

**RAIL PASSENGER SERVICE IN THE STATE OF
GEORGIA**

FIELD HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

DECEMBER 6, 2000

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ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

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RAIL PASSENGER SERVICE IN THE STATE OF GEORGIA

WEDNESDAY, DECEMBER 6, 2000

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION,
Atlanta, GA.

The Committee met, pursuant to notice, at 2:10 p.m., at the Georgia Capitol Education Center, 180 Central Avenue, Atlanta, Georgia, Hon. Max Cleland, presiding.

OPENING STATEMENT OF HON. MAX CLELAND, U.S. SENATOR FROM GEORGIA

Senator CLELAND. Ladies and gentlemen, I will call the hearing to order. Thank you very much for coming.

We have a very exciting agenda ahead of us today and only a couple of hours to get it all in, so we will proceed.

I would like to start with an opening statement. We would like to thank all of you for coming to today's field hearing of the U.S. Commerce Committee. The full Committee's name is U.S. Senate Committee on Commerce, Science and Transportation. So transportation is a key focus of the Senate Commerce Committee. I happen to be on the Subcommittee on Surface Transportation and Merchant Marine, as well as the Aviation Subcommittee, so I get involved in transportation issues all the time. And we are delighted to have all of you here.

Gathered in this one room today, we have some of the best and brightest minds in transportation in America. We will focus today on Georgia's commuter congestion—a dilemma mirrored in countless highways across the country—and on creative solutions to one of the 21st century's most challenging and frustrating problems—gridlock.

Now we are fortunate to have with us the head of the U.S. Department of Transportation. Secretary Slater, your department has given us very sobering statistics about the status of our transportation, particularly here in Georgia. We appreciate you being here and the work of your staff. According to the U.S. DOT, traffic congestion in America will increase 400 percent on our urban freeways and more than 200 percent on other roads in just the next two decades. Ask anyone from Atlanta and they will swear to you that the lion's share of that congestion is bound to be right here in our own neighborhood. Just consider: Metro Atlanta is the most traffic-congested city in the south. Atlanta motorists drive more miles per day than drivers from any other metro area in America. Total the

number of miles Atlantans drive in a single day and they will stretch from the earth to the sun.

Our traffic-clogged roads have taken a toll on our environment. Due in large part to the exhaust from nearly three million vehicles, Atlanta's skies are in violation of national clean air standards. The boom fell in 1998, when the region lost federal funds for new road projects and became the nation's poster child, unfortunately, for urban sprawl. Now other Georgia cities are in danger of following in Atlanta's footsteps.

But, as the song says, "the times, they are a—changing." This past summer, the federal government approved a transportation plan submitted by the Atlanta region which, for the first time ever, devotes half its funds to transit. The state stands ready to flex hundreds of millions of dollars from highway projects to transit projects. Georgians are looking at the future possibility of constructing a magnetic levitation high-speed train system from Atlanta to Chattanooga. The Georgia Regional Transportation Authority is expected to launch a system of express bus service operating along HOV lanes. Georgia transportation planners are considering the potential of intercity bullet trains, of light rail and commuter rail lines serving downtown Atlanta from corridors extending to Athens, Bremen, Griffin and Senoia. Given the fact that two railroad tracks will carry the equivalent of 20 lanes of highway traffic in rush hour, it is little wonder that there is a great potential for the rebirth of rail in Georgia.

These are some of the transportation options we will be examining today. We all know these transportation challenges will not be easy, and they will not be quick. And we all know these options come with questions. Will drivers leave their cars for trains? Will trains reduce commuter traffic time? Will rail ridership justify costs? How are communities reacting to the possibility of rail expansion? What federal assistance is out there to help us? Is there sufficient local commitment to meet federal match requirements?

We truly have a blue-ribbon panel today—the head of the U.S. Department of Transportation, the head of the Federal Railroad Administration, the President of Amtrak, Governor Barnes, Mayor Campbell, Mayor Ellis, the Chairman of the Barrow County Board of Commissioners, the Vice Chair of the Georgia Rail Passenger Program Management Team, representatives from both CSX and Norfolk Southern, and the point person who engineered the successful state of Virginia—Virginia Rail Express partnership. I am looking forward to hearing from the panelists on how we can address Georgia's problems in terms of transportation in the 21st century.

And now ladies and gentlemen, let me just introduce our panelists here. The Honorable Rodney Slater, Secretary, U.S. Department of Transportation; The Honorable Jolene Molitoris, Administrator, Federal Railroad Administration; and Mr. George Warrington, President, National Railroad Passenger Corporation, better known as Amtrak.

The rules of the game are you can talk as long as you want to, but we will cut you off after 5 minutes.

[Laughter.]

Senator CLELAND. Now, we would appreciate you introducing your statement into the record and summarizing and we would like to ask Secretary Slater to go first. Mr. Secretary, welcome to Georgia—welcome back to Georgia.

**STATEMENT OF HON. RODNEY E. SLATER,
SECRETARY, U.S. DEPARTMENT OF TRANSPORTATION**

Secretary SLATER. Thank you, Senator Cleland, and thanks to all who have gathered. I am delighted to join you for this important hearing on the future of transportation in the southeast, and especially the role that Georgia and Atlanta will play in that regard.

Aided by Senator Cleland's effective advocacy in Washington and the work of Governor Barnes here in Georgia and Mayor Campbell and other officials here in the region, Georgia has already become an emerging hub for the global economy in the 21st century. Atlanta and this important region are staking out an early claim as a premier global city and global metropolitan region in this, a new century and a new millennium.

Senator, I am also pleased, as you have noted, to be here with Administrator Jolene Molitoris and also Amtrak President George Warrington, because this could not be a better time to talk about rail transportation. The two of them have truly led a renaissance in this arena and we are excited about not only what is going on now as relates to Amtrak service and rail service across the country, but also the bright future for this service especially as we recall the celebration of the unveiling of the high-speed rail service in the Northeast Corridor just a few weeks ago.

This region's economic and technological assets for the competitive global environment ahead are all impressive. The key to realizing the full potential of this region in this new century and new millennium, however, will require more than assets.

Senator if I may, I would like to talk about what I think is the first and foremost requirement for meeting the challenges of our time and ensuring that we have the kind of transportation system necessary to meet those challenges. I believe that first and foremost, the requirement will be visionary and vigilant leadership committed to seizing the opportunity of our times. This will give birth to the kinds of public and private partnerships with all stakeholders, ranging from governments to neighborhoods, to the business community, all who have an important role in ensuring that economic security and social progress for the people of the region is truly realized. It will also take this unified, intermodal transportation focus to come into play to make these lines that are on the map, that Jolene and George will talk about in greater detail, a reality when it comes to providing quality passenger rail service. For only through forging a shared vision and a vigilant daily near-term focus on the kinds of initiatives and strategies and change efforts necessary to bring that into being can we master the challenges ahead and create the transportation system of our dream.

The next 25 years will be challenging and exciting for all aspects of the transportation enterprise, especially rail. I mentioned Acela service, but also the vision for high-speed rail that I am sure President Warrington will get into, where we will touch some 10 regions of the country and give 150 million Americans access to high-speed

rail, and where we will touch 75 percent of the top 100 metropolitan regions in the country. And you should know that Atlanta will be one of those rail hubs, as it has always been a rail and transportation leader in years past.

Our understanding of transportation, though, to bring this into being—our understanding must change. We must move beyond the traditional and sort of narrow public works definition of transportation, Senator, as you have noted that we must, to view transportation in a much broader and more comprehensive light. We must see how it impacts our safety, how it impacts mobility and access, how it undergirds our economy and aids us in the international trade environment, how you can invest in transportation and actually enhance the environment, and its importance as it relates to national security.

In order to bring this into being, there is the need for a new policy architecture for transportation decisionmaking in the 21st century, a transportation policy architecture that will bring all parties to the table, that will allow us to take advantage of the extraordinarily wide range of economic, social, political, and environmental factors that have to be taken into account if we are to make our vision real. That is really the reason, Senator, that you have caused us to come to this place to talk about that unified approach.

And I want to say to all who are here gathered that we are willing as a department to establish an intermodal transportation team that will work with you, Senator, and the people that you have gathered to deal with all aspects of the transportation challenges that you are facing in this region. The reason we commit ourselves to do that is because of the importance of this region to the overall health and well-being of the nation's economy, not just yours.

When you look at all that you have done, clearly you are paving the way here to be remembered not just as the poster child of the gridlock of years past, but to be viewed as the poster child of those who have answers through visionary and vigilant leadership to provide the quality response to the challenges of the present and the future.

Here, if I may, Senator, let me cite the work that you and Governor Barnes and others engaged in, as you worked to bring into creation the Georgia Regional Transportation Authority. This Authority is working in partnership with all other interested parties in the region, to bring a new focus and a new vision to the importance of transportation in the region. As we do so, we are moving beyond the belief that added road miles are the only answer to every transportation challenge and we are beginning to see the important role that rail and transit can play in that regard.

Senator, as I close, let me say that as the home of such international heavyweights as CNN and Coca-Cola and IBM and MCI WorldCom along with premier transportation leaders recognized worldwide, Delta and UPS, Atlanta is already rightly claiming its place as a world city. In order to truly develop, though, and to realize your full potential, you will have to have the kind of transportation system of the future that gives you the ability to exercise all options and realize your full potential. You deserve particular credit for your integrated approach to planning that is now underway,

that includes a focus on high-speed rail corridors, transit, and commuter and intercity passenger rail, and intercity and express bus service, as you have noted, as well as highways and air transport.

We stand ready to work with you in this regard. All of the great work that we did as we prepared for the Olympics stands as a prime example of the wonderful work that we can do as we plan to win the gold medal when it comes to the transportation system of the 21st century.

This can be done. Some of the resources are there, but if we produce the vision, we can get the additional resources we need, Senator, to make this dream a reality.

Again, thank you for the opportunity to be a part of this panel, to be here with you, and I am looking forward to joining my colleagues as we respond to questions from you and members of the audience about how we proceed to make this dream a reality.

[The prepared statement of Secretary Slater follows:]

PREPARED STATEMENT OF HON. RODNEY E. SLATER, SECRETARY,
U.S. DEPARTMENT OF TRANSPORTATION

Senator Cleland, I appreciate the opportunity to testify before you today on the potential for rail to improve transportation in the Southeast, specifically in Georgia. High-speed rail corridors, transit, commuter and intercity passenger rail, as well as intercity and express bus service, and intelligent transportation systems offer great promise for addressing the transportation challenges in metropolitan Atlanta. The Atlanta region is well positioned to showcase the positive effects of transportation on mobility and the environment and to show what is possible with an integrated approach to transportation planning and strong financial commitments at the local, state and federal level.

Atlanta is facing some particularly daunting challenges. The metropolitan Atlanta region, which is growing very rapidly, already has a high dependence on the automobile and the highest vehicle mileage per capita in the Nation. It has undertaken major air quality planning to meet the requirements of the Clean Air Act. And, it has developed a transportation plan that helps the region meet its mobility and clean air goals.

Another challenge facing Atlanta is the transportation concerns of civil rights, environmental justice, and low-income groups. Many minority and low-income residents do not own cars. In response to their concerns, the U.S. Department of Transportation, with the Georgia Department of Transportation (GADOT), the Atlanta Regional Commission (ARC) and a coalition of environmental justice and community groups are conducting an assessment of environmental justice issues relating to Atlanta's transportation planning process. We anticipate that this process will help regional transportation planners adjust their strategies to meet transportation needs more equitably, and also serve as model for other metropolitan areas around the country.

State and local leaders are to be commended for their efforts to get critical elements in place. The Georgia Regional Transportation Authority (GRTA), created in 1999, has broad powers to manage transportation and air quality projects and land use in nonattainment areas. And, most important, it has the support of the public and private sectors, including the business community. ARC and GRTA are committed to "smart growth" and are looking at ways to encourage local governments to work toward development that supports that objective. Steps are being taken to assure that all communities in the Atlanta region are involved in the transportation planning process.

Providing a broad range of transportation options and choices is an essential component of livability and "smart growth." I understand that Georgia has taken good advantage of the flexible provisions of the Transportation Equity Act for the 21st Century (TEA-21) by directing close to 55 percent of the transportation funds for Atlanta for transit purposes. The recently adopted transportation plan for the Atlanta metropolitan area emphasizes both transit and commuter rail as a part of the metropolitan transportation system. Encouraging land use that supports and sustains transit is a key feature of the metropolitan plan. Such linkages are essential to the long-term effectiveness of transit and to achieving a balanced surface transportation system.

Across the Nation, communities have demonstrated a strong interest in pursuing “smart growth”—an approach that ensures a high quality of life and strong, sustainable economic growth. The Department has strengthened its role as a partner with states and local communities by providing the tools and resources, in concert with our partners, to preserve green space, ease traffic congestion, and pursue regional “smart growth” strategies. We are showing that collaboration works.

Partnerships are emerging across sectors, as businesses, state and local governments, environmentalists, community groups and others recognize the common ground they share. These regional approaches produce benefits for all.

Atlanta is one of the four cities nationwide in the Clinton-Gore Administration’s new program, The Partnership for Regional Livability (PRL). One of the primary goals of this program is to identify a role for the federal government in support of regional initiatives. Mayor Campbell and Governor Barnes, both of whom are here today, have been strong supporters and catalysts for the Chattahoochee Riverway Project. That project is part of a broader state and regional initiative to support livable communities and combat sprawl throughout northwest Georgia. This is just one example of what can be accomplished when partners work together.

Georgia has been a leader in forging partnerships at the state and local levels. The partnership of the Georgia Department of Transportation, GRTA, and the Georgia Rail Passenger Authority (GRPA) is a case in point. These three bodies want to revive rail passenger service in Georgia with links serving the Macon-Atlanta corridor and the Athens-Atlanta corridor. They are looking at other options as well, including bus service in these corridors. You’ll be hearing more about these from other witnesses today. This is part of a vision for better passenger service throughout the Southeast.

Under the Clinton-Gore Administration, a record amount of money has been available for transportation—including \$58.8 billion for fiscal year 2001, of which \$43 billion is for transportation infrastructure, more than double the average amount provided in fiscal years 1990–1993. TEA–21 not only provided more funding than we have ever had before, it provided unprecedented flexibility to use the funds for a wide range of transportation solutions. The Department’s surface transportation programs include formula and discretionary grants as well as programs that provide direct loans, loan guarantees and lines of credit. These varied and unique approaches to funding give communities a broad range of incentives to expand transportation choices. As I noted at the outset, Georgia has capitalized on this flexibility.

TEA–21 programs supporting high-speed rail include the Next Generation High-Speed Rail Technology program, that develops technology to improve the effectiveness of high-speed rail in partnership with states and industry, and the Grade Crossing Hazard Elimination Program that includes support for states with designated high-speed rail corridors. In addition, TEA–21’s Maglev Deployment Program is assisting state planning for seven maglev projects including the one proposed here in Atlanta that would provide for the first 31 miles of a 110-mile maglev project linking Atlanta Hartsfield Airport to Atlanta and Chattanooga’s Lovell Airfield along Interstate Highway Route I–75. The legislation specifies that one project will be selected for federal funding and construction, subject to the appropriation of funds. The Department has cooperated with Amtrak and the states to implement Amtrak’s Acela Express high-speed rail in the Northeast Corridor and to plan for high-speed rail service in ten other corridors, including a new route between Birmingham, Alabama and Atlanta, Georgia and a new route from Atlanta and Macon to Savannah, Georgia and Jacksonville, Florida.

TEA–21 authorized two innovative financing programs for major transportation projects. The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides loans, loan guarantees, and lines of credit to fund major transportation investments of critical national importance. The Railroad Rehabilitation and Improvement Financing (RRIF) Program provides direct loans and loan guarantees for terms up to 25 years to acquire, improve, or rehabilitate intermodal or rail equipment and facilities. There is a statutory maximum of \$3.5 billion in principal. A unique feature of the RRIF Program is the use of a Credit Risk Premium instead of appropriated funds. The premium is a cash payment provided by a non-federal entity to cover the estimated long-term cost to the federal government of a loan or loan guarantee.

High-speed rail offers an attractive transportation alternative to congested highways and airports in certain intercity corridors, such as the corridors under study in Georgia and between Atlanta and other southeast cities. The Clinton-Gore Administration has supported increased funding for Amtrak, both through capital budgets and our proposed Expanded Passenger Rail Fund. The Administration also strongly supports enactment of the proposed High-Speed Rail Investment Act currently under consideration by Congress. It would provide up to \$10 billion in fund-

ing over a ten-year period for capital investment in high-speed rail, which could include the Atlanta high-speed rail corridor. States would be required to put up a match of at least 20 percent. The additional funding provided could reduce traffic congestion and air pollution, enhance smart growth, protect open space and contribute to the economic development of communities served by passenger rail. We hope that Congress will pass this important legislation before the end of the current session.

Primary federal funding sources for transit projects include the Federal Transit Administration's Formula Grants program and Capital Investment Grants program. The Formula program may be used for either operating or capital costs, including bus and rail vehicle replacements. The Capital Investment program provides funding for new and extended fixed guideway systems, fixed guideway modernization, and bus and bus related facilities.

Many transit projects also are eligible for the surface transportation flexible funding programs including the Surface Transportation Program (STP) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ), and also, in some circumstances, the National Highway System (NHS) program. CMAQ, for example, can help communities create high occupancy vehicle lanes, provide incentives for ridesharing, improve transit facilities, and select from a number of other options for more livable transportation systems. Georgia has made great strides, but as with any state, it must continue to look closely at its own sources of funding, both at the state level and locally, as all of these federal programs require a significant local commitment of funds.

We recognize that the Atlanta area is making real progress in addressing its transportation and environmental challenges while continuing to support a growing economy. Transit and rail clearly are a major part of the picture, along with highways. No one approach can meet the varied and complex transportation needs and environmental demands. We look forward to continuing to work with Georgia's state and local officials and other interested parties as they work toward a viable solution for the Atlanta region, a solution that includes a strong financial commitment by them. With a strong local commitment and continued creative leadership, Atlanta is becoming a showcase for the Nation.

This concludes my prepared statement, Senator Cleland, and I would be happy to answer any questions you might have.

Senator CLELAND. Thank you very much, Mr. Secretary. I would just note that a winning team needs a winning coach. You are our coach, and we thank you very much for coaching us in the right regard, in the right direction.

Secretary SLATER. Thank you.

Senator CLELAND. I could not help but think when you mentioned UPS, UPS has just won six new routes to China. We are still trying to get to Jesup.

[Laughter.]

Secretary SLATER. Well, let us get you to Jesup.

Senator CLELAND. At that point, we will turn it over to Ms. Jolene Molitoris, Administrator of the Federal Railroad Administration. Thank you very much for coming, ma'am.

**STATEMENT OF HON. JOLENE MOLITORIS,
ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION**

Ms. MOLITORIS. Thank you very much, Senator, Mr. Chairman. It is a delight to be here. I am always glad to be in Georgia and in Atlanta because I know that is where the transportation action is.

Following up on the Secretary's leadership and statements, I wanted to point out the four areas that seem to be keys to success in other parts of the country and then maybe we can go into more detail with questions. But those four key elements are leadership, partnership, planning, and adequate funding.

As I observe—and I go all over the country and literally all over the world—there is no place more poised to take advantage of leadership in transportation than Georgia and the Atlanta region. Because of your championing balanced transportation and recognizing the role of rail, your championship of the High-Speed Rail Investment Act, which we still hope will pass this year, with Governor Barnes, Mayor Campbell, the mayors from the other towns, Macon and Athens and so on. In addition to the elected officials, the leadership of the organizations like the Georgia Regional Transportation Authority (GRTA) and the Georgia Rail Passenger Authority (GRPA) and all of them, you have a team that is really unbeatable.

We have seen it in New York, and the states of Washington, California, Illinois. It could not have happened there without that kind of top leadership. We know that you have it here and we are so glad for your state and we want to work with that.

Second is the partnership aspect. These kinds of projects cannot happen without everybody pulling together and what we have found is that in some sense more partners are better. I always say develop them better and nurture them often because you need everyone. It seems to us that when people, even though they have different interests, different agendas on what is important to them, when you get everybody around that table with people of good will and with success in transportation at the top, win-wins happen and common ground is reached. I believe that the Secretary's proposal of an action team is really important. I am here representing not only the Federal Railroad Administration, but also the Federal Transit Administration, the Federal Highway Administration, and we all work together under the challenge of one DOT that the Secretary has set out. We are a team. We want to come and help make your team successful.

A couple of other across-the-country examples that may pique some of your interest. For example, in Charlotte, North Carolina, perhaps an unlikely partner, the Bank of America, from its headquarters there, has assumed a leading role in assembling the private sector business advocates for the development of the southeast high-speed rail corridor which, as you can tell, we see going all the way to Atlanta. Those private sector partners are key for this effort.

And then let me just mention planning. A lot of people see planning as some kind of necessary evil, somehow they see it as taking too long and being too complex. That is where we come in, because we want to show you that planning is (a) a very good investment and (b) something that we can help straighten out the curves and the twists and help you do it in a timely fashion. Good planning will save you money and will help you reach success. I can tell you there are other parts of the country that have come to us at the end of the process after they have spent a lot of money, and they had to spend a lot more to get into compliance. We think that we can help you avoid any pitfalls there.

You know we have been very involved in the Washington, D.C. to Richmond planning for the beginning of this southeast corridor. We have a lot of experience at FRA and we are willing to share that. Other people have made mistakes; you do not have to make

those any more because we have already figured them out. So the more experience we have, the more we know that this can happen.

In Virginia, for example, after we did the work—we completed the planning work in May of 1999—in the State's 2000 budget request was a request for \$67 million to begin implementing the plan. So there is a line, we set the stage, the leadership in the state takes over and sets the stage on the investment that they are going to make.

Let us just remember there are many sources of funding because funding is always an issue. As you heard today in the press conference, everyone wants to know about that. But in addition to the kinds of funds you can determine to use at the state level, there are transit and CMAQ funds where the eligibility permits. There are investments related to freight that will help with the freight railroads' participation. We have a new loan program, the Railroad Rehabilitation and Improvement Financing (RRIF) program, with \$3.5 billion available for loans for these kinds of things (of which \$1 billion is reserved for shortline and regional railroads.) I think that what the Clinton-Gore Administration has really done is helped set out a menu of opportunities. As we said in the news conference, we believe you know best how to invest. We hope that additional flexibility provisions come along in the next reauthorization and at the earliest possible time.

So on behalf of Administrator Wykle, Administrator Fernandez and myself, we stand with our team here and with our partner George Warrington, I might say who has been a terrific partner. We believe in your success and we want to support and facilitate it.

Thank you.

[The prepared statement of Ms. Molitoris follows:]

PREPARED STATEMENT OF HON. JOLENE MOLITORIS, ADMINISTRATOR,
FEDERAL RAILROAD ADMINISTRATION

Introduction

Mr. Chairman and members of the Committee, I appreciate the opportunity to be here today to testify about the potential of rail passenger transportation in the Southeast, with particular attention to the State of Georgia. I am particularly gratified and honored to appear before you in company with Transportation Secretary Rodney Slater, who has done so much to advance the cause of intermodal transportation, and Amtrak President George Warrington, who has overseen his company's transformation into the dynamic, expanding embodiment of the intermodal ideal. Our joint appearance today symbolizes our long-term partnership in progress.

Role of FRA

The Federal Railroad Administration, which I head, plays a crucial role in rail transportation of all kinds, and fulfills unique and longstanding functions in rail passenger transportation. Of course, our first priority is safety for all railroad operations, freight, intercity passenger, and commuter. Consequently, most of our people are involved in safety assurance. Regarding the freight railroads, we provide advice to the Secretary on regulatory issues and other matters of national significance, conduct focused research and development, and manage financial assistance programs.

With respect to passenger railroads, we initiated and worked closely with Amtrak to implement the Northeast Corridor Improvement Project, making possible the Metroliners and the Acela Express, and introducing true high-speed rail service to America. We also represent the Secretary on Amtrak's board of directors and we provide financial assistance to Amtrak.

Today, the Federal Railroad Administration not only serves as the Secretary's principal advisor on Amtrak matters, but also catalyzes partnerships among the states, Amtrak, and the freight railroads for improved passenger service. One of our

many roles in this process is that of designating corridors for high-speed rail development. Technically, these designations merely make rail lines eligible for some very limited special funding for highway-rail grade crossing elimination; but practically, the designation process has energized the states and Amtrak to pursue far-reaching programs for corridor upgrading. In support of such programs, we are also developing safe, low-cost technologies (like non-electric locomotives and positive train control) that will make high-speed rail investments more affordable and marketable than ever. Recently, the designation of high-speed rail corridors has increased in importance because of pending legislation which would make such corridors eligible for up to \$10 billion in bond funding for capital investments.

Importance of Rail Options for Large Metro Areas

Passenger trains are essential elements of intermodal transportation within and between our large metropolitan areas. Let me give you just a few reasons for this:

In the last two decades of the 20th Century, the Nation's population grew by one-fifth, but intercity travel more than doubled. Over that same period, lane miles increased by only three percent. Capacity has not kept up with the growing demand. The result? Americans are driving more than ever, but bottlenecks in heavily trafficked urban areas—where delays have increased by as much as 50 percent—often detract from the travel experience.

Air travel, too, has grown rapidly, at times posing challenges to individual passengers. First, worsening highway congestion has hampered airport access by motor vehicles. Second, since the 1980's, airlines have raised the number of flights by one third and concentrated those flights in the Nation's top airports. This dramatic leap forward in flight availability and convenience has led to lengthier gate-to-gate travel times on most of the routes serving America's busiest air hubs. Finally, as the deregulated airlines have become more adept at setting fares and scheduling services, full flights have become the rule rather than the exception. Consumer complaints about airlines have increased in recent years—even as more consumers than ever before have availed themselves of the world's finest air transport system.

In brief, the Nation's mobility challenge reflects the extraordinary success of its highways, its airlines, and their supporting industries in bringing transportation options to an ever-broader market.

These mobility issues will directly affect the Nation's future livability. President Clinton was correct when he recently said:

“To make our communities more livable . . . This is a big issue. What does that mean? You ask anybody that lives in an unlivable community, and they'll tell you. They want their kids to grow up next to parks, not parking lots; the parents don't have to spend all their time stalled in traffic when they could be home with their children.”

To safeguard mobility and livability in the new millennium, Americans need a lasting solution in the form of a balanced transportation network. Offering an exciting, innovative transport option for the future, rail passenger service brings to bear several inherent advantages as part of such a seamless intermodal network.

