level;
- Increase public transit funding over the FY2009 authorized level, including full funding for Formula and Bus Grants, the Capital Investment Grants, and the Small Starts Programs;
- Fund Amtrak at the FY2010 authorized level of $1.84 billion, including $975 million in capital for infrastructure and safety-related investments;
- Provide $3 million in appropriations specifically for the Northeast Corridor Infrastructure and Operations Advisory Commission;
- Increase funding for state-directed intercity passenger rail corridors and service, consistent with the President's initial request, and at least at the authorized levels of $300 million for intercity passenger rail and $300 million for high-speed rail;
- Provide funding for national rail programs that are important components of the evolving federal-state-private sector partnerships to enhance passenger and freight rail across the country, such as the Rail Line Relocation and Improvement Program**,** the Next Generation Corridor Train Equipment Pool, and the Nationwide Differential Global Positioning System;
- Increase funding for the Surface Transportation Board; and
- Provide at least $4.1 billion for the Community Development Block Grant Program.

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

Identical testimony was also submitted to the Senate Subcommittee on Transportation, Housing and Urban Development, and Related Agencies.