- Railroads are largely independent of the traffic gridlock of highways and airports. Of all travel options, only Amtrak's high-speed Northeast Corridor has unencumbered access to the heart of Manhattan. Trains can whisk passengers into the hearts of other large cities, like Los Angeles, Chicago, and of course Atlanta (once the intermodal terminal is built), without succumbing to highway traffic jams or most types of bad weather. In brief, passenger trains eliminate the traffic jams that are one of the major sources of unreliability in the overall transportation system.
- With stations in downtowns, suburbs, and outlying population centers, rail has its own pick-up and delivery system, giving passengers the freedom to choose where to get on and off the train. Passenger convenience can further benefit from rail stations at airports and transit stops. For example, in Boston, Amtrak stops at Route 128, Back Bay, and South Station. At the last two stops, passengers have direct access to three rapid transit lines, as well as to commuter rail routes to Boston's southern and western suburbs. Such convenience could be replicated in other regions of the country.
- Railroad stations can anchor the revitalization of city centers. Washington's Union Station redevelopment, for instance, has turned a former white elephant into a vibrant, high-traffic shopping and recreation center that is sparking the rebirth of Washington's North Capitol Street corridor.

- With rail, it's not just the speed that is important; it is the total passenger experience. Passenger comfort on Amtrak is, indeed, outstanding and constantly improving. With spacious, reclining seats, plenty of room to walk around, snack bars and even dining cars on board, rail travelers have mobility within their mobility. The public reacts well to this: new train equipment in the Pacific Northwest with European-style décor and taste-tempting local meals on the menu has sparked a 50 percent increase in ridership since 1993. Amtrak's Acela Express on the Northeast Corridor which was just inaugurated for revenue service to rave press reviews will offer world-class comfort and amenities.
- Improved rail passenger service operates so cleanly that it actually reduces total transportation emissions as it attracts riders from planes and cars. A recent Federal Railroad Administration study estimated that the introduction of high-speed rail in seven corridors would create pollutant emissions reductions valued at almost half a billion dollars, just by diverting travelers from airlines and automobiles. Rail passenger service is also compact and sparing in its use of resources, usually making use of existing rail rights-of-way—in contrast with other modes, which often require new highway lanes or runways.

With inherent advantages like these, passenger trains clearly deserve a prominent role in America's 21st Century intermodal transportation system.

Intercity and Commuter Rail—Integrated and Intermodal

Today, we speak of “intercity” and “commuter” rail as separate modes. This is an artificial distinction, reflecting the funding mechanisms and the institutions that have arisen since the mid-20th Century. It is true that the Federal Transit Administration (FTA) partially funds commuter rail projects, using the transit share of federal fuel taxes and that whatever federal funds are made available to intercity rail come from general funds through the Federal Railroad Administration (FRA). It is also true that different entities, the commuter agencies and Amtrak, are responsible for the two types of service.

But in reality, just as the FTA and the FRA are really part of One DOT, so are commuter and intercity services two facets of a larger transportation offering. Commuter and intercity trains use the same tracks, the same signals, and the same stations. Improvements that benefit intercity trains usually benefit commuters, and vice versa. The potential for interconnections between the two services, and with transit, are legion. Anyone who has ever left an Amtrak train at Newark, crossed the platform, and taken the PATH train direct to the World Trade Center; or ever changed at Penn Station, New York to the Long Island Rail Road for direct service to the east would know what I mean. It is no accident that all the services I have just mentioned were owned and operated for many years by a single company, the Pennsylvania Railroad. With engineering foresight and a dedication to public service, that company built integrated facilities and coordinated its train schedules, providing interconnections both in space and time for maximum passenger convenience.

The days when commuter and intercity trains were operated as one service by large private firms like the Pennsylvania Railroad have gone. Today, the participants in rail transport are as numerous and varied as the sources and uses of the funds that support them. Yet, the actual physical interdependence, and the potential for connectivity, of these two types of services remain strong. That more agencies are involved simply means we have to work harder to fulfill the growing potential of rail passenger transportation.

For example, the FRA recently prepared a study of the Washington-Richmond corridor. We worked with the freight railroads, the commuter agencies, and Amtrak, as well as state and local governments. What resulted was a plan that would improve all services by addressing their common needs and intelligently allocating improvements to their common facilities. We have a similar study underway in the Philadelphia-Harrisburg corridor, and—closer to Atlanta—on the Richmond-Charlotte route. The principle is always the same—careful attention to the needs of all users—and the outcome is not surprising: where there's a will, there's a way to design cost-effective improvements that will result in better-integrated transportation.

All rail services form part of an even larger transportation network. I have already mentioned examples where commuter and intercity trains intersect with local transit services. Although intermodal terminals are scattered throughout the country, the most prominent examples of seamless passenger service remain in the Northeast, the Great Lakes region, and California. Georgia generally, and the Atlanta region in particular, is a prime location given its status as the hub of transportation in the South, for this kind of intermodalism. Indeed, I salute Georgia for its efforts to join other prominent metropolitan areas in moving to a higher plateau of passenger transport.

Role of Amtrak

I am particularly excited to have Mr. Warrington on this panel because Amtrak fulfills multiple roles in today's world of intermodal passenger transportation. Increasingly, the states and Amtrak are creating successful partnerships to make the service and facility improvements that move the Nation toward high-speed rail. This has already taken place in the Pacific Northwest, in California, in the Chicago hub region, in New York State, in Pennsylvania, and in Virginia. Further service expansions are occurring elsewhere under Amtrak's Network Growth Strategy, which moves our national rail passenger system out of the "retreat and retrench" mode into the realm of dynamic growth. Amtrak's experience in intermodal transport goes far beyond the state high-speed rail partnerships and includes Amtrak's ownership and operation of the Northeast Corridor, which is host to thousands of daily commuter trains operated by local agencies. Moreover, nothing speaks to the synergies of commuter and intercity services better than Amtrak's success in directly operating both intercity trains on its own account and commuter services under contract to many local agencies. So, Amtrak is both a "landlord" and a "tenant"; both a commuter operator and a facility provider for other agencies. In addition, Amtrak has been a key player in the development of mixed-use intermodal terminals, for example in Washington, D.C. and in Philadelphia. For all these reasons, the sponsors of commuter and high-speed rail are increasingly Amtrak's partners and customers.

High-Speed Corridor Designations

One of FRA's principal roles in rail passenger service is in the designation of routes for development as high-speed rail corridors. Our current map of designated corridors positions Atlanta as a possible hub for the high-speed corridors in the South. The map shows lines radiating from Atlanta to Charlotte and Richmond, to Macon, Savannah, and Jacksonville, and to Birmingham, Meridian, and New Orleans. While it may be some years before "high-speed" service can be implemented, there is no reason why "high-quality" and "higher-frequency" service could not be quickly realized on some or all of these routes. Uncertainties remain regarding the precise long-term route between Atlanta and Birmingham and congestion on the Norfolk Southern route may make restoration of the old Seaboard Air Line (SAL) route, if available, more economic. A similar situation may exist on the Savannah-Jacksonville run, where the former SAL line may provide a realistic option. These alternatives would affect the routes from Atlanta/Macon to Savannah and Jacksonville. Also of interest are the potential impacts of these designations, and their future options and service patterns, on the design of Atlanta's proposed intermodal terminal.

Beyond the current map, many possibilities are in play: direct service between Atlanta, Birmingham, Meridian, Shreveport, and Dallas/Fort Worth, in keeping with Amtrak's Network Growth Strategy and connecting the existing Gulf Coast and South Central Corridors; and service between Atlanta and Chattanooga, or between Atlanta and Birmingham, thence north to Nashville, Louisville, and the Midwestern states, possibly as part of a restored connection between the Midwest and Florida. The possibilities are endless, all would redound to the ultimate benefit of Georgia and the Atlanta region, and all would exhibit synergy with plans for commuter rail service, in keeping with the essential unity of the two types of passenger trains.

Rail Success Stories

All these prospects for rail service are realistic if there is a consensus among all the agencies and entities involved in rail passenger service in Georgia and the Southeast, and if an effective partnership is forged with Amtrak and the freight railroads that own the tracks.

FRA's experience with similar projects in other parts of the country underlines the realism of these possibilities. The shared theme of all these success stories is local involvement.

Northeast Corridor

Alone among the high-speed rail projects in the Nation, the Northeast Corridor (NEC) was primarily a federal project from its modest origins in the 1960s until its substantial completion this past year. Still, there was substantial state and local involvement: in securing the original federal funding in the mid 1970s; in providing matching funds and local planning participation for the station program, which transformed the passenger experience at every important station on the entire 456-mile corridor; and in progressing the electrification of the last non-electrified segment from New Haven to Boston. At every step of the way, in the planning, the environmental process, the construction, and now the operation, states and localities partnered with the FRA and Amtrak. All these efforts have paid off as the NEC

hosts continually improving commuter and intercity services, ranging from new, direct service from northern New Jersey to Manhattan, to an intercity passenger service so good that it now carries as many passengers as the airlines do between New York and Washington. Over the long term, from Amtrak's first full year of operations in 1972 through 1999, intercity passenger traffic on the NEC more than doubled—the surest indicator of the program's success.

The partnership continues as Amtrak, the states, the metropolitan planning organizations, FRA, and the commuter authorities continue to plan additional improvements to fulfill expanding demand for passenger service in the new century. Projects in other parts of the country will require even more intensive state and local involvement.

California

Of all the states, California has invested most heavily in intercity rail passenger services—over a billion dollars in direct state funding of capital improvements alone, for track, signals, equipment, and support facilities. The localities, Amtrak, and the freight railroads have contributed another \$600 million in a remarkable partnership. As a result, California has an outstanding frequency and quality of intercity rail service in many of its corridors, although much remains to be done in that vast and topographically difficult state. The result is obvious: passenger-miles more than tripled on Amtrak's main line in California's Central Valley, and have scored impressive gains elsewhere, since the early 1980s.

Pacific Northwest

The states of Washington and Oregon have conclusively demonstrated that new equipment, higher frequencies, and a winning attitude can score impressive gains for rail passenger service even in the absence of heavy fixed plant investments. The new Cascades services, making use of modern Talgo equipment, have created traffic volumes almost ten times those of the early 1980s. These phenomenal gains have occurred with state and local contributions totaling \$130 million, which leveraged additional funds from Amtrak and the freight railroads. The success of the Cascades services testifies both to the value of partnerships and to the public's hunger for attractive rail passenger services—even if major speed increases are slow in coming.

Midwest (Chicago Hub)

In the Midwest, nine states have joined together to develop a comprehensive plan for service centered on the Chicago hub. They call it the "Midwest Regional Rail Initiative." Although major service improvements have yet to be realized, progress is underway in a number of partnerships: positive train control demonstrations in Michigan and Illinois; creative grade crossing barrier systems in Illinois, where some track reconfigurations and reroutings are in process; and most recently, a joint equipment request for proposals by Amtrak, and the States of Illinois, Michigan, and Wisconsin. This request involves 13 trainsets that will provide upgraded service over the Chicago Hub network.

Lessons Learned

What do these success stories teach us that we can apply to a potential Atlanta hub system for intercity and commuter rail service? Let me sum up the basic principles.

- **Local commitment.** Where there is intense state and local commitment, there will be progress in rail passenger service. We see this most clearly in California, which has made the heaviest investment, but even in states that have committed more modest resources a strong dedication and focused attention to specific, perceptible service improvements can overcome a lack of funds.
- **Partnership.** Time and again we see that it is possible to bring Amtrak and the freight railroads into mutually beneficial agreements. Our state-by-state estimates show that Amtrak and the freight railroads pumped almost a billion dollars into intercity passenger improvements in the 1990s, with the freight carriers contributing almost 40 percent of that amount. While no one can foresee the future ability of either Amtrak or its freight colleagues to replicate that investment in the coming decade, the precedent exists; and we have ongoing programs in Pennsylvania, New York, Virginia, and elsewhere to back up our hopes.
- **Incremental progress.** We would all like to see high-speed rail right away, in its full glory. The fact is, it takes time; the Northeast Corridor, well-funded though it has been, has taken over 35 years from concept to realization. Part of that delay reflects the complexity of the Northeastern rail operations, with

their thousands of commuter and hundreds of intercity trains each day, as well as the sheer number of different state and local governments involved. Simpler corridors, with more straightforward operations and fewer actors, can take much less time. The phenomenal success of the Pacific Northwest corridor, still at top speeds of 79 mph, further confirms the lesson that modest improvements can produce major increases in service quality and ridership.

- **Equipment pays.** Often, it is easier to finance and acquire attractive equipment than to make the fixed plant improvements for high-speed service. Equipment can often be privately financed; it is not a sunk cost, but rather has a market value that can be used to secure a loan. It can also be used at a variety of speeds—conventional speeds where necessary, higher speeds when investments and safety considerations permit. Just as Amtrak and the Midwest states are proceeding with equipment in advance of major fixed facility investments, so can other states do so. As long as the equipment meets FRA safety standards, provides the marketability that rail passenger service needs, and (in the case of the Southeast Corridor) is well-suited for through operation over the Northeast Corridor and its high-level platforms, it can be used to good effect.
- **Detailed planning; freight and commuter needs.** Our enthusiasm must always be tempered with the realities of rail transportation today. Specifically, just because the tracks are there, and even empty, does not necessarily make them suitable for passenger service. The proper connections must be in place at the right places; the needs of freight service—so vital to the Nation's economy—must always be protected; and future commuter services must be allowed for. Even our remaining, disused passenger stations are of no benefit if the tracks that lead to them are gone, or if huge skyscrapers are blocking their former approaches. The bottom line is: detailed engineering investigations must be the prerequisite to significant rail passenger investment. I know that you have done, and are doing this in Georgia, but there is always the danger that enthusiasm can outpace realism. So, I advise all advocates of rail passenger improvements, wherever they may be, to get the facts before leaping into visionary projects. This does not mean that we cannot make big plans—just that the big plans must take into account the engineering realities.

Sources of Funds

Time and again, this testimony has emphasized state, local, Amtrak, and freight railroad funds. This emphasis reflects the limited availability of direct federal funding for intercity rail passenger improvements.

Some limited programs are available. The FY 2001 Transportation appropriation includes \$200,000 for planning, earmarked for the Charlotte-to-Macon segment of the Southeast Corridor. In recent years such planning funds have been scarce, and only available for earmarked routes. We also have a total of \$5.25 million in grade crossing improvement funds, also for high-speed lines, and also completely earmarked.

For larger federal investments, the most promising options right now are the Railroad Rehabilitation and Improvement Financing Program (RRIF), managed by the FRA, and the Transportation Infrastructure Finance and Innovation Act (TIFIA), which is a DOT-wide program. Let me summarize for you these two creative financing approaches, both of which originated in the Transportation Equity Act for the 21st Century, or TEA-21. In addition, there are some other opportunities for intercity rail funding under TEA-21 as well as a pending proposal in Congress that should be of considerable interest.

RRIF

The RRIF program provides for direct loans and loan guarantees for terms up to 25 years. There is a statutory maximum amount of outstanding principal of \$3.5 billion. Of this, \$1 billion is reserved for projects primarily benefitting short line and regional railroads.

Statutory priority projects are those that:

- Enhance safety;
- Enhance the environment;
- Promote economic development;
- Are included in state transportation plans;
- Promote U.S. competitiveness; and
- Preserve and enhance rail or intermodal service to small communities and rural areas.

Eligible applicants for RRIF funding include state and local governments, government-sponsored authorities and corporations, railroads, and joint ventures that include at least one railroad.

Financing can be used—

- To acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, track components, bridges, yards, buildings, and shops;
- To refinance existing debt incurred for the previous purposes; and
- To develop and establish new intermodal or railroad facilities.

RRIF funding is not restricted to freight, and could be applied to passenger railroads.

The unique feature of the RRIF Program is the payment of a Credit Risk Premium in lieu of an appropriation of funds. The Credit Risk Premium is a cash payment provided by a non-federal entity. The Credit Risk Premium must cover the estimated long-term cost to the federal government of a loan or loan guarantee. The amount of Credit Risk Premium required is determined by the specifics of the transaction. It is based on an applicant's creditworthiness as well as the impact of the project on an applicant's financial strength. The pledging of collateral will reduce the amount of the Credit Risk Premium since the greater the value of the collateral, the higher the recovery in the event of default. The credit risk premium must be paid to the FRA before funds are disbursed.

FRA issued final procedures for applying for RRIF financing (49 C.F.R. Part 260) this past summer.

TIFIA

The Transportation Infrastructure Finance and Innovation Act (TIFIA) is a new program created in Section 1501 of TEA-21 that provides federal assistance in the form of credit (e.g., direct loans, loan guarantees, and standby lines of credit) to help fund major transportation investments of critical national importance. The TIFIA credit program is designed to fill market gaps and to leverage substantial private co-investment by providing supplemental and subordinate capital.

The TIFIA credit program consists of three different types of financial assistance designed to address projects' varying requirements throughout their life cycles:

- Secured loans are direct federal loans to project sponsors. These loans provide combined construction and permanent financing of capital costs. The interest rate is "not less than" the yield on marketable Treasury securities of similar maturity on the date of execution of the loan agreement.
- Loan guarantees ensure a federal government full-faith-and-credit guarantee to institutional investors making a loan to a project.
- Standby lines of credit represent secondary sources of funding in the form of contingent federal loans that may be drawn upon to supplement project resources if needed during the first ten years of project operations.

Funds to implement the project may be provided by a corporation, a joint venture, a partnership, or a governmental entity. The amount of federal credit assistance may not exceed 33 percent of total project costs.

Projects eligible for federal financial assistance through regular surface transportation programs (Title 23 or chapter 53 of Title 49) are eligible for the TIFIA program. In addition, regionally or nationally significant projects such as intercity passenger rail facilities and vehicles (including Amtrak and magnetic levitation systems), publicly owned intermodal freight facilities on the National Highway System, border crossing infrastructure, and other large infrastructure projects such as the Penn Station Redevelopment project in New York are examples which could fit under the TIFIA umbrella.

To qualify, projects must cost at least \$100 million or at least 50 percent of a state's annual apportionment of federal-aid funds, whichever is less. Also, the project must be supported in whole or in part from user fees or other non-federal dedicated funding sources (e.g., tolls) and must be included in the state's transportation plan. For Intelligent Transportation System projects, the minimum cost must be \$30 million; these might include a regional train control project or a significant advanced train propulsion control system covering a major metropolitan area.

Qualified projects meeting the above threshold eligibility would then be evaluated by the Secretary based on the extent to which they generate economic benefits, leverage private capital, and promote innovative technologies. The senior debt for each project must possess an investment grade rating (BBB minus or higher) in order to receive federal credit assistance under TIFIA.

Under TEA-21, a total of \$530 million of contract authority was provided to pay the subsidy cost of supporting federal credit under TIFIA (to cover anticipated losses). The maximum amount of credit that may be provided is capped at \$10.6 billion over the 6-year authorization period.

Other TEA-21 Sources

Although TEA-21 did not provide the expanded flexibility for states to apply highway trust fund moneys to intercity rail passenger investments that the Clinton/Gore Administration sought, there are some limited opportunities for states to do so. For example, feasibility studies of a broad range of alternative transportation investments (including rail investments) in a corridor might be included in FHWA-funded planning activities. Also, the FHWA's grade crossing safety funds may be applied to high-speed rail corridors as long as FHWA mandates are followed. Similarly, the Congestion Mitigation and Air Quality (CMAQ) Improvement Program can be (and has been) used for rail passenger and freight purposes in nonattainment and maintenance areas under TEA-21. All these applications of funds to rail passenger purposes of course require the concurrence of the FHWA division offices. Finally, as Secretary Slater has discussed in his testimony, federal funding is available from the Federal Transit Administration for commuter rail improvements. Improvements benefitting commuter rail also frequently provide a benefit for intercity rail passenger services operating over the same rail lines.

Pending Proposal in Congress

Congress is currently considering legislation, the "High-Speed Rail Investment Act," that would finance Amtrak/State partnerships to build high-speed rail systems. This legislation has the endorsement of the Clinton/Gore Administration. The proposal's basics, furnished by the bill's sponsors, are as follows (note that the legislation is changing as Congress continues to refine it).

- Amtrak is authorized to sell \$10 billion in high-speed rail bonds between FY 2001 and FY 2010.
- This money may be invested in designated high-speed rail corridors to upgrade existing routes to high-speed rail, construct new dedicated high-speed rail tracks, and to purchase high-speed rail equipment.
- No more than \$3 billion of the bonds will support any one corridor.
- Up to ten percent of the funds would be available to improve non-high-speed rail service nationwide.
- States are required to match at least 20 percent of Amtrak's share. These funds would be managed by an independent trustee and used to redeem the bonds. The repayment of bond principal by the trust would be assured by a separate non-federal guaranteed investment contract.
- State funds contributed in excess of the 20 percent minimum may go directly towards funding projects. The state matching requirement ensures that Amtrak will work in partnership with the states and invest these funds in only the most economically viable projects.
- A preference will be given to projects with a state share greater than 20 percent.
- Provisions are included which would prevent the use of both bond money and Highway Trust Funds.
- Bondholders receive tax credits in lieu of interest payments, which decreases federal revenues by \$762 million over five years and \$3.3 billion over ten years.

The states have already spent a significant amount to get started—about \$1.5 billion in the last decade—mostly on incremental improvements, and they plan to spend another \$1.3 billion in the next 5 years, even without recognizing the full effects of the proposed High-Speed Rail Investment Act. Thus, improved intercity rail passenger service will expand somewhat in any case, but the High-Speed Rail Investment Act would make a dramatic difference.

Future Vision

Incremental high-speed rail systems are likely to emerge in a number of corridors in this decade. Construction will probably begin on a new high-speed rail or maglev system between major cities somewhere in this country, probably on the West or East Coast. All these systems will demonstrate growing synergy with commuter rail, transit, and motor vehicle transportation, thus fulfilling Secretary Slater's vision of a seamless transportation network.

Beyond that, I envision a constant improvement in the quality and consistency of Amtrak's service on all its routes, as well as an expansion of intercity rail passenger service to new markets (like Atlanta—Birmingham—Dallas/Fort Worth). To achieve these improvements, we need to apply the lessons learned from our recent work on developing improved passenger rail service. We need to combine a local commitment in partnership with cooperation from freight railroads and federal support. We need to take advantage of opportunities to improve track and equipment gradually, as our resources permit, so that improved service and ridership generates support for further improvements in the future. And we need to make sure that our enhancements improve service quality for all rail users—intercity passenger, commuter and freight. The demographics of the United States are changing with unprecedented growth occurring in regions like Atlanta and the State of Georgia. The rail system of the future needs to reflect the residential, commercial, and travel patterns of the future, not those of the past. That's why I expect great things to happen in Georgia and the Southeast as population increases, congestion poses challenges, and opportunities for improved rail service converge to make this region a world-class hub for intermodal transportation. Thank you.

Senator CLELAND. Thank you very much.

[Applause.]

Senator CLELAND. When you partner with a state, is the federal match percentage predetermined or is that flexible or does it depend on what type of program the state wants and therefore they can buy a Ford or a Cadillac or what—tell us about that partnership and the matching funds.

Ms. MOLITORIS. Well, I can just mention a success story and that would be the Alameda corridor. I recall at the beginning of the Clinton-Gore administration, the people from that area came in and they had a concept of how much money they wanted, and it was a lot, and we knew we could not afford it. So what we did was help them create a model that worked for everybody. In other words, they started off, I think, with a goal of something like \$800 million that they thought they needed from the federal government. I think at the end of the day, it was around \$400 million, but we had helped them bring partners together. The private freight railroads did a wonderful job, the people of the community did a wonderful job. We were able to find different places to find funding and so we really created a financial plan. That has been one of the hallmarks of the Secretary's leadership is this innovative financing where you try to match it. Because really the truth is, Senator, every corridor and every region is a little bit different, different kinds of freight needs, different kinds of right-of-way issues—curvy, hills, flat. And so the challenges are different. But we feel, with the experience we have had, we can help you create a successful plan. We get some of your financial institutions and private sector people who have done it there, they can help too.

Senator CLELAND. Thank you. That's Alameda, California?

Ms. MOLITORIS. Yes, Alameda corridor.

Senator CLELAND. Thank you.

Mr. George Warrington, thank you very much for being here today.

**STATEMENT OF GEORGE WARRINGTON, PRESIDENT,
NATIONAL RAILROAD PASSENGER CORPORATION**

Mr. WARRINGTON. It really is an honor for me to be here today, Senator. It is also great to get out of Washington every once in awhile.

Senator CLELAND. Yes, sir.

Mr. WARRINGTON. I would like to begin by thanking you, Senator Cleland, and Governor Barnes, Mayor Campbell, Secretary Slater and Jolene, Administrator Molitoris, and others here today for all of your consistent and very strong support for Amtrak.

Your advocacy really has been instrumental, in particular over the past year or two, in building support for the critical High-Speed Rail Investment Act and I just want everyone to know that we at Amtrak deeply appreciate all your efforts and consistent leadership and support on this vital question, because in the end, this is really all about money and do we have the will and the ability to deliver the kind of investment that can really make a difference and build a system across this country that we can all be proud of, including right here in Georgia and in Atlanta.

I also want to share a little bit of our vision about Georgia and Atlanta. Atlanta clearly lies at the heart of our own vision for high-speed service along the entire Atlantic coast. As the region's leading business and transportation center, Atlanta really is poised to become as important a rail passenger hub as Washington, D.C. and New York today are on the Northeast Corridor. Atlanta is the key to the ability of the southeast high-speed rail corridor to successfully connect with our very successful Northeast Corridor to the Gulf coast and Texas, providing fast, reliable service to Birmingham, Greenville, Charlotte as well as Macon, Jacksonville, and Florida's future high-speed rail network, which is a clear vision as well.

Our vision is a string of pearls, the major business centers of the southeast tied together with an integrated fleet of 110-mile-an-hour tilting trains that provide business as well as discretionary and leisure travelers with productive, comfortable, attractive, and competitive service, a service we can all really be proud of in this country and in this economy.

The challenge that Georgia, Amtrak, and all of our freight railroad partners face is two-fold, and we need to be frank and we need to be honest about this. We need to upgrade the region's rail lines to accommodate both the significant increase in high-speed rail service planned by Georgia and the projected growth, which is equally important, in regional rail freight service as well—very important to local economies and to important shippers which Secretary Slater mentioned earlier today. We need to do it together and as Jolene said, this really is about honest partnership.

High-speed rail has already proven to be an economic engine for development throughout the entire Northeast Corridor. Indeed, for many of the cities Amtrak serves in the northeast, the focus for commercial development at this point is new hotels, convention centers, offices, retail centers entirely, almost exclusively, around developing train stations. And in fact, a launch of our Acela Service in the northeast has promoted and stimulated significant additional both public and private investment as engines in communities between Boston and Washington. That is because the road system is already at capacity, cannot deliver more people to urban centers and only trains, when invested in incrementally and wisely, can bring the additional workers and customers to our cities across America.

But of course high-speed is not just—and what this hearing is about—is not just the northeast, it is about urban centers all across America, including the southeast. And Amtrak can and will help—I commit to you, Amtrak can and will help this entire region make the most of those precious rail resources which exist here today.

We are ready to initiate an association with the State Department of Transportation and the Georgia Passenger Rail Authority to plan a study for a new Atlanta-Macon-Jesup-Jacksonville service, and we are also working with Georgia on the Atlanta capacity study and planning for the new very important multi-modal passenger station in downtown Atlanta, a very important facility, both substantively and symbolically to our vision about building Atlanta as a very important hub in America.

Thanks to you, Senator Cleland, and other members of the Georgia delegation, the new fiscal year 2001 transportation appropriations bill provided \$200,000 to Jolene and Secretary Slater in order to extend the Boston-Washington-Richmond-Charlotte transportation plan, very important planning work, to Atlanta and to Macon. Frankly what has happened is that has jump-started and led to a remarkable planning process, bringing together, probably for the first time, all of the interests—freight railroads, the federal and state governments, and Amtrak—to really jointly develop, as Jolene said, in partnership, real partnership, a high-speed rail plan that could effectively accommodate both passenger as well as freight growth.

We look forward to working with South Carolina, Georgia, CSX, Norfolk Southern, and the Federal Railroad Administration on the important study, and I want to personally thank you, Senator Cleland, for your efforts to secure the funding to jump-start this initiative.

I should also mention we are right now literally at this moment in the process of procuring new 110-mile-an-hour tilting non-electric high-speed trains for use on corridors throughout the midwest, in particular Chicago, Milwaukee, Minneapolis, Chicago-Detroit, and Chicago-St.Louis. These trains, the costs of which are being shared with our midwest state partners, would be ideal for use in Georgia and the southeast high-speed rail corridor and we will very much look forward to working with the state on both an equipment strategy over the next several years as well as an equipment plan.

Mr. Chairman, this country has reached a crossroads with respect to transportation policy—and this really is about national transportation policy. As the saying goes, it is time to put up or shut up. We can either go on pretending that the chaos that is engulfing our highways and airports will somehow magically disappear—it is a phenomenon that used to occur only in the northeast, it is now occurring in metropolitan centers all across this country—or we can resolve to actually do something about it. And as I often say, this is all about money. And doing something means investing in passenger rail, not at the expense of highways or aviation, but to simply provide the development of the third leg of the stool to provide better choices and better alternatives for Americans.

There are two reasons why solving this crisis requires a substantial investment in rail. First, there is the cost issue. As we are in-

creasingly finding out—you referenced earlier today in our press conference—the incremental cost of building new highways and airports are climbing and the costs of adding to our rail capacity are comparatively attractive, in a relative sense. And the throughput, the bang you get for that buck, the capacity that you build and the ability to move people with that incremental dollar at this point in the evolution of the transportation, points in the direction of a wise rail investment.

Second, there is the balance issue. Our national transportation system might be compared to a three-legged stool. For the stool to be balanced, all three legs—highways, airports and rail—have to be strong and they have to be sturdy. If you remove the rail leg and try to balance the transportation stool on highways and airports alone, the entire structure, as we are beginning to see, begins to wobble and totter and eventually collapse altogether. That is what we are facing today, a transportation system that is wobbling and tottering and in danger of collapse on many metropolitan regions all across this country.

We are investing more—as Secretary Slater said earlier today, more than \$40 billion a year—in our highway network and I support that investment. It is important and it has done a terrific job for this nation and its economy. We are investing \$14 billion a year, almost \$15 billion a year, in federal money in our aviation system annually and we support that investment as well. Yet we invested about \$500 million in America's 22,000 mile national passenger railroad system last year and to get it, we had to fight like dogs for table scraps. This shockingly low level of investment not only places the future of passenger rail in doubt, it jeopardizes the viability of the entire transportation system, given its evolution over the last several decades.

To restore the balance to this system—and this really is about money and it is about balance—the country has to stand up and make a commitment to invest in rail and the Europeans did it decades ago. We are frankly tired of folks coming back from Europe and say why can we not do it here? We have demonstrated in the past several weeks that we are able to do it on the Northeast Corridor with an outstanding Acela service and we want to be able to transport that opportunity all across this land. It can be extraordinarily powerful not only for Amtrak's bottom line, but for the American economy and communities all across this nation.

As you well know, Congress still has before it this year, thanks to your support as a co-sponsor, as you mentioned earlier, the High-Speed Rail Investment Act, which would provide \$10 billion in bonding authority for Amtrak to partner, genuinely partner with states and freight railroads in developing high-speed corridors like the Northeast Corridor across this country, including right here in Georgia. I appreciate your leadership, Senator Cleland, in pushing this vital legislation so hard, and I want to reiterate to you in the strongest terms possible the need to see this legislation, for all of us, enacted this year.

In conclusion, I really want to thank you, Senator Cleland, as well as Governor Barnes, Secretary Slater, Administrator Molitoris, for your strong, consistent, and unambiguous support for Amtrak and in particular for the High-Speed Rail Investment Act. You

have all been leaders of this effort and I am convinced that the future of high-speed rail in the southeast depends upon successful implementation here in Georgia. It is why we are so proud to be a partner with you and with the State of Georgia in a common effort to improve the quality of life and the economy for the people of Georgia and this region. And in the end, it is all about money. And I want to thank you for your leadership and for pushing this vital agenda, which is really long overdue in this country.

Thanks so much, Senator.

[Applause.]

[The prepared statement of Mr. Warrington follows:]

PREPARED STATEMENT OF GEORGE WARRINGTON, PRESIDENT,
NATIONAL RAILROAD PASSENGER CORPORATION

Mr. Chairman.

It's an honor for me to testify here today. I'd like to begin by thanking Senator Cleland, Governor Barnes, Secretary Slater and others here today for their strong and effective support of Amtrak and passenger rail. Their advocacy has been instrumental in building support for the High-Speed Rail Investment Act, and I deeply appreciate their efforts.

I also want to congratulate the Members of this Subcommittee for stepping outside the beltway and holding this hearing in what I think of as the "real" America. Georgia epitomizes the potential role that high-speed rail and commuter rail can play in addressing regional transportation gridlock. Few cities in America face the huge transportation challenges that confront Atlanta every day: the busiest airport in the world; serious air quality concerns; gridlock on the highways; and the need to enhance access to the city in order to maintain economic growth.

Atlanta lies at the heart of Amtrak's vision for high-speed rail along the Atlantic Coast. As the region's leading business and transportation center, Atlanta is bound to become as important a rail passenger hub as Washington and New York are today. Atlanta is the key to the ability of the Southeast High-Speed Rail Corridor to successfully connect the vibrant Northeast Corridor to the Gulf Coast and Texas—providing fast, reliable service to Birmingham, Greenville, and Charlotte, as well as to Macon, Jacksonville, and Florida's future high-speed rail network. Our vision is a string of pearls—the major business centers of the southeast—tied together with an integrated fleet of 110 mph tilting trains that provide business and discretionary travelers with productive, comfortable, stress-free rides.

The challenge that Georgia, Amtrak, and our freight railroad partners all face is twofold. We need to upgrade the region's rail lines to accommodate both the significant increase in high-speed and commuter rail planned by Georgia, *and* the projected growth in regional freight rail service. We must work together toward our common goal of making the most of a remarkable resource—the old rail line—to relieve regional congestion and enhance the regional economy.

High-speed rail has already proven to be an economic engine for development throughout the Northeast Corridor. Indeed, for many of the cities Amtrak serves in the Northeast, the focus for commercial development—new hotels, convention centers, offices, retail centers—is around the train station. That's because the road system is already at capacity and simply can't deliver more people to the city center. Only trains can bring in the additional workers and customers.

Examples of commercial development in the Northeast Corridor include:

- Boston—where nearly \$2 billion in commercial development is planned around South Station due to high-speed rail and MBTA commuter service;
- Providence—where a major shopping mall was built adjacent to the station and a convention center was also built near the station;
- New London—where Pfizer world headquarters and major city redevelopment projects are adjacent to the station;
- And Philadelphia, Wilmington and Baltimore, all of which have major hotels, conference centers and office buildings built adjacent to their train stations, in order to benefit from the commercial opportunities.

But, of course, high-speed rail isn't just for the Northeast. Nowhere are the potential benefits of high-speed rail greater than here in the Southeast. Amtrak can and

will help this entire region make the most of its rail resources. We are ready to initiate, in association with the State Department of Transportation and the Georgia Passenger Rail Authority, the planned study for a new Atlanta-Macon-Jesup-Jacksonville service. We are also working with Georgia on the Atlanta capacity study and planning for the new multi-modal passenger station in Atlanta.

As you know, thanks to Senator Cleland and other members of the Georgia delegation, in the new FY 2001 transportation appropriations bill, \$200,000 was provided to the Federal Railroad Administration to extend the Boston-Washington-Richmond-Charlotte transportation plan south to Atlanta and Macon. This has led to a remarkable planning process, bringing together the freight railroads, the federal and state governments, and Amtrak to jointly develop a high-speed rail plan that can accommodate passenger and freight rail growth. We look forward to working with South Carolina, Georgia, CSX, Norfolk Southern and the FRA on this important study, and we thank Senator Cleland for his efforts to secure this funding.

Amtrak has considerable experience in partnering with states to develop high-speed rail. We are working closely with Virginia and North Carolina on the upgrade of the Charlotte-Richmond-Washington segment of the Southeast High-Speed Rail Corridor and expect to jointly fund the acquisition of new trains that will be used on the Southeast Corridor. In Pennsylvania and New York, we have partnered with the states on funding the upgrades necessary to implement new high-speed service. And in Washington State, Amtrak, the freight railroad and the state have partnered to upgrade the rail line and procure new trains to significantly reduce travel time and increase ridership.

Amtrak is also experienced in partnering with communities to help address local needs and concerns. For example, we established TEMPO—the Texas Eagle Marketing Performance Organization—as a partnership between Amtrak and local communities served by our *Texas Eagle* train. It involves local businesses, chambers of commerce, sports and entertainment franchises and venues, travel agencies, mayors and every other segment of the business community. TEMPO is responsible for many successful marketing efforts to support the *Texas Eagle*, and also plays a role in promoting station improvements along the route. The Crescent Coalition is another example of a successful partnership between Amtrak and local communities—this one focused around Amtrak’s Crescent service. These efforts are being duplicated around the country and we would promote such a partnership down here.

I should also mention to the distinguished Members of this Committee that Amtrak is in the process of procuring new 110 mph tilting non-electric high-speed trains for use on corridors in the Midwest. These trains, the costs of which are being shared with our Midwest state partners, would be ideal for use in Georgia and the Southeast High-Speed Rail Corridor. We very much look forward to working with the state on an equipment strategy and plan.

Mr. Chairman with all due respect, this country has reached a crossroads with respect to transportation policy. As the saying goes, it’s time to “put up or shut up.” We can either go on pretending that the chaos that’s engulfing our highways and airports will somehow magically disappear, or we can resolve to do something about it. And doing something means investing in passenger rail.

There are two reasons why solving America’s transportation crisis requires a substantial investment in passenger rail. First, there’s the cost issue. As I’m sure everyone on your Committee knows, the costs of building new highways and airports are climbing way up; the costs of adding to our rail capacity are falling way down. As the marginal cost of highway and airport construction rises, while the marginal cost of increasing our passenger rail capacity falls, rail becomes cost-effective relative to other transportation modes. In plain English, you get more “bang for your buck” by investing your transportation dollar in passenger rail than by investing that same dollar in new highway or airport construction.

Second, there’s the *balance* issue. Our national transportation system might be compared to a three-legged stool. For the stool to be balanced, all three legs—highways, airports and rail—must be strong and sturdy. But if you remove the rail leg and try to balance the transportation stool on highways and airports alone, the whole structure will wobble and totter and—eventually—collapse altogether.

That’s what we’re facing today—a transportation system that’s wobbling and tottering and in danger of total collapse. We’re investing more than \$40 billion a year in our highways annually—and I support that investment. We’re investing more than \$14 billion in our aviation system annually—and I support that investment as well. Yet, we only invested about \$500 million last year in our passenger rail system. This shockingly low level of investment not only places the future of passenger rail in doubt; it jeopardizes the viability of our entire transportation system. Because, to repeat, ours needs to be a balanced system. If you remove passenger rail from the balance, the other parts of the system just don’t work right. But if you’ve

got a strong railroad system that takes some of the pressure off of our highways and airports, then you enable *them* to fulfill their potential, as well.

To restore balance to our national transportation system, and to turn the corner into the new century with a modern passenger rail system made up of high-speed corridors linked together by longer distance train service, this country must stand up and make a commitment to invest in rail. None of the terrific projects here in the Southeast Corridor that I have mentioned today will be realized unless the federal government puts rail on the list with highways and airports for capital investment funding. As you well know, Congress still has before it this year an opportunity to enact the High-Speed Rail Investment Act, which would provide \$10 billion in bond authority for Amtrak to partner with states in developing high-speed corridors. I appreciate your leadership, Senator Cleland, in pushing this critical legislation so hard, and I want to reiterate to you, in the strongest possible terms, the need to see this legislation enacted this year.

In conclusion, I would just like to once again thank you, Senator Cleland, as well as Governor Barnes, Secretary Slater, and the many others here for their strong, unambiguous support for Amtrak and high-speed rail. You have all been leaders in this effort and I am convinced that the future of high-speed rail in the Southeast depends on its successful implementation here in Georgia. That is why Amtrak is so very proud to be a partner with Georgia in a common effort to improve the quality of life for the people of Georgia and the entire Southeast.

Senator CLELAND. Thank you very much for those kind words.

May I just ask you to share with all of us how important it is that you have a source or sources for extra bonding capacity, in this case, or it might be other resources, to begin to invest in the kind of expansion that you would want. I am a co-sponsor of the High-Speed Rail Investment Act, but it focuses on bonding capacity. Are you limited in your ability to invest in new trains, new equipment, new road beds and maintenance and so forth? Are you limited in that right now?

Mr. WARRINGTON. Yes. We do not have a dedicated capital source of funds, unlike all of the other competing modes—commuter rail, maritime, aviation, and highway. Amtrak needs to beg, scrape and scrap on an annual basis for what ends up being a significantly lesser amount of money than is necessary to build a system across this country that we can be proud of. And the High-Speed Rail Investment Act enables us to jump-start and begin to initiate the kind of service that we have recently launched on the Northeast Corridor all across this country, in partnership. As a practical matter, what is occurring is states like Georgia, states like California, states all across this land, North Carolina, Virginia are taking a leadership role around figuring out methods to raise resources in order to partner with Amtrak and what Amtrak desperately needs is the kind of flexibility and dedicated commitment of capital to be able to really partner with states and partner with freight railroads to make this vision a reality. We have never had it in 30 years and the time is right right now to enable us to use the tools of today's existing railroad system across this country to build an attractive and competitive and powerful railroad. It is about capital and it is about money. The Act gives us the opportunity to make that happen and make it happen relatively quickly across this land.

Senator CLELAND. Count on me for continued support. Whether we get it this year or not, I am there for the duration.

I might say, is it your understanding that given some access to capital and the ability to invest in the infrastructure that you want, that you could begin to find, shall we say, willing partners, both in the public sector and the private sector that would facilitate

you coming south in the next few years and fleshing out this system that you have before us?

Mr. WARRINGTON. Absolutely. The most successful operation that Amtrak runs today is the Northeast Corridor and the single most important vision that we have and we have had for a number of years is moving that Northeast Corridor as far south as rapidly as possible to top into the development that has been occurring in this region, the southeast, over the past 10 to 20 years. As a practical matter, from a business point of view, it is very important to Amtrak to connect to reliably and frequently and with faster trains to the entire southeast market, to Atlanta and ultimately to Jacksonville.

We very much want to be there, it is a tremendous opportunity and it is simply a matter of money and commitment and will to make it happen.

Senator CLELAND. Well, again, count on me for doing my part for the money and the will to make that happen.

Mr. Secretary, I noticed that you recently designated extensions of the Gulf Coast and Southeast High-Speed Rail Corridors which do impact Georgians directly. Specially, you announced a new route between Birmingham and Atlanta that links the Gulf Coast and Southeast Corridors and another route from Atlanta and Macon to Savannah and Jacksonville.

In terms of federal funding, what do you think these designations mean to our state here?

Secretary SLATER. Well, first of all, Senator, let me say that I think that clearly it takes the money, but I think to start there and not acknowledge the leadership that George and his team have provided over the last few years would be missing a point here, because it is going to take that same kind of leadership to carry us forward.

And if I may, in 1997, Amtrak could not even get along with its workers. Service was declining and there were not the resources, and we did not have the commitment from the Congress. At that point, the leadership stepped forward, we put our heads together, we resolved the issues with the labor unions. George and his team have moved forward and they have not only met the challenge of the moment of providing quality service with the system we currently have, but with the credibility that they have built up through the partnerships with others, they have been able to come forward with this kind of vision that is out there now to be seized upon, to be enjoyed. That brings us to the point that you just mentioned.

There are some funding opportunities that are out there. Clearly, where you have situations where commuter service is there and it is sharing the same track with the high-speed rail corridors, then that investment could actually bring about improvements to that physical stock. We have a number of new start projects that we are looking at for this region, commuter projects, and we want to be supportive of your efforts and the efforts of this region in bringing those into being.

Let me just say that the FTA new start initiative involves the Macon-Griffin up to Atlanta stretch, and then from Atlanta over to Athens. So it includes all of that. Right now, our new start re-

sources are stretched, but we believe that, because of the tremendous benefits that we have seen through investments in transit, that any administration that comes after this one will continue to be a wonderful partner with you and with the citizens of the region to invest in this initiative.

Also, as has been said, we have some flexibility within current law where you can actually flex some highway dollars to transit projects that especially help you to deal with air quality issues and the like through the CMAQ program, and through the surface transportation program. And so we would work with you to put together those kinds of financing packages as well.

Administrator Molitoris also mentioned the RRIF program and we also have a TIFIA program that deal with using federal dollars to actually leverage private sector dollars. Those kinds of funds could be made available as well.

Senator CLELAND. Leverage private sector dollars?

Secretary SLATER. Exactly. And with the fact that you have brought together not only the governmental representatives but also representatives from CSX and Norfolk Southern, you have the kind of leadership team that is developing here to tap all of those sources. I also know that the business community is represented through representatives of the Chamber as well, from the region, and that kind of presence is also quite important and significant.

Ms. MOLITORIS. Senator.

Senator CLELAND. Yes, ma'am.

Ms. MOLITORIS. May I just add one point? I always agree with everything the Secretary says—

[Laughter.]

Ms. MOLITORIS.—but I do want to just raise one cautionary note. In any transition, there are a lot of new people and we have spent the last almost 8 years now developing these relationships and doing an education process, and as George says, and I think appropriately, scrapping and scraping to make sure that the right kinds of funds, to the best of our ability, are there. I would say to you that the kind of relationships we have had, for example, with Catherine Ross and Stan and Mather and the Governor. I would hope that you would become that facilitator during the transition so that there is no time lost, so that there is a consistency and a connection through this period of transition.

Senator CLELAND. We would hope this hearing would serve that purpose.

We thank the panel. Unlike Congressional hearings in Washington, I would like to take the opportunity of the chair and just open it up for a question or two from the audience here. We have great participation from the audience.

Yes, sir. Would you like to stand up and give us your name and maybe an agency that you represent?

VOICE. I am here as a member of AARP. I would like to ask Mr. Warrington if the Postal Service is indicating that it is a willing partner in any of your routes like going from Atlanta to Fort Worth through Meridian as you are proposing to do.

Mr. WARRINGTON. Yes, we have a very successful business commercial relationship with the United States Postal Service and that relationship has grown substantially over the last several years

and we focus internally around premium quality service for our express customers like the Postal Service, as much as for our passenger services. That business has grown to be about \$120 million or \$130 million. We have a vision around increasing both the volume of business and our gross and net revenue yield from that business over the next several years. And in fact, it is one of the contributors to the performance and the rationale for extending or presence from Meridian to Fort Worth-Dallas, and much of that traffic rests between Atlanta and Dallas-Fort Worth.

Secretary SLATER. Mr. Chairman, before we leave, I might want to say a little about maglev as well.

Senator CLELAND. Please.

Secretary SLATER. We are currently reviewing seven projects in that regard and you have got a very promising project that is in the mix that would provide maglev, at least the beginning of that process, I think about 32 miles or so of the 100 or so mile stretch from Atlanta to Chattanooga. The staff has readied for me their assessment analysis of the seven projects and we hope to soon make a decision about how we proceed. But I mention that because again, as we talk about Atlanta, we are talking about the future of transportation. You have really positioned yourself well, not only when it comes to highway and transit transportation investments but also now with the potential for high-speed rail, and then with the potential to move from that to maglev service in this region as well.

So we want to be supportive of you and again, I reiterate my commitment to put together a DOT team that can begin right now working with you, Senator, and your colleagues. You have got representatives from—Senator Hollings and also from Chairman McCain. And this Committee through your collective leadership has done such a tremendous job. We would look forward to working with you and the others to continue this process, not only for Atlanta and Georgia, but for the benefit of the nation as a whole.

Senator CLELAND. Thank you very much, Mr. Secretary, for taking that positive initiative.

Let me just say for those who are not familiar with the technology, my understanding—and when you talk about the future, my understanding is that commuter rail runs at an average speed of about 79 miles an hour, something like that, the passenger service that Mr. Warrington runs in the Northeast Corridor with the new technology is somewhere around 110, 120 miles an hour; is that correct? Magnetic levitation trains run at some 220 miles an hour. It is something that we learned from the Japanese, the bullet train. But I was just in Japan and they are testing out a new magnetic levitation technology that goes up to 330 miles an hour. So we just want everyone to know that we are not talking about just the old Nancy Hanks, bless her heart. But we are talking about the future of Georgia.

I have one more question. Ms. Molitoris, I worked to get funding in the transportation bill this year to extend the Southeast High-Speed Rail Corridor study from Charlotte to Atlanta and Macon. We did include some \$200,000 to the Federal Railroad Administration for this purpose. What kinds of information can we expect from this study and, in addition, I would like to know if there is

a 50/50 match requirement for this earmark. The study will benefit, of course, Georgia, South Carolina and North Carolina. Am I correct that Georgia will be required to contribute only a part of the match?

Ms. MOLITORIS. Senator, and thank you very much for your initiative on getting that money because I think as George has pointed out, it has really been the jump-start point for getting people together.

The kinds of information that will come out of the study will be an analysis of the existing rail operations, a projection of future rail operations, the kind of infrastructure necessary to meet all of these future needs and then the priorities for investment and what the costs and the benefits will be. Considering that all the people have to be at the table and there is a lot to look at, that will probably be about a year to get that done.

In terms of the match, what we have seen work successfully is that the parties in question get together and have this discussion because there are different kinds of benefits. Sometimes the discussion is a little lively but in the end, it has worked out in every other coalition like the midwest and so on. So I am sure that you can certainly facilitate that and we would be supportive in whatever way we could.

Senator CLELAND. Glad to help.

Well, ladies and gentlemen, let us thank our panelists today for this enlightening discussion. Thank you all.

[Applause.]

Senator CLELAND. We will take about a 5-minute break while the second panel convenes. The second panel will include Governor Barnes and Mayor Campbell and Eddie Elder, Chairman of the Barrow County Commissioners, and Jack Ellis, Mayor of Macon. I would like to also ask Cecil Pruett, the Mayor of the City of Canton, to join our panelists here.

Five minute break. Thank you.

[Recess.]

Senator CLELAND. If it is okay with everyone, we will now begin with our second series of panelists here. We have three mayors and a wonderful chairman of a county commission. We will just start off with Mayor Jack Ellis. Mr. Ellis, we are glad to have you and thank you for joining us today.

**STATEMENT OF HON. JACK C. ELLIS,
MAYOR, CITY OF MACON, GEORGIA**

Mayor ELLIS. Thank you very much Senator and good afternoon. Let me again, as the other panelists, thank you for your leadership and what you have meant to high-speed rail and transportation throughout the state of Georgia. And of course, to the assembled people here, I am Jack Ellis, Mayor of the City of Macon and of course a proud member of Amtrak's Mayors Advisory Council.

Macon, if you do not know, is located in central Georgia approximately 80 miles south of Atlanta on Interstate Highway 75, and indeed is the last stop on the Southeast High-Speed Rail Corridor. So as you can see, I have more than a passing interest in commuter rail and rail passenger services.

I appreciate the opportunity to present testimony this afternoon in support of high-speed rail in Georgia and generally between the City of Atlanta and the City of Macon in particular. There are many reasons I believe a high-speed rail system would be good for our state. First, every day, hundreds of Maconites and residents of middle Georgia and the Macon region, make the approximately 180 mile drive round trip to Atlanta to take advantage of the many employment opportunities in the metro Atlanta area. Many other residents in the middle Georgia region make the same trip at least during the week to conduct business in the Atlanta area or to enjoy Atlanta's culture, entertainment venues, see doctors, attend classes, or engage in other activities.

While not in the same volume yet, residents of the metro Atlanta area are increasingly traveling to Macon and the middle Georgia region for some of the same reasons. For example, until recently I had an employee of our city government who commuted from the Atlanta metro area to Macon on a daily basis. And my own wife commuted from Macon to Atlanta to work for the last 7 years.

So high-speed rail would provide a more efficient, reliable and safer mode of transportation than is currently available to those who must travel between these two centers of our state. And it would do so in a manner that would be more environmentally friendly.

Second, I support high-speed rail because it would help make us, as a nation, less dependent on foreign oil supplies. We all know the story of the high price of gasoline in the last few months and what it has meant to the family budget.

Therefore, I encourage Congress to pass Senate Bill 1900, which of course I am singing to the choir when I talk to you about that, Senator, and that is the \$10 billion in bonds over the next 10 years, to enable development of the high-speed rail corridor.

Third, high-speed rail will improve Georgia's ability to compete in the global marketplace. Through connecting the state's metropolitan regions, high-speed rail would allow Georgia to be viewed as one seamless market by companies desiring to do business in our state.

High-speed rail connecting Atlanta and Macon also has the potential to serve another important strategic national objective and that is relieving the congestion at the nation's busiest airport.

In the City of Macon, we are in the process of updating our airport master plan at this time, thanks to you and the grant that we were able to get from the FAA to make this possible, Senator. We have undertaken an approximately \$3.2 million renovation of the airport terminal at this time. And of course, the passage and funding of AIR 21, which you worked so hard on, made this possible. As we expand this airport, of course, we will look for some other opportunities.

High-speed rail between Atlanta and Macon would enable the state to optimize the use of an underutilized existing resource to help solve the air traffic congestion at Hartsfield, which is of a local, regional, and national interest.

Fourth, and extremely important to us in Macon and middle Georgia, high-speed rail supports Governor Barnes' one Georgia initiative. High-speed rail has the potential to make Governor

Barnes' vision of making economic opportunity accessible to all of Georgia a reality.

Macon is a shopping, medical, banking, educational, and cultural center of the middle Georgia region. In addition, Macon is the second largest rail hub in the southeast and we are the last stop on the proposed Amtrak Southeast High-Speed Rail Corridor, as mentioned earlier.

Senator Macon is blessed to have the only Union Station in the state of Georgia. This station has been recommended as the location for passenger rail service and to be designated as a multi-modal facility for Macon and middle Georgia. This recommendation, of course, was made by local leaders in Macon, including myself.

The City of Macon is currently negotiating with the Georgia Power Company to acquire this historic and most significant asset to help facilitate the return of passenger rail service to Macon and middle Georgia. We have applied for state and federal funding to assist in the acquisition and restoration of our Union Station.

Macon was once a major passenger rail hub. With your assistance and leadership, it will once again take its rightful place in the future of passenger rail service.

Mr. Chairman, I lived in Europe for 3 years, both in France and Germany, and I have seen first-hand the efficiency and value of passenger rail service. On a recent trip to England, I was amazed to discover how many workers in London live over an hour away via commuter passenger rail.

So Mr. Chairman, the same thing is possible in Georgia and throughout our country with a tremendous positive impact on our economy, environment and quality of life, if only we would make the necessary investment to make it happen now. In the City of Macon, we have a strong public/private partnership and rail is at the centerpiece of our entire downtown revitalization, which you have heard so much about, NewTown Macon and of course, the City of Macon and the County of Bibb working together to make this happen, and with rail being the centerpiece, it will happen; and with your support, we know it will happen.

Thank you very much for this opportunity.

[Applause.]

[The prepared statement of Hon. Ellis follows:]

PREPARED STATEMENT HON. JACK C. ELLIS, MAYOR, CITY OF MACON, GEORGIA

Senator Cleland, Governor Barnes, Secretary Slater and my fellow mayors, I am C. Jack Ellis, Mayor of the City of Macon, Ga. I appreciate the opportunity to present testimony this afternoon in support of high-speed rail in Georgia in general and between the City of Atlanta and the City of Macon, in particular.

Needs and Opportunities

There are many reasons that I believe that a high-speed rail system would be good for our state. First, everyday hundreds of Maconites and residents of the Middle Georgia region make the approximate 180-mile drive round trip to Atlanta to take advantage of the many employment opportunities in the metro Atlanta area. Many other residents in the middle Georgia region make the same trip at least once during the week to conduct business in the Atlanta area; enjoy Atlanta's cultural, entertainment venues; see doctors; attend classes or engage in other activities. While not in the same volume, yet, residents of the metro Atlanta area are increasingly travelling to Macon and the middle Georgia region for some of the same reasons.

High-speed rail would provide a more efficient, reliable and safer mode of transportation than is currently available to those who must travel between these two centers of our state; and it would do so in a manner that would be more environmental friendly. In addition, high-speed rail would provide increased mobility for students, senior citizens, disabled persons and other non-driving populations in these areas of our state. The result would be improved mobility and access to the Atlanta for thousands of the state's citizens who currently spend countless hours in their automobiles to get to their destination, which causes traffic congestion and degrades our air quality.

Second, I support high-speed rail because it will help make us as a nation less dependent on foreign oil supplies. The increased gasoline prices several months ago because of supply cut backs by OPEC was a rude awakening to us of our vulnerability in this regard and made us aware once again (as we were made aware in the 1970's) of the adverse impact that such dependency can have on us economically. For example, the average price of a gallon of regular gas before the price hikes was approximately \$0.90.

Currently, it is approximately \$1.40. For the Macon or middle Georgia resident that must drive between Macon and Atlanta, as well as other Americans who lack alternative forms of effective and efficient transportation, this represents a reduction in their standard of living that many can least afford. An Editorial in the Monday's edition of the Atlanta Constitution makes the point that as the cost of transportation increases, less is left to spend on "health care, food, entertainment and personal care products and services—quality of life expenditures."

Third, high-speed rail would improve Georgia's ability to compete in the global market place. Through connecting the state's metropolitan regions, high-speed rail would allow Georgia to be viewed as one seamless market by companies desiring to do business in the state. After flying into Hartsfield Atlanta International Airport, businesses would have efficient and effective transportation via high-speed rail (a mode of Transportation that is quite common throughout Europe) to the other commercial centers of the state.

High-speed rail connecting Atlanta and Macon also has the potential to serve another important strategic national objective—relieving the congestion at the nation's busiest airports. In the state of Georgia, we are blessed with the busiest airport in the World—the Hartsfield Atlanta International Airport. However, like many airports around the country, in order for Hartsfield to continue to accommodate growth in passenger air transportation, it must expand. Such expansion is expensive and it can be disruptive to surrounding neighborhoods and communities. In addition, the expansion will take several years to complete. For example, Atlanta is about to undertake the construction of the Fifth Runway project to relieve some of the congestion Hartsfield is experiencing. However, it will be five to six years before this project is completed and the relief can be provided. The congestion cries out for a solution today. I believe that the City of Macon can be a major part of the solution to Hartsfield's growing pains in the short-term. In the City of Macon, we are in the process updating our airport master plan and undertaking an approximately two million renovation of our airport terminal building. Currently, we have sufficient runway capacity to accommodate smaller jet traffic and we will be seeking funding to expand the capacity of our runways to handle larger jets. High-speed rail between Atlanta and Macon would enable the state to optimize the use of an underutilized existing resource to help solve the air traffic congestion at Hartsfield, which is of local, regional and national interest.

Fourth, and extremely important to us in the Macon and middle Georgia region, high-speed rail supports Governor Barnes' *One Georgia Initiative*. High-speed rail has the potential to make Governor Barnes' vision of making economic opportunity accessible to all of Georgia a reality. Because of its central location in our state, I believe that the City of Macon is uniquely and strategically positioned to be the conduit through which economic growth and development can be generated and made accessible to the far reaches of the middle and southern part of our state. Macon is the shopping, medical, banking, educational and cultural center of the Middle Georgia region. In addition, Macon is the second largest rail hub in the Southeast; and we are the last stop on the proposed Southeast Corridor.

As part of the *One Georgia Initiative*, the state has already begun to build a foundation for this growth and development in this region the state. These include the Secretary of State Office building, the Georgia Sports and Music halls of fame, the State's Agricultural Center in Perry, Georgia. We in Macon and Middle Georgia appreciate these developments and we applaud our State officials for their commitment to the *One Georgia Initiative*. High-speed rail will ensure that the returns on these investments by the State are maximized; and it will make more palpable the transfer of additional state offices and institutions to the Macon and the Middle

Georgia region. As future decisions are made regarding the location of government offices and institutions, we encourage the State, as well as the Federal government, to give favorable consideration to Macon and the Middle Georgia region.

Challenges

As with all opportunities, there are challenges that must be overcome for the opportunities to be realized. Some of the challenges that I believe must be overcome to make high-speed rail in Georgia a reality are as follows:

- The system must be designed and built in a manner that makes it an attractive alternative to the automobile commute. In this regard, the system of high-speed rail must have the following elements:
 - Competitive fares
 - Travel time that is comparable to the commute via automobile
 - Connection to a seamless inter-modal system on each end of the Atlanta-Macon high-speed corridor. To the extent feasible, the objective should be to have a one-fare system so that a passenger may go from one mode of transportation to another without the inconvenience of multiple ticketing.
- Consummating an agreement with Norfolk Southern to share use of their existing rail.
- Upgrading rail crossings in a timely manner.

Funding Concerns

As regards funding, I would ask that the following concerns be considered:

- In the City of Macon/Bibb County and the State of Georgia are working together to create a waterfront in the Downtown Macon that will include the Ocmulgee Heritage Greenway (a seven mile riverwalk) and a multi-million mixed used development. The Norfolk Southern H line that runs between downtown and the water's edge blocks effective access to the Ocmulgee River's southern riverfront and poses as a barrier to this development. The waterfront development is seen as an opportunity to create significant economic catalysts in the revitalization of the historical, cultural and economic Center City of the region.

Fortunately, an unprecedented window of opportunity has opened. FTA and G-DOT propose to redevelop and expand the I-16/I-75 interchange and widen I-16. At the same time, the Program Management Team is considering this part of the Norfolk Southern 'H' Line as an entranceway for inter-city passenger rail from Atlanta to Macon. The late Frank Pinkston requested that G-DOT prepare an alternative concept of the I-75/I-16 expansion that would include the relocation of these two miles of railroad. Senator Cleland has been appraised of the initiative and even the late Senator Coverdale expressed support for the relocation in one of his last letters written to us. Chairman Justice and I have requested of Harry Dixon his support of a relocation feasibility study. Roy Fickling has requested that GRPA consult with G-DOT about the mutual benefits of relocation, and recently Tommy Olmstead, our new Chairman of the County Commission, has pledged his support and will use his influence for support from the State. Moreover, very importantly, Norfolk Southern has described itself as open to the possibility.

G-DOT through Moreland-Altobelli did suggest a futuristic concept that would route the rail 26 miles around Macon but would be many years in development with significant expense. The two-mile relocation across the river was never in G-DOT's scope of work or budget; therefore, feasibility and expense were not quantified. Hence, our request of the State for the study. The feasibility and cost estimates will include both rail relocation and road modifications to accommodate the rail. At Senator Cleland's recent "Smart Growth Task Force," Governor Barnes ably described the importance of "synthesis" in transportation and land use planning. The Macon community, through NewTown Macon, has asked the Governor to consider a detailed study by Moreland-Altobelli to estimate the feasibility and cost to relocate two miles of Norfolk Southern 'H' line railroad that blocks effective access to the Ocmulgee River's southern riverfront in the heart of our city. This proposal requests a detailed study of the relocation of the rail line to the opposite or north side of the river, integrating the new rail line with G-DOT and FTA's planned expansion of the I-16 interstate. By quantifying the cost, the study will provide guidance to evaluate the cost/benefits of the relocation and effectively weigh the financing alternatives. This smart growth strategy will allow those given the responsibilities of improving both transportation and land use in our city, county, region, state and nation the opportunity to pool resources and expertise to insure wise development along Macon and Middle Georgia's birth canal, the Ocmulgee River.

If this two miles of rail were relocated, the result would do nothing less than transform our city forever. The expense and complications should be seen from the perspective of Middle Georgians today and the many future generations whose quality of life and economic opportunities will be improved. The relocation of the active rail allows a “rails to trails” for the Ocmulgee Heritage Greenway, our 7 mile riverwalk, spurs economic development for our public-private partnerships’ \$25 Million mixed-use Riverside Development, and improves access to one of Georgia’s greatest natural resources, the Ocmulgee River. In addition, there are other benefits of relocation, such as improved freight and possible passenger rail efficiency.

- Extend the high-speed line from Macon to the Macon Regional Airport. The extension will support initiatives underway to attract a major air carrier to the airport and enhance its viability as a reliever airport for Hartsfield Atlanta International Airport. Initially, the extension was included, but then deleted. The extension should be re-instated.
- Rethink the use of the gas tax exclusively for road improvement. It is time we reconsidered earmarking the gas tax for a particular mode of transportation and used it to support a comprehensive transportation system that would include mass transportation, high-speed rail, as well as, road improvements. I believe that this is justified on the basis that high-speed rail will generate positive externalities that will accrue to all of our citizens. I further believe that this new perspective would be consistent with G-DOT commitment to “take a fresh look at how to best to meet the transportation needs of the State of Georgia for the new millennium by updating the Statewide Transportation Plan.”
- Provide additional funding for mass transportation at the federal level. In the City of Macon, we provide an annual subsidy to our public bus system of approximately \$1.2 million. However, this is insufficient to enable our bus system to expand into the areas of our county where many of the jobs are. Public transportation to these areas is of vital importance if we are to implement successfully the Work Force Investment Initiative and Welfare-to Work.

Again, thank you for allowing me to speak today, and share with you the growing excitement Middle Georgians are developing as the opportunities of passenger rail and the related transportation oriented development are described. The Macon and Middle Georgia community plan to work together with federal, state, and regional partners, both public and private, to promote and enhance economic opportunities through passenger and freight rail, mitigate environmental emissions by implementing a viable and more efficient means of transportation, and relieve automobile congestion and actually enhance our road systems’ viability by supporting alternative forms of transportation.

I look forward to your consideration and guidance in these matters to which the continued growth and development of our state and region are intricately bound.

Supplemental Material

Macon Rail Station Location Study

Views of Downtown Macon Development Opportunities (To be provided at hearing)

Macon Rail Station Location Study

Criteria Discussion and Site Recommendation Draft

The Site Selection Committee *was* selected by the Commission on Macon to Atlanta Rail (COMAR) to study a recommended site to the Program Management Team. The committee met over a period of months as an ad-hoc group appointed by COMAR without standing except that it represented a cross section of the Macon community. The Program Management Team and their Rail Consultants have stated that community input will be a strong determinant in the site selection process.

The deliberations followed the criteria below which included questions of both feasibility and usefulness of the different sites. 1–7 were suggested by Parsons Brinkerhoff (see work sheet) and others were added by the committee from research from other communities with passenger rail. There were certain assumptions made to expedite the process e.g. the use of the ‘Old Central of Georgia’ Line, Macon’s Station would be a hub vs. an end line, and the understanding that even though *the* committee included many development professionals and engineers, the discussions lacked certain technical expertise due to the Rail Consultants having just begun their work. The mission of the Site Selection Committee was to compare dif-

ferent sites, develop consensus on a particular site and make a recommendation to COMAR.

1. **High Quality Rail Connections:** The fact that the Macon station would serve as a hub limited discussion to the existing Terminal Station site and a site ten blocks south due to the various lines converging from several directions (see attached existing rail map). The Terminal Station having served 100 arrivals a day at its peak was easily the most feasible even though some track that had been either abandoned or taken up would need redevelopment.
2. **Room for Multiple Train Storage:** Similar to the discussion above the Terminal Station provides historic multiple train storage with opportunity in the Industrial Rail Park room for a Passenger Rail Maintenance Yard in addition to the state's largest freight yard in Brosnan Yards. An argument could be made for the site ten blocks south due to its proximity to Terminal Station.
3. **Parking:** For discussion an assumption was made that adequate parking could be provided at all sites including Terminal Station in the many acres of available 'brown-field' redevelopment area behind the Station and parking opportunities associated with a proposed multi-modal station near the Terminal.
4. **Access to both Automobile and Other Transportation Modes:** If automobiles were the only consideration obviously I-75 and I-475 is most desirable with site at the end of the Proposed Fall Line also well positioned. Terminal Station and the Airport are adequate with the extension of Fall Line Freeway enhancing the Terminal's position. Considering access to other forms of transportation Terminal Station is the only qualifier with existing bus, Greyhound, and Taxi's; and proposed downtown shuttle and Multi-modal station as part of Terminal Station (see Macon-Bibb County Bus Routes attached).
5. **Ownership of Entire Site and Environmental Issues:** For discussion sake, assumptions were made that all sites were feasible.
6. **Support Services for Layovers:** The Terminal Station and Downtown Macon has significant advantages with this criteria.
7. **Existing Train Station:** Available Again in discussions of advantages and disadvantages of the different sites sometimes the most obvious is overlooked. The Terminal Station is a historical and cultural icon in downtown Macon; the Station is one of the most architecturally significant buildings in the region. It is also the last of the great 'Union stations' in the State of Georgia. Other sites would require the building a *station*.
8. **Existing Statewide Rail Linkages:** Similar to the first criteria of connections, this criteria speaks to the need of existing rail that converges in a particular location which again eliminates all sites except the Terminal Station with the possible exception often blocks south which would need some redevelopment (see Existing Rail Lines).
9. **Transportation Oriented Development and Supports Economy:** This is a question of synergism. Which location for a transportation hub would have the greatest impact on existing and future commercial and residential development? Transportation Oriented Development (TOD) is a buzzword in economic development with many examples and viable models demonstrated around the country. Even though all locations would benefit from TOD, the most significant development and redevelopment would be in and around the Terminal Station and its support of existing and future development in downtown Macon. It has been said that Terminal Station's revival as a rail hub will have the single greatest impact on the revitalization of downtown Macon, the center of the Middle Georgia Region.
10. **Attraction of Federal Support:** This question considers opportunity for the Macon community to leverage Federal dollars for redevelopment. A case could be made for all locations but the Rail Station Foundation describes significant Federal support when involving historic train stations, multi-modal transportation facilities, and urban revitalization. The Terminal Station is the only location that would meet this criteria with the possible exception of an airport location.
11. **Historical and Cultural Significance:** This criteria deals with part of the 'place making' opportunities or as sometimes described 'creating places worthy of our affection'. Terminal Station obviously is superior with this criteria. Return of passenger rail to this site will help resurrect Georgians love affair with passenger rail while restoring a significant part of Georgia's his-

tory and culture. Middle Georgian memories alone is a powerful marketing tool in the decision to return passenger rail to the Terminal Station.

12. **Supports 'Livable Community' and/or 'Smart Growth' Concepts:** Literature on the subject provides support for all locations in degrees of priority. The important components of 'reuse of existing facilities and infrastructure', support of mixed-use development, 'density by design' by supporting urban centers, and the use of multi-modal and alternative transportation (other than car) gave the Terminal Station the strongest position among the locations.
13. **Benefits the Greatest Number of People:** This criteria was used to discuss locations that would have the greatest appeal to the broadest market of rider-ship. Each location had advantages to certain areas of Middle Georgians and to certain demographic and economic strata but the central location of the Terminal Station with the multi-modal opportunities provides the strongest support using this criteria.
14. **High Commercial Density and/or Job Clusters:** This criteria was used to distinguish locations that provided existing employment base in close proximity to the station location. Passenger rail's strongest support has come from travel associated with work and employment related travel. The downtown Terminal Station location was the obvious choice using this criteria if concentration of employment is used.
15. **Marketable Location:** All the locations enjoyed marketing ploys that could be used in the promotion of particular attributes. But the historic Terminal Station as has been seen in other redeveloped stations that included a mix of retail, urban entertainment, access to other urban venues of hotels, shopping, museums, office, residential, medical complexes, university etc. eclipsed all other possible location alternatives.
16. **Land Use and Zoning Prerequisites:** For these discussions it was assumed all locations would meet all land use and zoning criteria.
17. **Maintain Green-space:** This speaks to the redevelopment of obsolete buildings and infrastructure that would avoid new construction in greenfields. Depending on the particulars all sites might qualify with the downtown sites definitely meeting this criteria.
18. **Hotel and Motel Rooms in Vicinity:** The Terminal Station would have the best position on this criteria with more rooms planned in the future.
19. **Physical Constraints:** This criteria might be summarized by several of the preceding criteria. All sites depending on the particulars would meet this criteria. Concerns of fast trains would in an urban setting could be mitigated at all sites with proper development
20. **Established Communications:** This would refer to access to as simple a communication link as telephone to wide band and fiber optic connections. It was agreed that these were available at the Terminal Station and possibly the airport while other locations would need development.

The Site Selection Committee having met several times over a period of months in fall of 1999 and Winter of 2000 came to a unanimous decision to recommend to COMAR the Terminal Station based on their deliberations. On March 9, 2000 after hearing the report from the Committee moved unanimously to recommend to the Program Management Team at an upcoming 'Rail Summit' the use of the historic Terminal Station as Middle Georgia 's 'Union Station'. C/eve Cunningham, Chair of COMAR Site Selection Committee

Senator CLELAND: Thank you very much, Mr. Mayor.

As a career military man yourself, I was going to ask you had you not seen and visited in other countries in western Europe, particularly Germany. I was just in Japan and in these countries. Is it not your understanding that rail—high-speed rail, high-speed rail corridors link major cities and help grow the entire economy of these nations? For instance, in Japan, I was just there and high-speed rail links not only Tokyo, but other major cities in that country. Is it not your experience in visiting these other countries that is true?

Mayor ELLIS. No question, Mr. Chairman. I was stationed at NATO headquarters in the early 1960's and at that time NATO headquarters was located in Paris and I had the occasion, of

course, to travel to Germany quite often. In order to get from Paris to Frankfurt, I mean it was more efficient to take the train than to drive a car or even to take a plane at that time. So if we are going to compete with these countries, and indeed we are in competition with them this being a global economy, I think it behooves us to compete in every aspect, and of course rail transportation is a big part of their economy.

Senator CLELAND. Yes, it is. Well, thank you very much for that testimony.

We are delighted to have Governor Roy Barnes with us today, a leader in transportation issues, an acknowledged leader in our nation in smart growth and the ability of our state to respond to the challenges of the 21st century, particularly in terms of transportation.

And without further ado, it is my pleasure to recognize the Governor of Georgia, Governor Roy Barnes.

[Applause.]

**STATEMENT OF HON. ROY BARNES,
GOVERNOR, STATE OF GEORGIA**

Governor BARNES. First, I would like to thank Senator Cleland for bringing this hearing to Georgia. It is always difficult for us sometimes to appear in other places and your effort in doing this and bringing this hearing today here to Georgia is something that I want to personally thank you for. It is important that you are here, because our state faces several major environmental challenges as we attempt to improve transportation.

And so I commend Senator Cleland on his hard work on behalf of Georgia's citizens to earmark the funds that we will need to bring our transportation program to fruition. Without your help and the help of many of our Congressional delegation, including our late, great friend, Paul Coverdell, we would not be as far along as we are. And I want to thank Secretary Slater and all of the others for their help and assistance in extending high-speed routes in our state.

It is our hope that the southeast will be able to link together through transportation initiatives and that Georgia, as it always has historically, will play a significant part in that system.

Right now, however, we need your help in freeing up the financial resources that have been appropriated so that we can begin our system of transportation needs, particularly in commuter and intercity passenger rail program moving forward.

When I became Governor in early 1999, the EPA directed that federal dollars could not be spent on our roads or highways. We all remember this, it was a crisis that we confronted. We arrived—I arrived and our administration arrived at this state of affairs because the local governments in the region had not been successful in working together and coming up with a common transportation plan. In the 18-county metropolitan region that really is Atlanta, there are over 80 separate governmental jurisdictions. Each one has its own needs and its own views and it is completely confident, each of them is completely confident in its own course of action and somewhat suspicious sometimes of anyone else and their agenda.

The Atlanta Regional Commission, one of the first metropolitan planning organizations in the country, is in charge of helping these metro counties come up with a regional transportation plan. Unfortunately, it had no power to carry out its mission. That is what brought about, with the Atlanta Chamber of Commerce and their MATI initiative, the creation of the Georgia Regional Transportation Authority. Primarily, we designed GRTA to implement the ARC's plan to give it the power it must have to actually make a difference.

Now the lack of cooperation that we saw among the local government was also apparent among the departments of state government, especially in dealing with our passenger rail program. As a result, we formed what is called the Program Management Team, PMT—you know, everything in government has to have an acronym—to coordinate and direct our passenger rail effort. Sonny Deriso of Albany, who is also vice chairman of GRTA, heads up this team.

From all of that, what have we learned? Well, we have learned that commuter rail is a part of solving our transportation needs. It is not the sole answer, we have to make sure that it is part of a recognized effort, a coordinated recognized effort, and as the Mayor, as Jack has pointed out, the connection also of the mid part of our state and the rest of our state in one transportation system is imperative.

I think that we have made tremendous progress in our state agencies of trying to work together and our federal partners, particularly under Secretary Slater, has been very supportive of us, as you have, in assisting us in this regard.

I guess I will leave you with this thought. This is a new effort on a statewide basis, it is a new effort in trying to blend together an integrated transportation plan, one that not only has high-speed rail as part of it, as the Northeast Corridor has, and provides a commuting basis for those who live and work apart, but also we know that we have to get—we have to change some attitudes, we have to have folks that, for example, have access to expanded bus service and HOV high-speed bus lanes so that the routes are connected and we are not too far away from home.

So as we encourage our state agencies and require our state agencies to work together, I want to tell you that this is broader than just the federal government, it is broader than the state government, it is broader than just local governments. It is a collaboration among us all because what we are dealing with is not only improving transportation, improving mobility, but also—and probably most importantly—improving air quality, which helps us to establish a quality of life that allows us to continue to grow.

There is much more that we need to accomplish if we want to see passenger rail operating in Georgia. But the efforts and the hearing such as you have sponsored today I believe will put us far down the road.

Thank you, Mr. Chairman.

[Applause.]

[The prepared statement of Governor Barnes follows:]

PREPARED STATEMENT OF HON. ROY BARNES, GOVERNOR, STATE OF GEORGIA

I would like to thank Senator Cleland for bringing this hearing to Georgia. It is important that you are here, because our state faces several major environmental challenges as we attempt to improve transportation.

I commend Senator Cleland on his hard work on behalf of Georgia citizens to earmark the funds we will need to bring our transportation program to fruition. Without his help, and the help of many of our Congressional delegation—including our late, great friend, Senator Paul Coverdell—we would not be as far along as we are. I also want to thank Secretary Slater and Administrator Molitoris for their help and assistance in extending the high-speed routes in our state.

It is our hope that the Southeast will be able to link together through transportation initiatives and that Georgia will play a significant part in that system.

But right now we need your help in freeing up the financial resources that have been appropriated so that we can get our commuter and intercity passenger rail program moving forward.

In 1998, at the beginning of my administration, the EPA directed that federal dollars could not be spent on our roads or highways. We arrived at this state of affairs because the local governments in the region would not work with each other. In the 18-county metropolitan region that is “Atlanta,” there are over 80 separate governmental jurisdictions. Each one is completely confident in its own course of action, and somewhat suspicious of anyone else.

The Atlanta Regional Commission, one of the first Metropolitan Planning Organizations in the country, is in charge of helping these metro counties come up with a regional transportation plan. Unfortunately, it had no power to carry out its mission. We needed an agency that had the power to create and enforce a regional air quality plan.

At the time, The Atlanta Chamber of Commerce had just completed a months-long study of the region’s transportation challenges, and from their report came the Georgia Regional Transportation Authority. Primarily, we designed GRTA to implement the ARC’s plan, to give it the power it must have to actually make a difference.

The lack of cooperation that we saw among the local governments was also apparent among the departments of state government especially in dealing with our passenger rail program. As a result, we formed the Program Management Team (PMT) to coordinate and direct our passenger rail effort. Sonny Deriso of Albany, who is vice-chairman of the GRTA board, heads up this team.

I encourage our state agencies, federal partners and elected officials to continue to support our efforts in Georgia to improve transportation and most importantly air quality. There is much more that we need to accomplish if we intend to see passenger rail operating in Georgia.

Senator CLELAND. Thank you very much, Governor.

One of the lessons we learned from the first panel is that we are all in this boat together, we all have to grab an oar and pull. There is no one particular agency, no one particular horse we ride, no one particular silver bullet that is going to solve all of this, that we are in a situation where we have to work together. Is that your understanding, that this level of partnership, public, private, federal, state, all of us pulling together is the key?

Governor BARNES. It is, it is a partnership and a collaboration, but it is also an education effort. One of the things that amazes me is the misconception by even editorial writers, and I cannot believe that they ever make mistakes—

[Laughter.]

Governor BARNES.—but the misconception that there is really one form of shared transportation instead of mass transportation, as I like to call it, that is going to be dominant. This is a mixture of all. And it makes it very difficult for us new in this effort—and that is what we are, we are new. The only mass transit we had in the Atlanta region or anywhere in the state was MARTA, of course, and some isolated bus systems. But the idea is there are going to be choices for people and you have to make those choices.

If they make the choices to continue to say I do not want any shared transportation, they pay a price for that—time, congestion, and otherwise. And that the choices that are made, when you allow people to make free choices, they will choose the time.

One of the things that—and I do not mean to dominate this, but one of the things that was most interesting to me in the last few months is that CNN did a program—I do not know how many of you saw this, but CNN did a program in which it talked about sprawl and travel time and congestion and all these other things, and it took a family out of Woodstock, Georgia, and interviewed this family. The mother and father, both who commuted and worked, said well, you know, we used to leave at 7 in the morning to get to work. Now we are leaving at 6:30 and if traffic gets any worse, we will be leaving at 6. And of course, the same story in the afternoon returning. And then the reporter said well why do you do this? And they said well, we do it because of the quality of life for our children. We want our children to have a better quality of life.

Then they interviewed the kids separately from the parents.

[Laughter.]

Governor BARNES. You know what the kids said? We hate it. They get home, they are grumpy, they go right to bed, they never spend any time with us and we hate it.

And so I thought to myself, that was a very interesting observation from kids, that every hour we spend tied up in traffic, sitting on the Interstate, is less time that we have to spend with a child or spend in community efforts or the building of neighborhoods that are necessary to make children grow as a whole person. And that is kind of the message that you have to get across.

Now what if that same couple could leave promptly and knew that they could make the same commute, because of shared transportation of whatever source it is, in an hour instead of 2 hours. Would they do it? Yes, eventually. And so this idea that people will not move toward it, I think is short-sighted.

We, as policy makers, all of us as policy makers, we have to make sure that it is competitive. What they will not do is sit in a train or mass transit or a bus if it takes longer to get there, it is not more efficient and more competitive than to make them have an advantage of spending more time with the family.

So when we design these plans, that is the reason it has to be a menu of choices so that we allow a good competition that gets them there faster and saves time that they can spend with family.

I think there is a growing realization—just a month or so ago, they interviewed some folks that were riding the Cobb County Transit, the bus system. And of course the ridership in mass transit is remarkably—I mean shared transit, whether it be bus or whatever—and one of things they found, the complaint was there are not enough routes, there is not enough time, we need more. That is what I think we cannot be short-sighted about. We have to make sure that we give top service, which is competitive time, if we are to be able to make these choices. Because I will tell you, we cannot as policy makers, we cannot force these choices on folks.

Just today, as Mayor Ellis was talking, just to follow up on what he said, today we had the annual economic predictions that we

have every year from the Terry School of Business, where we bring in a national leader to give the macro look and then Dean Benson always gives the state. One of the things he talked about was a slowing economy, but he says there are certain cities in Georgia that are going to boom because of this continuing growth. One of them was Macon and he said just like Atlanta, it is at the cross section of transportation and transportation is what started Atlanta and is still its lifeblood. Macon is the same way, particularly if the Fall Line Freeway ever gets finished and the rail system connects Atlanta and Macon.

So this is an economic issue, it is a quality of life issue, it is a health issue. But you have to provide those multitude of choices. And to be quite frank with you, we cannot do it alone—that is the state. I mean, our financial resources—listen, last year, we gained 30,000 children in this school system statewide. I have got to build classrooms, hire teachers, and everything else. Yes, we are dedicating more and more resources to transportation. I am going to go to the General Assembly next year with a plan to try to advance fund some of that so that we can start some of these, but I hate to say this, this is one place that the federal government can help us.

[Laughter.]

Governor BARNES. There are certain things that the federal government cannot do to help us. This is not one of them. This is one that the federal government can help us. And I appreciate your effort in assisting us because you understand that very well.

Thank you.

[Applause.]

Senator CLELAND. Governor, significant investment is going to be needed to meet the capacity needs of the freight railroads, improving signaling, increasing grade crossing protection to allow speeds of up to 110 miles an hour that are recommended to attract passengers and create benefits for the state. Are there currently any dedicated state sources for funding commuter and intercity rail service?

Governor BARNES. We do not have a dedicated source, but we are committed to providing an overall sharing of the sources. Now let me add one other thing, since you are on that subject. One of the things that we have great difficulty with and all the professionals in this room can tell you, is negotiating with the freights in order to make competitive any rail that goes.

And you do have to do all of those things, you have to improve the grade crossings, you have to do all of those things that are necessary.

So yes, we do not have a dedicated source, but we do have some funding schemes and some funding plans that we think would be sufficient, with some federal help, to be able to meet our match and to meet our goals in doing so.

Senator CLELAND. Well, thank you. I will say that one of the missions that I see for myself on the Commerce Committee and the Subcommittee on Surface Transportation is to be that point person to go after federal funding to fulfill the transportation plan that you have here in Georgia—rail, roads, commuter rail, everything that you have on the table. That is one of the reasons I am holding

the hearing here, is for us to garner—me and my staff to garner some insight here as to how we might do that job better, how we might be a better advocate for what our state wants and our cities want.

I might say that up there in Woodstock and near Woodstock, the great city of Canton, Georgia in Cherokee County, Mayor Pruett has some interesting insights on this life in the outer suburbs and how connecting with certain transportation means might make a better life for us all.

Mr. Mayor.

**STATEMENT OF HON. CECIL PRUETT,
MAYOR, CITY OF CANTON, GEORGIA**

Mayor PRUETT. Thank you for letting me be a walk-on at today's meeting. I appreciate that, and I truly appreciate the opportunity of following the Governor and him referring to Woodstock, because I have got a solution to that problem.

[Laughter.]

Mayor PRUETT. Those people do not need to have to go through that, they need to be able to get on commuter rail and get to Atlanta without having to go through those difficult times.

The earlier panel had mentioned vision and planning, implementation and all that. For quite sometime now, for 3 years, the City of Canton has evolved from a vision and it has put into place a plan that would incorporate commuter rail. Of course, we may not get that in the next year or two, but what I am simply suggesting that we consider is that Canton should be used as a demonstration project, because the rail line itself is privately owned and those people are very willing and capable and able to communicate and to agree in some kind of understanding whereby that track could be utilized for commuter rail.

And of course, we are already working with our friends at Cobb County, and even though that track only goes to Marietta, then we could connect with CCT and make that a seamless system. But we could learn a lot about what it would cost, what kind of ridership we would get.

Even in the City of Canton now, we already have a shuttle system in place that is free of charge. And I think other cities ought to be doing that same thing in order to—you know, that pay box does not create a whole lot of money, but we try to get people out of a bad habit into a good habit and that is to leave the car in the garage, because we have all got the air quality, the congestion problem, and we are trying to make sure that is solved. So that when commuter rail does come to our city, we will have people trained to get on that shuttle bus and get to the station and go to work. Sixty-five to seventy percent of our citizens leave our county every day. We are working on that too, to try to make sure that jobs are created in our city to cope with that issue. But without that vision, you do not have a plan, and without that plan, you do not have implementation.

And our vision is to hopefully get Georgia Rail Passenger Authority and others to consider our city as a demonstration project. They were in our city 3 months ago for their monthly meeting and I think they saw what we have got planned. And we have planned

and will continue to plan a livable cities initiative based strictly around commuter rail.

Thank you for the opportunity, my friend.

Senator CLELAND. Thank you, Mr. Mayor.

Let me see if I can get it right. There is a private rail line that goes from Canton to Marietta?

Mayor PRUETT. Yes, sir. it goes all the way up through north Georgia, but I am not particularly advocating at this point in time we go to Gilmer County yet with commuter rail—

[Laughter.]

Mayor PRUETT.—but I am certainly anxious for it to come to Cherokee County.

Senator CLELAND. Gotcha.

[Laughter]

Governor BARNES. I do not mean to dominate, but Mayor Pruett, I want to commend—I have done this several times, I want to commend him publicly. They have been on the cutting edge of providing alternatives for this bus shuttle system that they have in the city and it works. It works and it is an example of how—just as I was speaking, if you give choices and it is dependable and it is faster, they will use it.

Mayor PRUETT. And Senator, we are also very actively involved in smart growth element, which you know, when we participated in your seminar over in Athens, and our city is on the cutting edge, and this can just simply be another project that we can help. You know, we need a win-win situation and I think this is a great opportunity. We could have one running in 6 months if everybody decided that would be something that they could entertain.

Thank you.

Senator CLELAND. Thank you very much. Fascinating initiative. Thank you for being willing to join our panel.

Mayor Campbell, all roads seem to lead to Atlanta.

**STATEMENT OF HON. BILL CAMPBELL,
MAYOR, CITY OF ATLANTA, GEORGIA**

Mayor CAMPBELL. Thank you very much, Senator. And I want to echo the comments of Governor Barnes in expressing our appreciation to you, not only for being a forceful advocate for Georgia, but for the issue of rail, and not just that, but the TEA-21 infrastructure funds which you also fought for and which have actually played a part in our continued planning for our multi-modal center. And I want to thank you very much for being so supportive. To my other colleagues here and those that are here, you have assembled a great group just to listen to the panels. Representatives from the Georgia Department of Transportation, I came in with Wayne Hill, Chairman of the Gwinnett County Commission, who also chairs ARC, and of course, the new head of MARTA and friends from the legislature.

It makes a real difference for us to be able to advocate because we think in many ways Atlanta has seen the future and we have invested in it, particularly with the efforts on both the multi-modal center where we have invested for years in keeping this possibility, this very exciting possibility alive, but also with the help of many of our corporate friends.

A perfect example of that—there are three examples. The first one comes with the Atlantic Station, formerly known as Atlantic Steel. This is a perfect effort that shows how we can blend together all these different issues where people can work and live, shop and play in a community that really reduces both air pollution and traffic congestion. As you know, because we have worked with you, Senator Cleland, the Environmental Protection Agency has adopted this project under its Project Excel designation as a national model for smart growth features. And not only that, but of course we get the added benefit, they repatriated the land, the polluted land that was there. So these features are aimed at reducing single occupant vehicles and we are delighted that that is the kind of alternative community building and smart growth that will make a difference.

Another example is the \$6 million Lindbergh Project which is currently under construction sponsored by MARTA. It is being developed in conjunction with BellSouth and its effort at consolidating the work locations of its employee base, and that helps us as well. Fifty acres of MARTA land are going to be transformed into, again, this sort of smart growth initiative where people live and work and shop all in the same community. It consists of three locations served directly by MARTA rail. Two of those are in the city and the third is immediately adjacent. A third community is historic Westside Village on the Martin Luther King corridor right across the street from Paschal's where I know you spent many of your formative years there enjoying the vintage fried chicken and just being a part of the whole community. This development project will become the mixed use anchor for the Atlanta University Center. It will have housing, office space, retail, and it is also of course right there on top of a MARTA station. And we are delighted to have that kind of initiative.

But the most exciting of all these "transportation-smart" and "land use-smart" development projects is our Multi-modal Passenger Terminal project. It has taken awhile to come together. When I say that Atlanta invested in the future, we made certain that we assembled the land, we made certain that the infrastructure was in place. We look for this project to create for our city, our region, and our state, the surface transportation counterpart to Hartsfield Airport. In a remarkable multi-layer transportation nexus, we are looking to have Amtrak, MARTA, commuter rail, various means of busing, and of course, the Atlanta-Chattanooga Maglev—and I want to again thank Secretary Slater for his continued support—all together in one central location. The major advantage will be the seamless university and urban continuity that will connect neighborhoods to downtown to the Atlanta University Center, to Philips Arena, the Georgia World Congress Center, Centennial Olympic Park and it combines all of this working with the state and with the federal government under this Project Management Team.

So we believe we have invested in the future, we have seen what is important and we hope this will go a long way towards overcoming some of the regional difficulties and provide all of us with an effort at working together. You know, Mayor LaGuardia said it best and that is that there is no Democratic or Republican way to pick up the trash, it is only whether or not it gets picked up. And

it is the same issue with people sitting in traffic. People want a solution, they do not care about the regional difficulties, they do not care about transportation projects. They simply want it to work. And one of the best ways of doing so is through rail.

I lived in Copenhagen, I lived in a suburb of Copenhagen, and they had a wonderfully seamless regional transportation system that was in essence commuter rail. That was 30 years ago. They have improved upon that now. They now have, as you know, having ridden the high-speed rail in Japan and of course the same in France, it is a wonderful opportunity for us to cut down on traffic, cut down on air pollution and be able to help these wonderful people in Woodstock and their children to spend more time together. I think it just goes to show you that the things that we think are important are not as important to the people that we are trying to help the most—that is our children. We all want to serve our children. We think we do that by working two jobs, getting up earlier for them. It turns out it is just the opposite. They would rather have us spend more time with them. And the best way to do that is through commuter rail, high-speed rail, more HOV lanes, a better mass transit system. I happen to believe MARTA is the best in the country. The best way to enhance that is by having it serve more of the surrounding areas. And we hope to be able to do that in a seamless way.

So I want to thank you, Senator, because we think that what we are doing is really providing for the future. We are investing in these corridors, these nodes, that will help people to stay out of cars, cut down on the air pollution, and be able to get people from point A to point B.

As you know, we are one of the few cities in the world where you can fly in to our airport and because of the vision of my predecessors and those at MARTA, you can walk only 20 yards from where you pick up your baggage and get on the mass transit system in the terminal. I mean think about the vision that that took. They created the whole seamless corridor there 10 years before the MARTA line ever went into the airport. It is now one of the great advantages of our airport and of our mass transit system.

It is that same sort of vision that I think can help us. And I appreciate you bringing us all together and making us work together and providing the money which, of course, is a needed ingredient, so that we can all move forward together.

[Applause.]

[The prepared statement of Mayor Campbell follows:]

PREPARED STATEMENT OF HON. BILL CAMPBELL, MAYOR, CITY OF ATLANTA, GEORGIA

Atlanta is beginning this exciting new century with major rail transportation initiatives. Under Governor Barnes' leadership, establishment of the Georgia Regional Transportation Authority (GRTA) has created a new set of partnerships that we expect will rebalance transportation programs and priorities for our city and region. This rebalancing is already evident in new development initiatives and partnerships with private sector developers. Together, we are responding to the growing market for urban choices. We are responding to the need for mixed use, mixed income communities where effective, convenient and affordable transit is a central component.

One of these communities is Atlantic Station, where over the next several years a ten million square foot complex will be built to help reduce both air pollution and traffic congestion. In fact, the Environmental Protection Agency has adopted this project under its Project XL designation as a national model of "smart growth" fea-

tures. Such features are aimed at reducing Single Occupant Vehicle trips, providing effective transit alternatives, and creating an environment that helps reduce both the number and length of trips.

Another example is the six-million-square-foot Lindbergh project presently under construction, sponsored by MARTA. Approximately 50 acres of MARTA land, much of which were parking lots, are being transformed into a mixed use development, this time anchored by office space for BellSouth. The purpose is to consolidate space needed to accommodate nearly 13,000 employees. It will consist of three locations served directly by MARTA rail. Two of these are in the City, and the third is immediately adjacent.

A third community is Historic Westside Village. This development project will become the mixed-use anchor for the Atlanta University Center and nearby west side neighborhoods, again providing housing, office and retail space. The project will total more than one-million-square-foot right on top of a MARTA rail station. Other such initiatives for the Village are in the planning stages as well.

Yet the most exciting of all our "transportation-smart" and "land use-smart" development initiatives is the Multi-modal Passenger Terminal project. This project has taken awhile to come together and is designed to provide a comprehensive land development and multimodal transportation program centered in the core of downtown. We look for this project to create for our city, region, and state, the surface transportation counterpart to Hartsfield Atlanta International Airport. In a remarkable multi-layered transportation nexus, we are looking to have Amtrak, MARTA and commuter rail, various means of busing, and the Atlanta-Chattanooga Maglev together in one central location. One major advantage will be seamless urban continuity from downtown to nearby neighborhoods, to the Atlanta University Center and Philips Arena, the Georgia World Congress Center and Centennial Olympic Park.

This project combines several entities into a state level project called the Project Management Team. The team is partnering with the City and the downtown business community, through Central Atlanta Progress, to sort through the project's daunting technical, financial and political challenges and opportunities. All parties are participating enthusiastically to achieve the best outcome.

We look for this project to go a long way on both a regional and intercity scale. We expect it to provide the full range of travel and development choices that distinguish a mature and well-managed metropolis. It will ease rush-hour commutes. It will reduce air pollution and congestion. It will provide seamless connections between local, regional and intercity travel modes. It will concentrate employment and residential areas. And it will provide conventioners, sports fans and entertainment seekers with a wide range of options for reaching their destinations pleasantly and conveniently.

What is impressive about this project is the convergence of multiple parties—all vested in helping Atlanta discover even greater cutting-edge solutions. Atlanta is a city that has grown and succeeded by being on the forefront of transportation innovation. We have gone from rail to road, to air to rail transit, to superhighway, and now to multi-modal surface transportation. To take full advantage of this opportunity, strong and effective partnerships are needed to create and study policy, develop programs, devise funding strategies and implement projects.

What we need is the assistance of federal, state, local and private entities—including their financial assistance. We need to support our key rail partners in managing rail operational needs in conjunction with commuter rail needs. This is vital to our continued growth. We need to strengthen partnerships that are essential to any diverse 21st century city. Overall, we must help Atlanta once again distinguish itself as a cutting edge transportation-driven city. This time, with a range of rail innovations. As a core city that values the diversity of its population and attractions, and is always looking toward the future, Atlanta is destined to be not just a transportation model, but a model city in every way.

Senator CLELAND. Thank you very much, Mr. Mayor, well said.

Mr. Elder, we have been talking a lot about corridors. There is Barrow County right smack dab in the middle of a fascinating corridor. Share with us your view.

**STATEMENT OF HON. EDDIE ELDER,
CHAIRMAN, BARROW COUNTY BOARD OF COMMISSIONERS**

Mr. ELDER. Thank you, sir. I too appreciate the opportunity to be here today to speak to the Subcommittee on behalf of Barrow

County and also for, I guess, more rural Georgia. Unlike most of my counterparts here, even though we are one of the fastest growing counties, we still feel like there is a lot of rural opportunity there.

But transportation is one of the most important ingredients in a county to its quality of life. And the direction that we will grow and plan for the future must be based on transportation.

As one of the fastest growing counties in Georgia, our economic development, our residential growth, must be planned with smart growth and green space, but we must develop a network of transportation also.

Growing up in Barrow County in the 1940's and 1950's, we had three sources of transportation at that time. I was born and have lived all my life just off the CSX rail line, and in those days, there were more passenger trains running on that track than freight trains. In fact, just in front of my house, there was a passing track built so that those freight trains could pull aside and wait to let those faster moving passenger trains pass by. There was a stop in every small town—Bogart, Statham, Winder, Auburn—and people used those trains. In those days, not everybody had an automobile and if you were going to Athens or Atlanta or a further distance, the train or the bus was your main way of traveling.

With the congestion that we have today on the University Parkway and on Interstate 85, you could drive to Atlanta faster 50 years ago on a two-lane road than you can travel it today.

[Laughter and applause.]

Mr. ELDER. With Gwinnett County moving towards us on one end of University Parkway and Athens-Clarke County moving toward us on the other end, and with the great University systems that we have on both ends, we need all sorts of transportation. There are people in Barrow County who travel every day to Atlanta or Athens to work. With the number of students and employees that goes with all those universities traveling, it is indeed important that we have alternative transportation.

We feel that a big part of that though is still an upgrade to 316 or the University Parkway, to full limited access. With the number of automobiles on that road, the number of accidents and the number of deaths that we have had, this is very important. But also, the proposed corridor for the rail paralleling with University Parkway must make it a high priority in this region.

There is no doubt that the current trend of low density decentralized automotive-dependent development so common in our country for the past 50 years is a major threat to the quality of life in Barrow County. Not only is it expensive for local governments to serve, but the impact that this form of development has on the environment is staggering. Automobile emissions create toxic air pollution. Stormwater surging across miles of asphalt poisons our rivers and streams. Thousands of acres of farmland, woodland, and open space are lost to strip malls and parking lots.

We in what was rural Georgia are among a growing number of people who are beginning to understand the link between the health of our environment, our economic stability and the way that we use our land. No county or city by itself can solve all the prob-

lems of air quality, water pollution, or land use. We must work as a region, a state and a nation to solve these problems.

The presence of these transportation projects creates an urgent need to determine if there is a better way to manage growth in our area in such a way as to reduce traffic, improve air quality, protect our environmentally sensitive areas, have cost-efficient infrastructure, and in general, a more livable community. At the same time, this urgent need becomes a unique opportunity to point the way to a more sustainable future for Barrow County and the Atlanta region.

At the present time, most of our new development is on University Parkway. Years ago, when Barrow County was built, all these towns were built on CSX rail lines. With this corridor becoming usable again, then we have the opportunity of revitalizing these areas that were built and so important 50–70 years ago.

I urge us all to go forward with the planning and the implementation of the Athens to Atlanta rail service and enhancing and upgrading University Parkway system to give us a model alternative transportation system for all of Georgia and the nation to appreciate.

Thank you very much for the privilege of being here today to address this Committee, Senator.

[Applause.]

Senator CLELAND. Thank you very much, Mr. Chairman.

Your comments about passenger rail being on these rail lines bring back my own personal experience in growing up in a little town called Lithonia, Georgia when we were part of rural Georgia, where there was a passenger train that went every day, daily service, from Atlanta to Augusta and came through my little hometown of Lithonia, stopped at the depot, picked up passengers, all the way to Augusta and then turned right around and in the afternoon came right back all the way to Atlanta. You could ride from downtown Lithonia to Atlanta for 50 cents.

You know, one wonders, and I have often thought, all those little towns over the last 100, 125, 150 years, through DeKalb, through Rockdale, through Newton County on out, through Thomson, Georgia and on to Augusta, on that one railroad, all those little towns that have seen a deterioration of the downtown area. What if somehow, some way, passenger service—maybe not even super high-speed, but just some kind of access on a train—what that would do to revitalize what used to be a thriving part of our state, small downtown rural Georgia. And so I share your experience.

I would just like to ask, we were able to get \$16 million in the Transportation Bill, TEA-21 actually, to authorize construction of an Atlanta to Athens transportation corridor. What do the citizens out there in Barrow County think of this corridor, think of this possibility of rail, passenger rail coming their way?

Mr. ELDER. I think there are mixed emotions, as has already been brought out by Governor Barnes. Most people are a little bit skeptical. We, after World War II and because of cheap fuel, the mass production of the automobile, all feel like if there are two of us, we need three automobiles. We did not get in this shape overnight and we will not change that feeling overnight.

I do agree though that if I had had the choice today of driving to Atlanta, and we were very fortunate and did not get tied up in traffic, but if I had had the choice of getting on a train at the depot where our Chamber of Commerce is located now, and riding it to the Capitol, I would have ridden that and I think most people will, but they will have to see it. I think just to talk about it and just to ask their opinion, they are going to say no, I am not giving up my car. But if they are spending an hour and a half or 2 hours commuting to Atlanta and they can do it not only cheaper but faster and dependably—I had the opportunity to come to the DOT office about a month ago. I left Winder at 11, knowing that I had to be here at 1, so I allowed myself an extra hour. I was fortunate that day, I drove it here in an hour and 5 minutes. But it could have easily taken me two and a half to 3 hours with just one wreck on Interstate 85.

So I do feel like that it is something that will be used once we prove that it will happen.

Senator CLELAND. Mayor Ellis, may I say TEA-21 contains more than \$29 million to construct an Atlanta to Griffin and Macon rail corridor. I would just be curious, what is the status of the multi-modal terminal in Macon at this point?

Mayor ELLIS. Well, with regard to the multi-modal terminal, we have decided through a consensus process that our historic Union Station would probably be the better place for the multi-modal facility. We have made application to the state DOT and I am very hopeful that will be funded through some funds to make that happen as we acquire this facility and hope that we can convince Georgia Power to make the other donation of the facility. As you know, the City owned this facility, we bought it from Central of Georgia Railroad in 1976 for \$200,000. The facility was built in 1916 at a cost of \$2 million at that time. We were able to buy it for \$200,000, but the Mayor at that time, felt that he would double the investment and he sold it for \$400,000; and of course, Georgia Power bought it and put some money into it and now they have agreed to sell it back to us at a price of \$2 million—

[Laughter.]

Mayor ELLIS.—They did make some investments and Georgia Power is a good corporate citizen in Macon and I want to make sure that is very clear. So, we are working with them and the federal and state government to get some funds so that this can become a reality for our multi-modal facility.

Senator CLELAND. Thank you very much.

I noticed that you gave me a little history of Macon and there was a poster promoting Macon dated 1911 and it advertised Macon as the center of railroads, population, schools and wealth.

Mayor ELLIS. Exactly. They were doing in 1911 what we are doing today. We are trying to convince the Governor and other state agencies to move some state agencies to Georgia and they were advertising bringing the state capitol to Macon at the time, and bringing other state agencies. So we are still working on this.

[Laughter.]

Senator CLELAND. We are not going to get into that.

Thank you all very, very much for coming. Let us give our panelists a round of applause.

[Applause.]

Senator CLELAND. We will take a 5-minute break and our panelists for our last panel will be Carl Rhodenizer, Steve Roberts, Stephen Crosby and Craig Lewis.

Five minute break.

(A short recess was taken.)

Senator CLELAND. It is good to have Carl Rhodenizer, Vice Chair of the Georgia Rail Passenger Program Management Team, the inter-disciplinary team that is pulling things together across bureaucratic lines. Carl, we know that the Chairman could not be here today, but give him my best regards. We appreciate you taking your time and we would like to hear from you.

**STATEMENT HON. CARL RHODENIZER, VICE CHAIR,
GEORGIA RAIL PASSENGER PROGRAM MANAGEMENT TEAM**

Mr. RHODENIZER. Thank you, Senator. We appreciate you being here and we appreciate the opportunity to come before you to discuss the Georgia rail program, even though I am substituting for someone else.

I am representing the Program Management Team that the Governor referred to earlier and I am standing in for Mr. Sonny Deriso, who is the Chair and is in Boston today for the Mayors Conference. I am also Chairman of the Georgia Rail Passenger Authority and a Commissioner in Clayton County. And I want to take advantage of this opportunity to say that in our meeting last evening, the Clayton County Commission approved our transportation contract for mass transit using the services of GRTA. And I am extremely proud of that.

Senator CLELAND. We were glad to get you some money for that.

Mr. RHODENIZER. Thank you, we appreciate that too.

I want to thank you for your support for the rail studies, the funding and the Transportation Equity Act for the 21st Century. Frankly, I do not believe we would be here on this platform today if you had not done that, by earmarking almost \$50 million for the multi-model transportation corridors for which we are extremely grateful.

I believe Secretary Slater and Administrator Molitoris have left, but I also want to thank them for their support and the designation of the high-speed corridor.

I would like to spend most of my time just explaining how this organization of the Program Management Team came together. It has been about 1 year ago today I believe that this was put in place. Governor Barnes realized that the need to get the state transportation agencies focused on both commuter and intercity service for the citizens of Georgia, that we needed a joint effort, so he suggested a joint entity to guide this rail development in Georgia.

The Program Management Team consists of two members from the Georgia Regional Transportation Authority, two members from the Georgia Rail Passenger Authority and two members from the Georgia Department of Transportation. I believe the Governor mentioned this also, that he appointed the Chairman, Mr. Sonny Deriso, who is representing him. Representing the Rail Passenger Authority are Mather Stapleton and myself. Representing GRTA

are Sonny Deriso and Sharon Gay. And the Georgia Department of Transportation is represented by Brad Hubbert and Jimmy Lester. And I think everybody in the room probably knows all of those people and recognizes that they represent equally the metropolitan area of Atlanta as well as the entire State of Georgia.

One year ago, these three agencies put into effect an agreement to serve as a mechanism for implementing effective and also efficient rail passenger service in Georgia. The first line of that agreement states, and I would like to quote, Senator, "the parties recognize and agree that effective and efficient rail passenger service in Georgia can be implemented only through the cooperative and coordinated efforts of the parties." That means pulling together the great talent of the Georgia Department of Transportation, the Georgia Rail Passenger Authority and the Georgia Regional Transportation Authority. And I believe in the year since we entered into that agreement, I believe that we are doing just that.

Under our agreement, the Georgia Department of Transportation will be primarily responsible for planning, designing and constructing the rail infrastructure. GRTA will be responsible for integrating local and state transportation and land use decisions, with the rail passenger program. This will certainly involve working with local governments to establish transit, bicycle, pedestrian facilities, and transit-oriented development to enhance the rail program. The Georgia Rail Passenger Authority will be primarily responsible for the operation of passenger train service, location and design of rail stations, and also for local government coordination.

All three agencies are jointly responsible for capital improvements such as trackage and train sets, identifying new service needs, making signal and control system improvements, developing access and operating agreements, and generally cooperating with other transit and planning agencies to contribute to a comprehensive public transportation program for the entire metropolitan region as well as the entire state.

To provide the necessary technical expertise we needed, the Program Management Team established the Rail Program Managers Committee and this Committee supervises the work of the Georgia Rail Consultants, and my colleague, Mr. Steve Roberts, to my left, whom you will hear from today, is program manager for those consultants.

Our consultants are using the most recent rail studies prepared by the Georgia Department of Transportation; also using the previous studies of the Atlanta multi-modal terminal. All of this is part of our ongoing environmental assessment of the Athens to Atlanta and the Macon to Atlanta rail corridors which we have identified as the two corridors with the highest promise for rail passenger service. This program also includes the studies of potential service to Albany, Jesup, Savannah, Canton, Columbus, Bremen, Madison, Augusta, Senoia, and Gainesville.

A 5000-mile network of railroads crisscrossing the State of Georgia provides an excellent opportunity to establish a rail network in the state. The previous studies of passenger travel by mode and trip preference found that Georgians would make about seven to ten million trips a year if the service was provided at a reasonable cost and was reliable.

But Senator, we have some very tough questions to answer before we are ready to recommend a passenger rail investment program. Whatever the Program Management Team recommends to the Governor, the legislature, the next administration, and the Georgia delegation, we believe it must be based on a very sound and very thorough analysis.

Here are some principles that we think are very important:

One, we must have a thorough, meaningful alternatives analysis that examines every practical alternative in these corridors. The selected preferred alternative will have the highest value returned to the state.

Two, the preferred alternative must be competitive with other forms of transportation in terms of time, cost, and perhaps comfort as well, and convenience.

And three, we need to keep the big picture in focus. We are not just talking about running commuter and intercity trains to Atlanta. We are part of a larger regional effort that will lead to the development of the high-speed passenger rail network in the southeast that we have talked about already today. The business community, led by the Metro Atlanta Chamber of Commerce, is very excited about the potential of the high-speed transportation alternative to other major cities and has been doing a good bit of work on that in the last few months. We are part of the network and we will not lose sight of this concept.

The task before us is a heavy responsibility and we have all recognized that and we pledge to ourselves every day that we realize that is true. And I also pledge to you and to the entire Congressional delegation that we will do everything possible to implement this rail passenger program efficiently.

Thank you.

[Applause.]

[The prepared statement of Mr. Rhodenizer follows:]

PREPARED STATEMENT OF HON. CARL RHODENIZER, VICE CHAIR, GEORGIA RAIL
PASSENGER PROGRAM MANAGEMENT TEAM

Thank you, Senator Cleland, for the opportunity to come before you today and talk about the Georgia Rail Passenger Program in Georgia.

I am here today representing the Program Management Team of the Georgia Rail Passenger Program. Sonny Deriso, the chairman of the PMT, could not be here today, so I am substituting in his behalf. I also serve as chairman of the Georgia Rail Passenger Authority and as a member of the Clayton County Board of Commissioners, and I am a banker and former President of the Clayton County Chamber of Commerce.

But before I go any further, let me first thank you for your support for rail program funding in the Transportation Equity Act for the 21st Century. Frankly, we would not be here today but for the help from you and other members of Georgia's congressional delegation in providing specific funding for rail in our state. You alone earmarked almost \$50 million for multimodal transportation corridors, and we are grateful.

I also want to thank Secretary Slater and Administrator Molitoris for responding to the PMT's request to extend the Southeast High-Speed Rail Corridor designation from Macon to Savannah, via Jesup, and to extend the Gulf Coast High-Speed Rail Corridor designation from Birmingham to Atlanta. Now, we have a firm foundation to build a high-speed rail network throughout the Southeast, centered in Georgia.

Now, let me explain the PMT. About a year ago, Governor Barnes realized the need to get the state's transportation agencies on the same track. The Governor established a joint entity to guide passenger rail development in Georgia. The PMT comprises two board members each from the State Transportation Board, the Georgia Rail Passenger Authority and the Georgia Regional Transportation Authority.

The Governor appoints the Chairman, and Mr. Deriso, as the governor's appointee, has served with distinction and fairness during his tenure.

Representing the State Transportation Board are Jimmy Lester and Brad Hubbert. Representing the Rail Passenger Authority are myself and Mather Stapleton. Mr. Deriso and Sharon Gay represent GRTA.

On one year ago today—December 6th—the three agencies put into effect an agreement to serve as the mechanism for implementing effective and efficient rail passenger service in Georgia. The first substantive line of that agreement states, “the Parties recognize and agree that effective and efficient rail passenger service in Georgia can be implemented only through the cooperative and coordinated effort of the Parties,”—meaning GDOT, the rail authority and GRTA.

Senator Cleland, I believe in the year since we entered into this agreement we are doing just that.

Under our agreement, GDOT will be primarily responsible for planning, designing and constructing the rail infrastructure. GRTA will be primarily responsible for integrating local and state transportation and land use decisions with the rail passenger program. This will involve working with local governments to establish transit, bicycle and pedestrian facilities and transit oriented development to enhance the rail program. The GRPA will be primarily responsible for the actual on-going operation of passenger train service and the rail station siting, design and local government coordination.

All three agencies are jointly responsible for capital improvements, such as track-age and train sets; identifying new service needs; making signal and control system improvements; developing access and operating agreements; and generally cooperating with other transit and planning agencies to contribute to a comprehensive public transportation program for the metropolitan Atlanta Region and the State of Georgia.

To provide the necessary technical expertise, the PMT established the Rail Program Managers Committee. This committee supervises the work of the Georgia Rail Consultants. Steve Roberts, who you also will be hearing from today, is the program manager for the Georgia Rail Consultants. He will be speaking in more detail about their work.

Our consultants' work is founded upon the most recent available rail studies commissioned by GDOT, and the Multi-Modal Passenger Terminal proposed design as part of our on-going environmental assessment of the Athens-to-Atlanta and the Macon-to-Atlanta rail corridors, which we have identified as the two corridors with the highest promise for rail passenger service. The program also includes the study of potential service to Albany, Jesup, Savannah, Canton, Columbus, Bremen, Madison, Augusta, Senoia and Gainesville.

A 5,000-mile network of freight railroads crisscrosses the State of Georgia, providing an excellent opportunity to establish a passenger rail network in the state. Previous exhaustive studies of passenger travel by mode and trip preference found that Georgians would make about seven to 10 million trips a year by passenger rail if it were provided at a reasonable cost, was reliable and provided a frequency of service to meet travel needs.

Senator, we have some tough questions to answer as we prepare to recommend a passenger rail investment program. Whatever the PMT recommends to the Governor and Legislature, the next Administration and the Georgia Congressional delegation, it must be based on a sound and thorough analysis.

Here are some principles that I think are important:

One, corridor analysis of transportation alternatives must examine every practical alternative on these corridors to arrive at the highest value return of the preferred alternative.

Two, the preferred alternative must be competitive with other forms of transportation in terms of time, cost, comfort and convenience.

Three, we need to keep the big picture in focus. We are not just talking about running commuter and intercity trains to Atlanta. We are part of a larger regional effort that will lead to the development of a high-speed passenger rail network in the Southeast. We now have that foundation of a high-speed network that I spoke of earlier. The business community, led by the Metro Atlanta Chamber of Commerce, is excited about the potential of a high-speed transportation alternative to other major cities in the Southeast and the whole Eastern seaboard.

The task before all of us is a heavy responsibility. I pledge to you, and the entire Georgia Congressional Delegation, that we will do everything possible to implement this Rail Passenger Program.

Thank you.

Senator CLELAND. Thank you very much, Mr. Rhodenizer, we appreciate your service and your attention to detail. It is a key responsibility you and your colleagues have and we thank you for exercising it with such diligence.

Let me just go to Mr. Roberts now. Mr. Roberts worked to establish a unique program between the State of Virginia and some federal authorities. Mr. Roberts, share with us a little bit your experience and maybe what it might mean for Georgia.

**STATEMENT OF STEVE ROBERTS,
PROGRAM MANAGER, GEORGIA RAIL CONSULTANTS**

Mr. ROBERTS. I have prepared some remarks and provided them to the staff, but I thought perhaps, as you have just asked that question how we might focus what we are doing here in Georgia on the corollary that was the Virginia Railway Express, I unearthed my little pin that I brought along today. This is our 10,000 rider pin* from Virginia, it means we are 25 percent ahead of our passenger projections and still growing, and that is about 5 years ahead of the time frame that those forecast patronage numbers were made.

I think that you will see from the testimony of the two freight railroads that this growth and this success is essentially dependent on the hard work of their management and their employees as well as Virginia Railway Express, and Amtrak, which was our contract operator there.

There is just no question that all of the things that people have gone before us have said are the key to why people get on trains. They are reliable, they are dependable, they are safe, and with that sort of activity and with that sort of commitment, it is likely that we will have the same success here in Georgia. Absent that or absent doing the thorough job and making sure that everyone's train runs on time, it is likely that we will have the kind of problem that VRE had at one point in its history. I had the good fortune to survive it, but we had an incident in 1997 in which our ridership dropped about 30 percent, our on-time performance went to 39 percent and people basically quit riding trains. Since that time, having got to 10,000, there is a pretty significant pattern of change and it really represents recognition by all the parties that we had to invest in on-time performance, whatever that took.

Two corridors have significant work underway to evaluate alternatives. Just as Mr. Rhodenizer spoke, we are not only looking at the market in these corridors for how rail would serve it, but utilizing the capacity on the highway, conceivably building HOV facilities, and this would apply to both Macon and Athens. I cannot imagine, frankly, a system in which only rail—as several people have spoken, this will be a mix, it will be a network and part of our challenge is to make it seamless for the consumer.

It is good that technology has evolved in the intervening period. When I first started work on our train in Virginia, we were not just putting coins in fare boxes, but the magnet strip on the back of the Metro Rail fare card was a relatively new technology. We have now evolved the smart cards, which we have a lot more flexibility and

*On October 3, 2000, VRE celebrated its first 10,000 daily trip day on a non-event day.

a lot more interest in. I think not only in the technical community but also in the banking community, to work with us to create that kind of seamlessness.

I think overall the kind of guidance we are going to have to design into the system is that this is a system where people with choices will make those choices. If we are not responsive, people will not be on trains. But if we do make it responsive to what they need, they will be on trains.

I am looking forward to being a part of this, I am looking forward to working with Norfolk Southern and with CSX to examine what is needed to make sure that their freight needs and what is needed for reliable passenger service are all encompassed in the set of investments that we make, and I am equally confident that as these three public agencies that are involved in designing and implementing the service put it together, there are going to be trains and there are going to be all kinds of other things—using the highways and conceivably some new dedicated right-of-way initiatives as well.

It is amazing to me, there are a lot of folks in this room that I have been in meetings with over the last two decades examining how best to serve metropolitan transportation needs. It is amazing to me that we managed in Washington and we did not manage it here. I am sure that I am not going to be the difference but I am sure that I am going to be part of what happens and I am looking forward to it.

I think it is clear from all the testimony here that you are going to be a part of it too and I very much look forward to working with you.

[Applause.]

[The prepared statement of Mr. Roberts follows:]

PREPARED STATEMENT OF STEVE ROBERTS, PROGRAM MANAGER,
GEORGIA RAIL CONSULTANTS

Senator Cleland,

I am Steve Roberts, project manager for the implementation of the Georgia Rail Passenger Program. I am formerly the Chief Operating Officer for the Virginia Railway Express. I have 24 years of experience in the development of transit and commuter rail operations. VRE's current success is based on the day after day hard work of the management and employees of CSX Transportation, Norfolk Southern and Amtrak.

Georgia's Rail Passenger Program was adopted in November 1999, one year ago. I am an employee of SYSTRA Consulting in a joint venture with Moreland-Altobelli and Parsons Brinckerhoff. The joint venture known as Georgia Rail Consultants was created in response to an invitation from the Georgia Department of Transportation and now their partners in the Georgia Rail Passenger Program, both the Georgia Rail Passenger Authority and the Georgia Regional Transportation Authority. Just as the engineering community has formed a joint venture, so the state agencies have signed a memorandum of agreement distributing the responsibilities in the program implementation under the guidance of the Program Management Team. PMT Vice Chairman Carl Rodenizer has outlined those in some detail.

During this first year significant activities were initiated and advanced:

- Much work has gone into assembling a phased implementation concept for the Multi-Modal Passenger Terminal [MMPT] adjacent to the Five Points MARTA station and many of the federal agencies with Atlanta offices. In early October the City of Atlanta, Central Atlanta Progress and the Program Management Team hosted a planning charette of community leaders to discuss the MMPT and to ensure that the needs of the Intermodal partners: MARTA, Amtrak, commuter rail, Amtrak, regional bus service and Greyhound are fulfilled. Following the charette serious discussions have begun with adjoining property owners—

in particular Turner and Cousins interests—to knit this important facility into the redevelopment of the downtown core area.

- We have just concluded a major milestone in the evaluation of transportation alternatives to serve—Macon and Athens corridors., what may become the first two commuter lines of seven recommended in earlier work completed by GDOT. We met with the public in May and again in October to examine a number of routes to serve those corridors. These public meetings have been well attended and reflect a keen interest in the problems to be addressed and solved. Meetings were held in Athens, Winder, Lawrenceville, Decatur, Atlanta, Forsyth, Jonesboro, Griffin, and Macon. By this time next year we expect to have advanced each of these corridors to a single preferred alignment, to have completed an environmental analysis, made application for and received grants of the federal funds either appropriated by the Congress for High Priority Projects or flexed from highway funds and to have ordered locomotives, coaches and buses and begun the critical problem solving process of preliminary engineering.
- In addition to the substantial appropriations [HPP \$68,350,000] for the rail passenger program that accompanied the enactment of TEA-21, the State Transportation Board has within its 2001-2003 Transportation Improvement Program [TIP] \$169,175,000 for a total of \$237,525,000 toward the initial capital investment for track capacity, facilities and rolling stock. This is an unprecedented investment of flexed funds, and a precedent we hope to engage throughout the twelve-year implementation of the rail passenger program. As a result the federal transportation agencies play a critical role in our program. Secretary Slater's "One DOT" initiatives must be fully realized if we are to knit together the administrative processes of Federal Highway, Railroad and Transit Administrations.
- We have begun the important process of creating partnerships with both CSX Transportation and Norfolk Southern. As VRE demonstrated, a most important attribute of commuter rail service is public use of existing railroad rights of way. In Georgia these freight railroads are vital to the growth and health of a vibrant state economy that is the envy of many. We expect negotiations to lead to a "win-win-win" outcome. Overall the concept of customer service represents a core value in our "win-win-win" strategy. We have to be safe, dependable and reliable. The railroads have each outlined a number of core principles for our relationship that will be important to the rail passenger program as well:
 1. Capacity: Another term for this is "transparency," the railroads need sufficient capacity to ensure that both freight and passenger trains run on time, in this case we are working with the freight railroads to develop both an overall program requirement as well as a phased program of improvements and service. Senior officials of both companies are pointing toward a much greater investment in rail capacity to handle expanding freight markets as well.
 2. Compensation: The Georgia Rail Passenger Program is intended to be a valuable customer for the railroad companies. Payments made by other commuter rail systems for passenger train access to tracks represents extremely high leverage for the railroads. Measured against return on investment the railroads' returns on passenger operations are well above their cost of capital.
 3. Indemnification: The freight railroads supported the creation of Amtrak and several major commuter railroads in order to be relieved on the risk of liability in the operation of passenger service. This will be a difficult and costly process to resolve. In the main the freight railroads have indicated that they are totally unwilling to assume the risk for passengers.
 4. Safety: knowing your many years of service to the state you are aware of the significant number of grade crossings in the Macon Atlanta and Athens Atlanta corridors. We would anticipate the installation of significant protection and warning devices along with an extensive program of grade separations in these two corridors.

Commuter and intercity rail passenger service in Georgia contributes to the smart growth strategies that you continue to champion, rail is an important tool to enhance mobility in the Atlanta region and intercity rail is an important link for the commercial and international travel hub that is Atlanta. Passenger rail in the southeast is an untapped resource in this high growth region of our nation. It will

provide a new trip choice to travelers dealing with already congested roadway and airport facilities.

On behalf of the Georgia Rail Consultants team, we are pleased to be a part of this effort and look forward to extensive opportunities for passenger train travel in Georgia.

Senator CLELAND. Thank you very much, Mr. Roberts. We appreciate your service and we need your expertise here in Georgia.

Mr. Stephen Crosby, tell us how life looks from your side of the tracks.

**STATEMENT OF STEPHEN A. CROSBY,
PRESIDENT, CSX REAL PROPERTY, INC.**

Mr. CROSBY. I will be glad to do that. Thank you, Senator. I will give you a little perspective from the view of the owner of the existing rail infrastructure as well as the corridor, or at least one of the corridors being considered. So I will get started with that.

Just by means of contrast, our company operates rail lines on roughly 30,000 miles of right-of-way across the United States and Canada. It is nice to have an opportunity to talk to you at an early stage, a relatively early stage, in the evolution of your passenger operation here in Atlanta.

With increasing congestion on America's highways and concerns over air quality, we see more and more communities across the country looking to rail as an environmentally friendly and fuel efficient means to move people and freight.

CSX does its best across the country to work with communities and agencies to provide both technical expertise and operations analysis in order to help local planners and policy makers, just as we have heard today, make the well-reasoned transportation decisions that are necessary. Where feasible, we also attempt to make our right-of-way available at fair market value for the construction of commuter rail systems. We currently have six commuter operations on our network and at least 28 others are being studied. Our recent experience with proposed new starts in Orlando and New Jersey has shown that, as Administrator Molitoris said earlier today, there is no one size that fits all solutions to these problems.

In Atlanta, my colleagues and I have worked for several years with the various agencies that have an interest in furthering the concept of commuter rail. We have worked with many people in this room. As you have heard today, we are now working jointly with both Norfolk Southern and GRTA to study the combined freight network in order to evaluate the feasibility of introducing commuter rail service into this corridor.

Atlanta is an extremely complex situation from a rail perspective, given the convergence of many lines and the high volume of freight that moves through the metropolitan area. The issues presented by adding commuter rail service to a mainline freight network are extremely challenging. A poorly planned implementation will degrade existing freight service while providing a level of passenger service that will not meet public expectations. Steve Roberts alluded to that in his comments, that on-time service is critical for everybody, whether it be freight or passenger.

We are committed to working cooperatively to determine whether there are answers in fact that will work for everybody.

You have already heard about issues that communities around the metropolitan area and public officials look at. So I will spend a little more time and share with you four key principles that guide our thinking as we go through these analyses in various communities that we work in.

First and foremost is the safety of our employees and the public. It is a preeminent consideration. CSX is committed to operating with the highest degree of safety. Put simply, the risks to our employees and the public must be no greater after passenger rail systems are implemented than they are today.

Among the critical issues we examine are train operations, integration between freight and passenger rail, grade crossing safety, passenger and pedestrian safety at station stops, and train-to-train safety.

Second, any relationship with passenger rail services must give CSX the opportunity to effectively serve current customers and just as importantly, meet our future demands as our customers grow. This capacity issue is particularly critical in the Atlanta region, which is our busiest hub in the southeast. CSX serves more than 200 Atlanta-area companies and moves over one million carloads of freight into and out of the region each year. Our lines in the region are at our near capacity today and our Atlanta terminal handles over 120 trains daily.

Commuter rail could further limit our capacity and force some of the freight we move back onto the highways, increasing the number of trucks on metropolitan roadways. This has the potential to be more harmful to the environment because railroads have a clear environmental advantage over trucks. When passenger trains squeeze freight trains off the tracks, more trucks are added to the highways, more pollutants are added to the atmosphere in addition to the traffic congestion that is created. Certainly that is not a situation that any of us want to have occur as a result of introducing commuter rail.

Capacity studies are an important first step and they are critical to our ability to analyze a particular proposal. We need to understand current and future use. We need to know whether specific lines are able to accommodate regular passenger service. If they are not, we need to determine if those lines can be expanded or improved to meet the potential commuter needs. In some cases, such improvements and additions can be achieved and passenger rail can be accommodated. In other situations, it cannot.

The third point I would like to make is that CSX does not have a role in funding commuter rail operations. We are an investor-owned company, we operate on private property that we maintain. We are not a public utility, and as a result, we simply cannot ask our shareholders and our freight customers to subsidize the cost of commuter rail operations.

The commuter agencies need to pay the costs associated with determining project feasibility, obtaining operating and property rights, as well as building and maintaining the infrastructure associated with a passenger service.

Communities must realize and be realistic about funding needs when they set forth to develop a passenger rail system. A proposed 16-mile system that we were associated with in Orlando, Florida,

for example, would have cost in excess of \$600 million. A 30-mile system in Bordentown, New Jersey that we were recently involved in with Norfolk Southern will cost approximately \$700 million.

These are very different systems than envisioned for Atlanta but I use them as examples simply to illustrate two things. First of all, that these systems are expensive; and second, that we have demonstrated an ability to successfully work with agencies and communities in introducing commuter rail.

In both these cases, it took a great deal of work and ultimately safety, capacity, and funding were all worked out. Actually, in the Orlando case, funding is still being worked out. One of the cautions I would like to add is that time frame considerations are crucial. In both those situations, the time frame for actual implementation of the service took longer than originally projected.

We are working closely currently with GRTA to ensure that they have access to all the information that we have generated through our experience in these various communities, that they can benefit from the lessons learned by ourselves and the other commuter agencies that we have worked with, and that we are able to provide the resources and flexibility necessary for them to arrive at a workable solution.

The final matter that I would like to address on our four point scale is the matter of liability. Although the likelihood of a catastrophic derailment is low, the potential does exist for a freight accident to occur simultaneously with a passing commuter train. The imposition of thousands of people, rail passengers and those who would work around the stations, into a freight corridor creates a certain level of risk that does not exist today.

Consistent with sound business practices in states that do not have liability limits, we currently require a minimum of \$500 million of insurance coverage as a condition to any new use of our properties for passenger purposes.

In conclusion, I would like to simply restate that we remain actively engaged with communities across our system and of course in Atlanta in a fact-based approach to explore passenger and transportation options. Here, we are committed to continuing our involvement in the studies and the dialogue that have been initiated and that we have been involved with over the years.

We, like Mr. Warrington and others commenting earlier today, are committed to an honest partnership.

I thank you for the opportunity to share our opinions.

[Applause.]

[The prepared statement of Mr. Crosby follows:]

PREPARED STATEMENT OF STEPHEN A. CROSBY, PRESIDENT,
CSX REAL PROPERTY, INC.

Thank you Senator Cleland. I am Steve Crosby, President of CSX Real Property, Inc., a subsidiary of CSX Corporation. I represent CSX in discussions concerning the introduction of commuter rail onto CSX's rights-of-way in metropolitan Atlanta. These lines are part of the 30,000 mile rail freight network CSX operates in 23 states, two Canadian Provinces and the District of Columbia. I appreciate the opportunity afforded us today to explain our approach to potential passenger operations on our freight lines in Atlanta and elsewhere.

With increasing congestion on American highways and concerns over air quality, more communities than ever before are looking to rail as an environmentally friend-

ly, fuel-efficient means to move people. CSX works with communities, including Atlanta, to provide technical expertise and operations analysis to local planners and policy makers. Where feasible, we also attempt to make our right-of-way available at fair market value for the construction of commuter rail systems. We currently have six commuter operations on our network and 28 others being studied. Our experience has shown that there is no “one size fits all” solution.

In Atlanta, my colleagues and I have worked for several years with various agencies that have an interest in furthering the concept of commuter rail. We are now working jointly with Norfolk Southern and the Georgia Regional Transportation Authority (GRTA) to study the combined freight network in order to evaluate the impact of the potential imposition of commuter service. The results of this study will yield important feasibility and cost analysis of alternative proposals and will provide a greatly needed decision tool. While Atlanta is an extremely complex situation given the convergence of rail lines and the volume of freight trains moving through, it also can be an exciting model if creativity is used in addressing these challenges.

The issues presented by adding commuter rail services to a main line freight network are extremely challenging. Poorly planned implementation will degrade existing freight service while providing a level of passenger service that does not meet public expectations either. We are committed to working cooperatively to determine whether there are answers that work for everyone. To that end, we have guiding principles we use when working through this process with communities on our system, including Atlanta. You already have heard about issues communities and public officials look at, so I would like to share with you these principles which guide our thinking and analysis.

First, safety must be the pre-eminent consideration. CSXT is committed to operating with the highest degree of safety for both our employees and the public. Put simply, the risks to our employees and the public must be no greater after a passenger rail system is put in place than the risks are today.

Since 1989, CSX has reduced train accidents by 40 percent and employee injuries by 63 percent. Despite this record, the possibility of an accident cannot be dismissed. The Federal Railroad Administration has authority over the introduction of rail passenger operations onto the freight network. CSX also undertakes its own review and in some cases our policy may be more stringent and restrictive than federal guidelines. Among the critical issues we examine are train operations; integration between freight and passenger rail; grade crossing safety; passenger/pedestrian safety at station stops; and, derailment risk and intrusion detection.

Second, any relationship with passenger rail services must give CSX the ability to effectively serve current customers and to meet the future demands of new and growing customers. This capacity issue is particularly critical in the Atlanta region, which is our busiest hub in the Southeast. CSX serves more than 200 Atlanta-area companies and moves over one million carloads of freight into and out of the region each year. Our primarily single-track lines in the region are at or near capacity today with our Atlanta terminal handling up to 120 trains daily. Commuter rail could further limit our capacity and force some of the freight we move back to the highways increasing the number of trucks on metropolitan roadways. This has the potential to be more harmful to the environment because railroads have a clear environmental advantage over trucks. Locomotives emit one-tenth the hydrocarbons and diesel particulates as trucks do, and each rail car carries the equivalent of approximately three trucks. When passenger trains squeeze out freight trains, more trucks are added to the highways and more pollutants are added to the atmosphere—an extremely important matter for regions such as this that are not in compliance with federal clean air standards.

Capacity studies are critical to our ability to analyze a particular proposal. We need to understand current and future use, and we need to know whether specific lines are able to accommodate regular passenger service. If not, can those lines be expanded and improved to meet commuter needs. In some cases, such improvements and additions can be achieved and passenger rail can be accommodated. Studies, property acquisition (if needed) and construction have a high cost.

CSX does not play a role in funding commuter operations. We are an investor-owned company, operating on private property that is maintained by private investment. We are not a public utility. As a result, we simply cannot ask our shareholders and freight customers to subsidize the cost of commuter rail operations. The commuter agency needs to pay the costs associated with obtaining operating and property rights as well as building and maintaining infrastructure associated with the passenger service. So putting a realistic estimate and funding package together is a critical early step. With advanced engineering almost anything is possible. The question becomes quite simply: How much does it cost and how much is it worth to those who will use it? Building and maintaining additional rail infrastructure—

even assuming an existing right-of-way has room—can cost hundreds of millions of dollars. Communities must be realistic about funding needs when they set out to develop a passenger rail system. A proposed 16 mile-system in Orlando that we worked on recently, for example, would have cost in excess of \$600 million. A 30-mile system in Bordentown, New Jersey that we were involved in is budgeted at approximately \$700 million. In both of these cases we worked closely with the local, state and federal agencies to ensure safe, and compatible operations.

These were very different systems than envisioned for Atlanta, but I use them as examples simply to illustrate that we can work successfully together to design solutions that meet the needs of all parties. However, as we found in both cases, unless safety, capacity, funding and timeframe expectations are realistic, a positive outcome cannot be achieved. We are working closely with GRTA to ensure they have access to information generated by our experience in these and other communities. The lessons learned are that commuter operations require considerable resources, cooperation and flexibility to achieve productive and workable solutions.

The final matter that must be considered in a new passenger proposal from the railroad's perspective is liability. Although the likelihood of a catastrophic derailment is low, the potential does exist for a freight accident to occur simultaneously with the passing of a commuter train. The imposition of thousands of passengers into a freight rail corridor creates risks that do not exist today. Consistent with sound business practices, CSXT currently requires a minimum of \$ 500 million insurance coverage as a condition to any new use of its properties for passenger purposes.

On another front, I understand that high-speed rail and possibly mag-lev are being considered in Georgia in addition to commuter rail options. My colleague Paul Reistrup, Vice President, Passenger Services, has been actively involved in discussions with Amtrak and other entities concerning these types of operations. As with commuter initiatives, we take a fact-based, analytical approach to high-speed rail, which presents some unique challenges of its own.

Importantly, the greater the difference in the speed of trains, the more capacity is used up on a railroad. To illustrate the point, we all know what the term Sunday driving is all about and the havoc that a slow driver can cause on a busy road. Traffic always moves more smoothly if everyone is generally going the same speed. Freight lines are generally analogous to two lane state roads while high-speed lines need to be like super highways. We know that you can't turn a state road into an interstate by simply raising the speed limit.

The super-elevation needed for high-speed passenger trains requires different engineering and significantly more maintenance than the track structures freight trains use. In addition, in the interest of public safety, all grade crossings need to be eliminated over tracks where trains operate above a designated speed threshold, as has been done on the Northeast Corridor. As a result, while every situation is unique, our basic proposition is that high-speed trains travelling above 90 MPH should be on separate tracks that are grade separated.

In conclusion, we remain actively engaged with communities across our system in a fact-based approach to explore transportation options. Locally, we are committed to continuing our involvement in the studies and dialogue that have been initiated in Atlanta. I will be pleased to answer any questions you may have.

Senator CLELAND. Thank you very much, Mr. Crosby.

Just a comment or two. Could you tell us a little bit about your experience with existing commuter operations on your network and whether they actually satisfy your core concerns of safety, capacity, indemnification and compensation?

What is your experience with some existing systems that in your opinion work well?

Mr. CROSBY. As I said, we have recently worked with two startups and I assume your question really relates to the six other or the four other systems that we have up and running. Most of the systems that we have on our railroad other than the two I mentioned in Orlando and New Jersey were inherited systems. And by that, I mean they were systems that came to us from predecessor railroads or as a result of the time when our predecessor companies were involved in the passenger rail business.

We are currently, quite honestly, playing catch up with many of those agencies in an effort to bring our relationships with those organizations to our current standard.

I might use as an example Tri-Rail in south Florida, which is not—which was not a pre-existing situation. That is a situation where we actually sold our right-of-way and our track structure to the State of Florida. It was at the end of our line, it was a declining business base for us and it offered an opportunity for the state to match its needs for commuter operations with our declining business base and it seemed to be a good fit. And it has been a good fit. However, what has happened over time is that our freight business has grown unexpectedly, and the passenger business has flourished. And so, the State of Florida is today in the process of adding a third mainline to that track structure that they bought from us to accommodate both the freight needs of the state as well as the passenger needs.

So to answer your question, we can get there, but it does take a great deal of work.

Senator CLELAND. Well, thank you very, very much.

May I just introduce Craig Lewis. Craig, nice of you to come—Vice President of Corporate Affairs for Norfolk Southern. Thank you very much for coming.

**STATEMENT OF H. CRAIG LEWIS, VICE PRESIDENT OF
CORPORATE AFFAIRS, NORFOLK SOUTHERN CORPORATION**

Mr. LEWIS. Senator, thank you, it is a pleasure to be here.

Let me commend you for pulling us all together today. I think that the information that has been exchanged, the opportunity to interact with the people who are going to be the key players as things move forward in the Atlanta area has been extremely important and will be the keystone from which the relationships will be developed that will be crucial as we move forward in the next couple of months and years. So thank you for giving us this jump start to make this work.

Senator CLELAND. Thank you for being part of it.

Mr. LEWIS. We are also pleased to be here, of course, because Norfolk Southern and Georgia mean a great deal to each other, as I am sure you know. Our collection of lines touches virtually all of the corners of this state and the riches of Georgia's forests and your fields and mines and the factories literally fill dozens of our trains every day.

Atlanta is one of the most important junctions in the 21,000 miles of the Norfolk Southern system. As the hub of five of the important mainlines, it anchors the southern quadrant of our railroad. And the freight that comes from Atlanta and the state of Georgia is a meaningful part of the business of our company. And a comparable statement might also be made about what we think Norfolk Southern means to Georgia and to Atlanta, because every year, well over a million freight cars pass through the state on our rails. In Atlanta alone, half a million cars of freight begin or end their journey in the metro area. And in terms of our highways, this is the equivalent of two million or more trucks that are not on I-20 or I-85 or I-75 every year.

The 5,000 Norfolk Southern men and women who keep the trains rolling in Georgia add hundreds of millions of dollars to the state's economy. And, of course, the purchases that we make and the industrial development activities in which we are engaged, again, have a very substantial impact upon the tax base and the economy of the municipalities and of the state itself.

Our fastest growing business, interestingly, is intermodal freight. This is the transportation of truck trailers and containers on trains over long distances. This business segment generates more revenue for our income statement now than any other commodity in Atlanta. Interestingly, our biggest customer for this our biggest business segment is Atlanta's own United Parcel Service. And I do not know what the new lanes to China are likely to mean to our railroad business, Senator, but I can tell you that we are certainly prepared to help you get to Jesup.

[Applause.]

Mr. LEWIS. The public benefits of a vibrant rail system are enormous and all too often, we have been the quiet, unseen, unknown part of the consumer delivery service and that is why I want to take just a moment to focus on this point. Our freight trains, both the Norfolk Southern and the CSX, perform behind-the-scenes deliveries of virtually all types of consumer products from new cars and trucks to food to California wines, building materials, packages, parcels, and the coal that is used to make the electricity in our power plants. Without us, the good life would not only be a lot more expensive, but the Interstates would be a lot more crowded.

Despite the volume of freight moving in and around Atlanta and the critical importance of the heavy duty mainlines to our collective well-being though, there are possibilities that routes can be developed for passenger service and some very quickly. We are willing to pursue win-win partnerships with public agencies, with Steve and with the discussion with you and the other public officials in trying to identify where we can move forward in these regards.

We subscribe to the same ground rules that you heard Steve articulate on behalf of CSX and these really are the principal components that we will look to measure as we move forward in our discussions with the public agencies.

Passenger service on the heavily used mainlines, as Steve has said, can be problematic at times. But, passenger trains can be accommodated in certain instances after a great deal of study, work and hard analysis. It is important to appreciate, however, that new passenger rail proposals are not a low-cost, snap-of-the-fingers, overnight solution to commuter traffic congestion.

As a practical matter, however, we know that freight and passenger service can co-exist because it has recently been done elsewhere in the United States. In the Pacific Northwest, in California, in Virginia, and as Steve mentioned, recently in New Jersey. And we believe that it may be quite possible to do it here in Atlanta as well.

The key, as we see it, and the goal, is to commit ourselves a new partnership. Where public interests promote not only the movement of people, but the goods they use as well. A partnership in which each of us can see a better day, and we at Norfolk Southern

are committed to working in that spirit with all of you here in Atlanta and in Georgia.

[Applause.]

[The prepared statement of Mr. Lewis follows:]

PREPARED STATEMENT OF H. CRAIG LEWIS, VICE PRESIDENT OF CORPORATE AFFAIRS,
NORFOLK SOUTHERN CORPORATION

I am Craig Lewis, Vice President, Corporate Affairs for Norfolk Southern Corporation. Our group takes principal responsibility for new passenger service proposals within our geographical territory.

We appreciate the opportunity to participate in this hearing because Norfolk Southern and Georgia mean a lot to each other. Our spider web of lines touches virtually every corner of the state. The riches of Georgia's forests, fields, mines and factories fill dozens of our trains headed in all directions everyday.

Atlanta is one of the most important junctions in the 21,000 mile Norfolk Southern system. As the hub of five important mainlines, it anchors the southern quadrant of our railroad. The freight that comes from Atlanta's manufacturing, distribution and consuming markets constitute a meaningful part of Norfolk Southern's business.

A comparable statement may be made about what Norfolk Southern means to Georgia and to Atlanta. Every year well over a million freight cars pass through the state on our rails. In Atlanta alone, a half-million cars of freight begin or end their journey in the metro area. That's the equivalent of two million or more trucks that aren't on I-20 or I-85 or I-75.

The 5000 Norfolk Southern men and women who keep the trains rolling in Georgia add hundreds of millions of dollars to the state's economy each year. And NS spends hundreds of millions more on goods and services in the Peach State, including construction of new facilities to handle our growing freight business and maintenance of our track to keep it safe and in good repair.

Further, our industrial development group helps industries—freight generating, tax paying, job-providing industries—to expand their factories or build new ones. This is an activity that pumps hundreds more millions into the Georgia economy.

Our fastest growing business is intermodal freight—the transport of truck trailers and containers on trains over long distances. This freight generates more revenue for our income statement than any other commodity in Atlanta. Our biggest customer of this, our biggest business segment, is Atlanta's own United Parcel Service.

The public benefits of a vibrant rail freight system are enormous. Freight trains perform behind-the-scenes delivery of new cars and trucks, food and drink, building materials, packages, and parcels and coal to make electricity. Without us, the good life would be a lot more expensive and the Interstates would be a lot more crowded.

Despite the volume of freight moving in and around Atlanta, and the critical importance of the heavy-duty main lines to our collective well being, there are possibilities that routes can be developed for passenger service fairly quickly. We are willing to pursue win-win partnerships with public agencies on these lines.

There are certain ground rules we need to follow where new passenger service is concerned:

Safety—must be enhanced

Liability and Indemnity—NS cannot be exposed to any new or additional liability by the presence of passenger trains.

Capacity—the presence of passenger trains cannot diminish the capacity of a line to handle its existing freight service and must provide for anticipated freight growth.

Compensation—NS expects to be fairly compensated for the use of its track and right-of-way.

Passenger service on the heavily-used mainlines is problematic and figuring out how, if at all, passenger trains can be accommodated requires a great deal of work and analysis. It is important to appreciate that new passenger rail proposals are not a low cost, snap your fingers, overnight solution to commuter traffic congestion. As a practical matter, however, we know that freight and new passenger service can co-exist because it's recently been done elsewhere in the U.S.—in the Pacific Northwest, California, Virginia, New Jersey. It may be possible to do it here in the Atlanta area as well.

Regardless of the route used, starting new passenger service is a difficult and expensive proposition (although not nearly as expensive as new highway construction). If the resources are available, and if the right routes can be identified, Norfolk Southern is prepared to move forward.

The key, and the goal, is to commit ourselves to a new partnership. Where public interests promote the movement of people, and the goods they use, each of us can see a better day ahead.

Senator CLELAND. Thank you very much for a very positive and encouraging statement. Both of you, thank you so much.

I might say, Mr. Lewis, I was fascinated by your statements for some successes. Do you have an example of something you would like to articulate as the essence of success in this regard? Is it out in the Pacific Northwest or somewhere else?

Mr. LEWIS. Well, there is a great example out in the Pacific Northwest that I think we all need to look to, in which there was a partnership among the two freight railroads and Amtrak and the commuter agencies.

But let me talk about one in which we have some personal experience within just the last year and a half. And that is the Bordentown transaction to which Steve Crosby alluded. This is in New Jersey. This is a recent endeavor in which the New Jersey transit agency sought to institute new rail service where none had existed before, and it appeared as if after years of work and planning and the investment of a great deal of time and money, that they had come to an absolute dead end and that the project was not possible of fulfillment.

We went back—and we as CSX and Norfolk Southern—went back to the drawing board with the transportation commissioner and with a little bit of creativity and with a recognition that the impacts on freight rail in terms of moving goods would be affected beyond just the corridors of this 31-mile passenger project, we put together a program that not only enabled the New Jersey Transportation Commission to move forward with its new passenger start, but to provide a public/private partnership for the improvement of rail freight infrastructure in other areas of the state.

So I think that there is a model there that we can all learn from and build upon that really reflects a new attitude toward the need and the opportunities that can arise from a public/private interaction.

Senator CLELAND. Thank you very much.

I would just like to say if we proceed with expanding rail service in Georgia, I want you both to know that I am committed to ensuring that such a partnership is mutually beneficial for passengers and for freight railroads. Norfolk Southern and CSX have indicated—both of you have indicated—a willingness to negotiate with our state officials and for that, I am very, very grateful.

In the future as you look at this, what areas do you think might be major challenge areas for reaching agreement? What are the big challenges you see in this?

Mr. LEWIS. So much of this is new for all of us, Senator, not only for those of us in the freight railroad business, but for everyone concerned with the development of the movement of passengers and commuters in urban areas. We need, first, to commit ourselves to open, candid communication. I think one of the biggest concerns that I have encountered is the fear that one side or another is not being honest, is trying to gain an advantage somehow or another, and our first challenge is really in a professional commitment to

improving circumstances for all who are affected in moving ahead with that kind of openness and commitment for the future.

The rest of these things can fall in place. We heard George Warrington say that it is a matter of money. This is expensive, we need to appreciate that. There will be instances in which the capacity requirements of the freight railroads simply cannot accommodate a desired passenger opportunity, but if we have trust and confidence in each other, we will accept those circumstances for the reality that they are, and then find ways to solve them.

And I do not think—I have not seen any situation that cannot lend itself to a solution somewhere, somehow, if we are prepared to understand that each of us has obligations that have to be met in terms of the objectives from our commitment.

Senator CLELAND. Well, I want to thank you both for being here and for your forthcoming, positive attitude and willingness to cooperate. It means an awful lot to all of us because this potential that we have here could never be done without you.

Thank you very much.

Mr. Roberts, just a question. The cost of the Athens to Atlanta line along I-85 and Georgia 316, some have estimated the cost as over \$1.5 billion and that express buses running along a similar route would cost about \$164 million, or about one-tenth the cost of trains. Considering the cost, what is your take on rail? Do you still like rail in that regard? You saw this probably in Virginia.

Mr. ROBERTS. That is a rather dramatic difference. First of all, let me say, you cannot have too many Steves in a program. The difference that you have mentioned is something that we are going to work hard to minimize. That \$1.5 billion expense actually is an alternative that shares the median of 316 and I-85. We have several other options that depend on some new alignment and some that are entirely expected to encompass investments in the existing rail right-of-way that are substantially less.

I think that part of what we have been examining in our alternatives analysis does speak to markets that trains do not serve. And so, as has been mentioned earlier, I think there is a very high likelihood that there will be buses running and there will be trains running where we can accomplish it, as I think Craig Lewis just spoke to.

Going to Chattanooga on a train is going to be the toughest possible investment to accomplish. But perhaps most of these other corridors, there will be opportunities and going to Athens, I am confident that—the Chairman of the Barrow County Board made a point that is going to make rail much more attractive, which is that the revitalization of all these communities along the railroad to serve the smart-growth initiatives, I know you have been a part of, is going to make this the most likely success.

I favor rail as an option, I am here because I am a rail guy, but I do have a history of riding buses and I do know that they can succeed and succeed quite well where they are provided express service opportunities.

Senator CLELAND. Well, thank you very much.

I want to thank all of our panelists for a marvelous discussion today. Let us give them all a round of applause.

[Applause.]

Senator CLELAND. The hearing is adjourned. Thank you.
[Whereupon, at 4:49 p.m., the Committee was adjourned.]

Appendix

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND TO RODNEY E. SLATER

Question 1. I was very pleased when you recently designated extensions to the Gulf Coast and Southeast High-Speed Rail Corridors which directly impact my state of Georgia. Specifically you announced a new route between Birmingham and Atlanta that links the Gulf Coast and Southeast Corridors and another new route from Atlanta and Macon to Savannah and Jacksonville. In terms of federal funding, what do these designations mean for Georgia?

Answer. Corridors designated as high-speed under Section 1103(c) of TEA-21 are eligible for funding authorized under that section—specifically \$5.25 million annually in contract authority from the Highway Trust Fund and \$15 million authorized to be appropriated annually from the General Fund of the Treasury for the elimination of hazards of railroad-highway crossings. These corridors would also be eligible for funding under the proposed High-Speed Rail Investment Act, which would make \$1 billion per year available for capital investments in high-speed corridors.

Question 2. Could you please tell us the status of the rail projects authorized in TEA-21, specifically the Athens to Atlanta transportation corridor, the Atlanta-Griffin-Macon corridor, and the multi-modal passenger terminal in Atlanta?

Answer.

- Three projects were authorized in TEA-21: Atlanta-Athens commuter rail, Atlanta-Griffin-Macon commuter rail, and the South Dekalb-Lindbergh corridor. Since each of these proposed projects have not yet completed local planning studies, they have not yet been evaluated and rated based on the New Starts criteria. The status of the Atlanta-Athens commuter rail, the Atlanta-Griffin-Macon Line, and the multimodal passenger terminal is described below:
- **Atlanta-Athens Commuter Rail:** The Georgia Rail Passenger Authority (GRPA) is conducting a Major Investment Study (MIS) to examine the feasibility of various transportation improvements in the 70-mile transportation corridor between downtown Atlanta and downtown Athens, Georgia. The alternatives under evaluation include the no-build option, Transportation Systems Management (TSM) options, including commuter bus service on existing roads, commuter rail service on the existing CSX line between Athens and Atlanta, as well as potential rail alignments outside the CSX corridor. The GRPA has submitted a preliminary draft of the MIS for review by the federal agencies, the Georgia Department of Transportation (GDOT), the Atlanta Regional Commission (ARC), the Athens-Clarke Metropolitan Planning Organization, and the transit operators in the Atlanta and Athens areas. Both the MIS and the Draft Environmental Impact Study (EIS) are scheduled for completion in June. An additional analysis of ridership, capital and operating costs and financing will be conducted as part of the MIS. In addition, study sponsors are working with CSX to address unresolved issues on the use of CSX right-of-way in the proposed corridor.
- **Atlanta-Griffin-Macon line:** GRPA, in coordination with the Georgia Department of Transportation (GDOT), is advancing the Statewide Transportation Plan with its program of combined intercity/commuter rail service in Georgia. The plan calls for commuter rail service to Griffin and intercity services beyond to Macon, Georgia. The proposed line will serve numerous communities in seven counties (Bibb, Monroe, Lamar, Spalding, Henry, Clayton, and Fulton). The GRPA has undertaken a study to update the Statewide Transportation Plan in preparation for completing a Major Investment Study (MIS) in the corridor. Both the MIS and the Draft EIS are scheduled for completion in June. Plans for the initial service outline the utilization of over 102 miles of an existing Norfolk Southern commercial freight line. Total capital cost for the initial service from Atlanta-Griffin-Macon is estimated at \$163.12 million. The Georgia Gen-

eral Assembly has appropriated approximately \$4 million to continue with the MIS and follow-up activities.

- **Multi-Modal Passenger Terminal:** The original Environmental Assessment has been updated to reflect changing conditions in conjunction with the study of the Atlanta-Griffin-Macon line and the update has been cleared through FTA. The Multi-Modal Passenger Terminal will be the downtown terminus station of the proposed Atlanta-Griffin-Macon line.

Question 3. In your testimony you mentioned TEA-21's Maglev Deployment Program. This is a good program and one that the region is interested in. Can you tell us where DOT is in the process and what your projections are for the future of the program?

Answer. In January 2001, I selected the projects proposed for the Pittsburgh metropolitan area and between Baltimore and Washington to proceed to the next level of this program. This was a difficult decision because each of the corridors had proposed projects that met important transportation needs. FRA will make available to each of the corridors not selected, approximately \$900,000 in 2001 to further refine their plans and to help advance the project definitions to the point they might be funded under other transportation programs.

Question 4. It is my understanding that the state may use federal funds provided through Federal Transit Administration and Federal Highway Administration formula grants to Georgia to continue to study the possibility of new rail service. Can you discuss the money provided through these programs and what it may be used for?

Answer.

- Federal Transit Administration (FTA) funds include Metropolitan and State-wide Planning grants, as well as Urbanized Area Formula program funds.
- Federal Highway Administration (FHWA) funds include Metropolitan Planning (PL) and State Planning and Research (SPR) funds.
- These funds can be used for planning, environmental studies, and other preparatory analyses.
- Funds are programmed through the local Metropolitan Planning Organization (Atlanta Regional Commission) and the State DOT (Georgia DOT).
- Funds are apportioned by formula in each of these programs, and are allocated at local option to whatever planning studies are desired, although the metropolitan planning funds from FHWA and FTA generally go to support the basic process of developing the region's Long Range Transportation Plan and Transportation Improvement Program, and the SPR funds are limited to planning activities that are performed within the context of the statewide transportation planning process. Individual model plans are not eligible unless they are developed as part of the statewide transportation planning process.

Question 5. While the formula funds are flexible and can be used for study and planning purposes, at what point will the state need to go back to the federal DOT and receive approval for a large commuter rail project? Can you describe the process and what types of funds would be available at that stage of the project?

Answer.

- The Federal Transit Administration (FTA) program that could provide funding for a large commuter rail system is the Capital Investment Program (commonly known as New Starts Program) authorized under 49 U.S.C. 5309. Other federal funding sources, such as FHWA flexible funds, may also be used for construction of a large commuter rail project. All projects must have NEPA approval and all appropriate environmental studies completed and adopted by the regional MPO into the region's Long Range Plan prior to approval for funding. If New Starts funds are requested, the process outlined below applies to project approvals for funding:
- TEA-21 requires that FTA rate each candidate New Starts project as either Highly Recommended, Recommended, or Not Recommended in the Annual New Starts Report submitted to Congress and at several key milestones in the project's development. These overall project ratings are based on the following criteria prescribed by TEA-21:

Project Justification:

- Mobility Improvements
- Environmental Benefits
- Operating Efficiencies

- Cost Effectiveness
- Other Factors
- Transit Supportive Existing Land Use and Future Patterns

Local Financial Commitment:

—Local Financial Commitment (measuring the strength of the project’s capital and operating financial plans)

- FTA analyzes the information submitted by project sponsors and assigns a rating of *high*, *medium*, or *low* to individual measures, then produces summary justification and finance ratings for each project.
- Project justification and finance ratings are considered to determine overall project ratings according to the following decision rule:

Highly Recommended—Projects must be rated at least *medium-high* for both project justification and finance;

Recommended—Projects must be rated at least *medium* for both project justification and finance;

Not Recommended—Projects not rated at least *medium* in both justification and finance will be rated as *not recommended*.

- Projects are not approved to initiate key milestones in project development (preliminary engineering, final design) nor approved to execute a full funding grant agreement unless the project has been rated *Highly Recommended* or *Recommended* by FTA.

Question 6. Already there are more transit expansions and additions authorized for funding in the so-called New Starts program than there are guaranteed federal funds to pay for them. Do you think new commuter rail programs will all have to be financed by “flexing” highway program funds, or is there any room at all to pay for commuter rail from the New Starts program? Do you think the next Administration will have to address the problem in New Starts funding when TEA-21 is reauthorized?

Answer.

- High Demand for New Starts Funds: FTA’s New Starts program currently includes 28 projects with executed or pending Full Funding Grant Agreements and 42 projects in either Final Design or Preliminary Engineering (PE). Note that 14 of the 42 projects (33 percent) in Final Design and PE are commuter rail projects. In addition, FTA is tracking nearly 100 local planning studies that are seriously considering potential new starts transit investments.
- Commuter Rail Can Pursue Federal Flexible Funds as well as New Starts Funds: Local project sponsors can consider a variety of local, state and federal funding sources for design and construction of proposed commuter rail projects. In fact, the most successful New Starts projects typically are funded through a mix of federal flexible, New Starts, and non-federal funds. New Starts projects now average approximately 50 percent of total cost funded from the New Starts program, even though the statute allows a federal share as high as 80 percent.
- New Starts Funding Will Likely be Addressed in the Next Reauthorization: Given the continued high demand and limited supply of New Starts funding available, it is likely that the need for additional funding will be considered in the next reauthorization.

Question 7. Please discuss some of your experiences with the development of large commuter rail projects. Specifically, what are the most important issues that metropolitan Atlanta should focus on as the community considers options for future transportation alternatives?

Answer.

- The Federal Transit Administration (FTA) has provided technical support and funded the construction of commuter rail projects in cities throughout the United States. Based upon our experience with major capital investments, FTA encourages detailed project planning to identify and resolve environmental and institutional issues early in the project development process, and insure that there is local financial support for both construction of the proposed system as well as long-term operations. Additionally, the project planning and public outreach efforts should be used to build support for the project from local elected officials, citizens, and the business community. Below is a summary of outreach activities and guidance provided by FTA to assist project sponsors undertaking major capital investments:

- **Use the best information available to determine a preferred investment strategy:** FTA provides guidance for local project sponsors on the New Starts rating process in the *Technical Guidance on the Section 5309 New Starts Criteria*, last updated by the FTA Office of Planning in July 2000. In addition, FTA offers numerous training Workshops throughout the year, and shares information with local project sponsors through the New Starts Roundtable.
- **Develop a Good Financial Plan:** In June 2000, FTA published and distributed *Guidance for Transit Financial Plans* in order to provide local project sponsors with a consistent framework for developing and reporting financial plans. FTA also provides constructive feedback to local project sponsors on what can be done to improve project justification and finance ratings.
- **Gain Local Financial Commitment:** One of the key lessons learned is the significance of demonstrating local financial commitment. FTA requires firm commitment of local funding sources, particularly in the later stages of project development. FTA expects to see local actions, such as referenda or state legislative action completed before a project enters final design.
- **Demonstrate Project Readiness and Technical Capability:** Another lesson learned is that project readiness and technical capability must be ensured before FTA can propose projects for full funding grant agreements. In addition to achieving a rating of *Highly Recommended* or *Recommended*, local project sponsors must demonstrate to FTA that there are no outstanding issues related to completion of environmental requirements, project design and firm cost estimates, right of way or real estate, project management and technical capability, local political or institutional issues, and compliance with other federal requirements.
- **Develop Good Cost Estimates with Adequate Contingency:** Full funding grant agreements represent a commitment by the federal government. But they also commit the recipient to complete a specified project on schedule and within budget, and the agreement places a cap on federal funds committed to the New Starts project. Increases in project cost or delays in the schedule are the responsibility of the local project sponsor. Therefore, it is in the recipients best interest to develop firm cost estimates and schedules, solid local financial commitments, and comprehensive project management plans before pursuing a full funding grant agreement.

Question 8. It appears that commuter rail programs are seen as transit operations and fall under the guidance of the Federal Transit Administration, while regional intercity service is the responsibility of the Federal Railroad Administration. However, there appears to be many operational and efficiency benefits of operating both of these entities as a single program. What do you think can or should be done to improve coordination between the FTA and FRA? Do you think there would be a benefit to establishing a single office of commuter and intercity passenger rail within either the FRA or FTA?

Answer.

- FTA and FRA already work quite closely together. For example, they recently issued a joint policy statement on shared use of track for the situation where local light rail service is provided in or on railroad rights of way. In addition, our Departmental efforts continue to look for further opportunities for FTA and FRA to work together on common issues. Further, the Federal Highway Administration (FHWA) is also an important partner within the Department for light rail and commuter rail operations.
- FRA's primary role is safety involving rail operations, while FTA's role is financial assistance. Thus, FRA is responsible for rail safety issues, even for commuter rail systems operated with FTA capital assistance. In addition, FRA has limited financial resources to assist these agencies. FHWA is responsible for funding and approval of highway/rail grade crossing safety improvements, such as signs, flashing light signals, and other grade crossing infrastructure improvements.
- To date, there are no state or local agencies operating both commuter and intercity regional rail. Further, Congress has not provided any funding for state or local agencies to establish intercity operations. The present arrangement, however, would not prohibit a single state or local agency from operating both types of service. For example, a state or states could establish an authority to do both commuter and intercity service. It would be governed by FRA for safety purposes, and could receive FTA financial assistance for its commuter operations,

while financing any non-commuter operations locally. In fact, this is the arrangement for all of the very successful commuter agencies in operation today.

Question 9. In your view, how can the Congress assist the U.S. Department of Transportation in expediting the development of regional passenger rail service?

Answer. Through TEA-21, Congress has enhanced the states' flexibility to invest federal transportation funds in ways that best meet their individual transportation needs. The Clinton Administration believes that providing Amtrak with the capital it needs, enacting the High-Speed Rail Investment Act, and continuing to support FRA and FHWA initiatives to address next generation high-speed technology, train control, and grade crossing safety in designated high-speed rail corridors will further expedite the development of regional passenger rail service.

Question 10. What do you think the Congress should do to assist the states in developing viable commuter and intercity passenger rail service?

Answer.

- Continued support of the existing funding sources will assist the states in developing commuter and intercity passenger rail services. The FTA New Starts program is likely to be the largest source of potential discretionary funding for new commuter rail systems. Support for the New Starts program includes continuing to support the New Starts project development process, which includes a requirement for evaluation of potential projects for their justification, and especially for the local financial commitment to the projects.

In my view, Congress could consider expanding the eligibility of flexible Federal Aid Highway program funds to include intercity rail passenger service.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND
TO JOLENE MOLITORIS

Question 1. What do you see as the Federal Railroad Administration's role in assisting the development of regional commuter and intercity passenger rail service?

Answer. FRA sees its role as partner with the state and regional authorities and Amtrak in the development of safe, efficient and cost-effective passenger rail service. FRA has been the lead agency for planning and conducting environmental studies for high-speed rail and commuter rail systems on the existing rail system from Boston to Charlotte. FRA will assure that the efforts south of Charlotte will benefit from the expertise that FRA has developed and assure the coordination and consistency of these efforts. FRA will also serve as a resource for planners in Georgia in areas of safety, operations, and program implementation.

Question 2. I worked to get funding in the Transportation Appropriations bill to extend the Southeast High-Speed Rail Corridor study from its terminus in Charlotte, North Carolina to Atlanta and Macon. I'm pleased to say that the conference report provides \$200,000 to the Federal Railroad Administration for this purpose. Please tell us what kinds of information we can expect from this study. When can we expect to have this information? In addition, I have heard that there is a 50-50 match requirement for this earmark. This study extension will benefit three states—Georgia, South Carolina and North Carolina. Am I correct that Georgia will be required to contribute only a part of the match? Can Georgia use non-federal funds allocated to a similar project for its part of the match?

Answer. Developing improved passenger rail service on existing railroad infrastructure is about building partnerships. FRA has found that the development of detailed transportation plans for the corridor in question is an important aid to the development of these partnerships. The studies will analyze existing rail operations, project future rail operations, identify the infrastructure necessary to meet all future rail users needs, identify priorities for investments, and estimate costs and benefits.

Given the detail and the many partners that are involved, these studies often take about one year to complete. With regard to the match requirement, FRA believes that Georgia and its state partners in the development of the Southeast High-Speed Rail Corridor must consult on the ways to allocate the non-federal share of this and other planning efforts. Non-federal funds that the states plan to spend in this area for planning and engineering this rail corridor may be used for matching purposes, and I understand that when considered in combination with non-federal funds for a commuter rail study, there are sufficient funds for the match.

Question 3. In your testimony you talked about the new railroad loan guarantee program at the FRA, the Railroad Rehabilitation and Improvement Financing Program. Would you be able to tell us what Georgia rail projects might be eligible?

Answer. The Railroad Rehabilitation and Improvement Financing Program (RRIF) could be an important tool in developing an innovative financing package to improve

rail passenger service in Georgia. FRA's Office of Railroad Development is prepared to meet with appropriate officials from Georgia to discuss the opportunities created by this program.

Under RRIF, the Secretary may provide direct loans and loan guarantees for terms of up to 25 years. Eligible applicants include state and local governments, government sponsored authorities and corporations, railroads, and joint ventures that include at least one railroad. RRIF funding may be used to acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings, and shops; to refinance existing debt incurred for the previous purposes; and to develop and establish new intermodal or railroad facilities. There is a statutory maximum amount of outstanding unpaid principal at any point in time of \$3.5 billion. Of this, \$2.5 billion is available for projects such as we are discussing today.

Question 4. There is a fundamental demand of the general public when it comes to transportation, whether it be by road, air or rail and that is that it has to be safe, efficient and reliable. Where in the U.S. do you believe there is a good model for Georgia to go to in order to fashion a rail corridor that delivers on the all-important requirement of safety? Also, by virtue of the fact that rail stops within and travels through several municipal areas on its way to its final destination, it has an impact on communities' land use and redevelopment. I don't have to tell you that individual states and cities have their own definition of what success is within their own boundaries. Given that intercity rail service must be a seamless operation that integrates many states, counties and cities, how have you dealt with this multi-jurisdictional dynamic in the past? Utilizing the knowledge gained from lessons learned, what strategies or efforts in this regard are you going to pursue in the future? Do you have any specific advice for Georgia in this regard?

Answer. The important thing is to develop a good plan for each rail corridor to determine what improvements are required to meet all intercity, commuter and freight needs. FRA has found that states such as Virginia, have successfully used such plans to develop implementation strategies and funding partnerships that make improved passenger rail service a reality. FRA, working with the other modes of the Department, is prepared to help the transportation planning agencies in Georgia undertake this effort.

Question 5. Does the FRA have the resources needed to properly support the development of regional commuter and intercity passenger rail service? If not, what additional resources or tools do you need?

Answer. FRA, working with the other agencies of the Department of Transportation, is prepared to actively support the development of passenger rail service, both commuter and intercity, in Georgia today. Future events, such as the hoped-for enactment of the High-Speed Rail Investment Act, may require additional resources.

Question 6. What do you believe the Congress should do to assist the states in developing viable commuter and intercity passenger rail service?

Answer. Continued support of the existing funding sources will assist the states in developing commuter and intercity passenger rail services. The FTA New Starts program is likely to be the largest source of potential discretionary funding for new commuter rail systems. Support for the New Starts program includes continuing to support the New Starts project development process, which includes a requirement for evaluation of potential projects for their justification, and especially for the local financial commitment to the projects.

In my view, Congress could consider expanding the eligibility of flexible Federal Aid Highway program funds to include intercity rail passenger service.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND
TO GEORGE WARRINGTON

Question 1. What do you believe the State of Georgia needs to be doing at this time to improve or increase intercity rail passenger service?

Answer. Three critical steps are required to progress the state's ambitious passenger rail program. First, of course, is funding. The state's \$1.9 billion intercity and commuter rail plan depends on a significant funding commitment by the federal government. To date, that commitment does not exist. It is for this reason that Amtrak, Georgia, and so many public officials around this country are supporting enactment of the High-Speed Rail Investment Act, which would create an 80:20 Amtrak/state matching program to develop new high-speed rail corridors.

Second, there must be a commitment from the freight railroad owners—in this case the Norfolk Southern Railroad and CSX Transportation—to work with the state and with Amtrak to upgrade the speeds and capacity of the rail lines to facili-

tate growth in passenger rail service. This can be a win/win for the freights, with significant public investment in their lines to improve both freight and passenger rail service.

Third, on a practical level, the state needs to commit to construction of the new Multimodal Passenger Terminal in Atlanta. This facility is the lynchpin for new intercity passenger and commuter rail service. A commitment to build the facility will be a clear signal that Georgia plans a long-term commitment to passenger rail.

Question 2. What is the timetable for the completion of the ridership studies now underway? What is the timetable for new service if merited by the ridership studies?

Answer. Amtrak, as a subcontractor to Georgia Rail Consultants and the Department of Transportation, expects to complete its infrastructure and ridership analyses of the Atlanta-Macon-Jesup-Jacksonville during the summer of 2001. Georgia DOT is undertaking additional state-wide analyses.

Question 3. What do you see as the biggest obstacle to a viable passenger rail system in this country?

Answer. The long and simple answer is funding. There is very strong nation-wide support for upgrading existing rail lines to permit fast, competitive, safe and reliable passenger rail service. Indeed, the HSRIA, which would fund these upgrades, has been endorsed by the National Governors Association, major environmental organizations, the American Road & Transportation Builders Association, and dozens of other planning and urban development organizations. Without a federal (or Amtrak) funding partner, passenger rail service will not grow significantly or achieve its vast potential in helping to address the nation's transportation and congestion challenges.

Question 4. What do you see as the Federal Railroad Administration's role in assisting the development of regional commuter and intercity passenger rail service?

Answer. The FRA can play a leadership role in several areas. First, it has been the nation's advocate on improving rail safety, particularly regarding at-grade crossings. Some 500 people lose their lives each year at grade crossings. There must be a concerted federal effort to improving the safety of these crossings. Second, FRA should continue to fund high-speed rail planning efforts. Lastly, FRA should continue to take the lead in technology developments, which include new signal systems and new-technology locomotives.

Question 5. Across the country, automobile use has been growing at a rate four times faster than the driving-age population. Trips are getting more frequent and longer, while vehicle occupancy is going down. Today's hearing is looking at rail as one alternative to the auto. What do you believe motivates a person to give up driving and take the train?

Answer. Travelers will change modes only if they are not overly inconvenienced. To replace a car with public transportation, there must be frequent, trip-time competitive, and reliable alternatives. For a high-speed rail corridor, this means multiple daily round-trip trains, high on-time-performance, and a comfortable ride. In addition, there must be seamless connectivity at train stations. It does no good to arrive at the station and then have no way to get to the final destination. This is one reason that the proposed Multimodal Passenger Terminal in Atlanta is so important. It will bring together intercity and commuter rail, bus, taxis and MARTA all at a single location. With this in place to make access to a traveler's final destination easy, travelers will embrace Georgia's planned commuter and intercity rail systems.

Question 6. Rail seems to be in the midst of a renaissance. More and more Americans seem to be leaving their cars and opting not to fly in order to once again ride the rails. Do you have an explanation for this recent return to the rails?

Answer. Passenger rail can provide a reliable and safe alternative to the congestion that is clogging the highways and airports. With travelers spending more and more hours each week stuck in traffic, transportation has become a major quality-of-life issue. Passenger rail can significantly enhance quality-of-life and this is a major reason it is being embraced around the nation. Amtrak ridership is at record levels, as is ridership on the nation's commuter rail systems.

Question 7. Amtrak's Acela Express is the nation's first high-speed "bullet train" and operates in the Northeast. Is Amtrak's high-speed service going to be limited to cities along the Northeast or will other parts of the country, including the Southeast, be able to look forward to similar alternative forms of transportation?

Answer. Amtrak is working with some 36 states to develop new passenger rail service at both conventional and high-speeds. Major efforts are underway to develop high-speed rail along the Atlantic and Gulf Coast states, in Florida, along corridors in the nine-state Midwest Regional Rail Initiative, California and in the Pacific Northwest.

For example, Amtrak, the states of Washington and Oregon, and their freight partners have committed more than \$590 million in track and signal upgrades, train equipment, and station improvements on the Pacific Northwest Rail Corridor. In addition, Amtrak rebranded the service as Amtrak Cascades, featuring new custom-built Talgo trains with tilt technology and improved customer service and amenities. The new Talgo trainsets replaced the older and slower trains that Amtrak had been running. In California, Amtrak has embarked upon a major community-based planning initiative in cooperation with local elected officials, Caltrans, the owners of the infrastructure (freight railroads) and the federal railroad administration. This effort will establish corridor goals for each existing and potential corridor in California. It will also identify and prioritize specific projects to increase train service, reliability and speed on existing and potential intercity corridors in California.

Construction work is underway in several other areas of the country on new high-speed regional systems. Amtrak is in the process of procuring non-electric high-speed trains that would operate in the Midwest, and is refurbishing additional turbine powered trains to operate in upstate New York.

Amtrak submits a quarterly update to Congress that summarizes the exciting work underway around the nation in high-speed rail and I would ask that the most recent update be included in the record.

[See attachments titled America's High-Speed Rail Program, dated July 15, 2000 and January 15, 2001]*

Question 8. Mr. Warrington, it is my understanding that you have been Amtrak's President and CEO for just over two years. While the nation just witnessed the launch of Amtrak's new high-speed train, Acela Express, what other progress has been made since you have taken over control of the company?

Answer. Amtrak is using high-speed rail to move more than people. In the last two years since I have become CEO Amtrak has engaged in new and exciting businesses like Mail and Express and Smartsend, the fastest most reliable way to send packages between major northeast cities. Last summer, Amtrak introduced its new brand identity and the unconditional Satisfaction Guarantee. No other national transportation provider offers this kind of no-questions-asked guarantee. Amtrak promises all guests a safe, comfortable and enjoyable experience. Those who feel their experience fell short of expectations are compensated with future free travel.

- Acela Express, America's first high-speed train, began revenue service in December. The new service is competitive with the airline shuttles in travel time and fares, but far exceeds the competition in amenities. Serving guests between Boston, New York and Washington, Acela Express is the answer for business travelers in search of comfort and productivity.
- For fiscal year 2000, Amtrak's ridership (22.5 million) and ticket revenue (\$1.1 billion) were both all-time highs, and it was the fourth consecutive year of growth for Amtrak.
- The company introduced Amtrak Guest Rewards, the travel industry's most flexible rewards program. It is a huge success, with nearly 40,000 guests now registered. Rewarding the most loyal guests, and luring new ones, the program gives members two points for every dollar spent on Amtrak travel. Points may be redeemed nationwide for future travel and other fantastic rewards.
- Acela Regional made a historical debut in January by being the first fully electrified train to run between Washington and Boston. Amtrak's Northeast Corridor employees made all-electric service possible by completing the final link of the corridor's overhead electrification system—a 156-mile section between New Haven and Boston.
- Amtrak announced a major plan early this year to expand its national network. The Network Growth Strategy will eventually expand or improve service in 21 states, add service to 975 new station pairs, add 11 route segments, and grow ridership by 7 percent. It will also double the number of shipping lanes available to Mail and Express.
- Amtrak continued to maximize new business opportunities. The company is increasingly becoming a key provider of Mail and Express services. In fiscal year 2000, the company earned \$122 million moving goods across America—a 24-percent boost from the previous year—and has plans to increase this to more than \$350 million in the next few years.
- The new Pacific Surfliner service debuted along the San Diego-Los Angeles-San Luis Obispo rail corridor. The Pacific Surfliner, which has replaced the San

*The attachments referred to were not available at time this hearing went to press.

Diegans, will feature nine modern trains by next spring, with enhanced amenities and upgraded stations along the route. By introducing all new trains throughout the entire corridor, guests can expect the same world-class service on board every train, every time.

Question 9. Let me ask you the same question I asked Ms. Molitoris. Given that Amtrak runs intercity rail service through many states, counties and cities, and given the fact that this rail service impacts land use in the communities it serves, how have you dealt with this multi-jurisdictional dynamic in the past? What specific advice do you have for Georgia in this regard?

Answer. One of the great benefits of upgrading existing rail lines for new high-speed rail service is that this minimizes impacts to the communities through which the trains operate. In many cases, the railroads operated on a larger physical plant in the past, with second or third tracks that have since been removed. Implementation of new high-speed rail will only require, in any cases, that these tracks be re-installed to provide the additional capacity for new passenger and future freight rail service. For example, in the case of the recent high-speed rail improvements between New York and Boston, all work to upgrade the railroad was undertaken on existing railroad property. This minimized adverse land-use issues. Moreover, adding additional rail service along existing rail corridors minimizes noise issues.

State leadership, as the advocate for the public interest in the state, also is critical. Where one community may object to certain work, the state can best work with the community to address those issues without undermining the enormous statewide benefits from the rail upgrade program.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND
TO BILL CAMPBELL

Question 1. Atlanta's population explosion has been coupled with an increase in the percentage of people who live a fair distance from their job. In fact, more than half of the area's employees now live in one county and work in another. What effect do you believe passenger trains will have on your city? Do you believe a significant number of people will abandon their cars for rail?

Answer. The overall objective is to shorten the length of time people must spend travelling to and from work. I believe the key to reducing traffic congestion, increasing the use of rail, and improving transit options is to expand housing opportunities within the City.

The City of Atlanta's strategy is to take the necessary steps to provide access to housing within the City for a cross-section of people with incomes ranging from very low to very high. By creating housing affordability closer to the City, where the jobs are located, we are providing incentive for people to get out of their cars and on to rail.

In Atlanta, we have enacted a number of zoning and funding initiatives that will increase the housing affordability in the City to allow for more development of mixed-use and mixed income communities. We expect that our neighboring jurisdictions will promote similar community-focused options.

Question 2. In your testimony you focused on transit-oriented developments featuring mixed-use villages of office, retail space, apartments, and condominiums around MARTA stations. You cited, for example, the redevelopment of the old Atlantic Steel site and efforts by Bell south to consolidate dozens of suburban offices into three locations served by MARTA. What more do you think can be done to encourage people to change from an automobile-centered commute to a commute centered on rail?

Answer. We believe we should stay on course with our current strategy, because the culture is changing. Each day more people are embracing the concept of commuting by rail rather than automobile.

Citizens of Atlanta are making lifestyle adjustments to improve the environment and their quality of life. In fact, just last month, citizens voted overwhelmingly to support a City bond initiative geared at enhancing city livability by investing in more streetscaping, sidewalks and bicycle trails. This speaks to people's strong desire to get out of their cars and into alternative modes of transportation that reduce traffic congestion.

The public's desire can be reinforced by public and private efforts to build residential developments near commercial centers. This will provide residents easy access to all that they need without having to rely on their automobile to get there.

Question 3. Plans have been in the works for several years to build a multi-modal passenger station in downtown Atlanta, which, as you say, would link Amtrak, commuter trains and regional buses to MARTA. In fact, TEA-21 contains over \$20 million in authorization money for the station.

Where do plans for the terminal stand now?

Answer. I am pleased to say that significant progress has been made on the terminal.

First let me say that we appreciate Congress' support in TEA-21 for the multi-modal terminal. We look forward to working closely with you as this project proceeds.

We appreciate also the renewed partnership we have with the Governor, who recently created and directed a management team to coordinate the efforts of GRTA, GDOT and various transportation bodies on the project development.

Along with the state, we have a working partnership with Amtrak, Greyhound, MARTA, and Norfolk Southern. It is vital that we continue to strengthen and maintain this coalition, which has brought the project to where it is today.

Our vision is to have the multi-modal terminal serve as a hub of transportation, residential and commercial activity in downtown Atlanta. It will be the central location for commuter rail and bus transportation, as well as commercial and residential development that will link with important regional commuter, as well as commercial transportation centers.

Cousins' Properties and Turner Properties are key partners in the vision of co-planning the multi-modal site. They are developing the mixed use, commercial and residential activity on and around the site. This will further strengthen the downtown, and provide a concentration of activity around the terminal.

The site permits are moving forward. A detailed schedule has been worked out for the development and implementation of the project. We want to have trains running from the terminal by 2004.

In the City, we are considering a dedicated source of funds from the car rental tax surplus to support the mixed-use joint development transportation connections of the terminal. Likewise, we hope that the state will commit more funds, along with our private, local and federal partners. We hope we can count on the Congress continued support as a federal partner.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND TO
EDDIE ELDER

Question 1. How do you believe rail service would affect traffic congestion in your city? What effect do you believe it would have on the creation of a high tech business corridor between Lawrenceville and Athens?

Answer. The Athens-Atlanta corridor is anchored by four of the states research universities. In Atlanta, Georgia Tech, Emory University, and Georgia State University; in Athens the University of Georgia, which is quickly gaining national recognition with Biotechnology research. The seeds of a high tech business corridor already exists. The linkage between them however is now only with a congested highway. Commuter rail would facilitate easier travel between Athens and Atlanta, especially during peak travel times.

Question 2. TEA-21 contains over \$16 million in authorization money to construct an Athens to Atlanta transportation corridor. What do the citizens of Athens think of such a project? What is the status of the Athens-Atlanta line?

Answer. The citizens from Athens have been very supportive. Quite literally putting their money where their mouth is, by allocating \$11 million of local sales tax monies for the development and building of the Athens Multi-Modal Terminal. This terminal will bring together commuter rail, intercity bus service, local bus service, and connect with the University of Georgia's Campus Bus System.

Question 3. What is the expected ridership for the Athens-Atlanta line? Do you believe the cost to begin rail service justifies the number of riders the trains are projected to carry?

Answer. Expected ridership in 2010 is projected to be over 12,000 weekday riders. The cost to begin service is justifiable on many levels. Commuter rail will help the regions air quality, help the localities where it stops focus development, and help ease the burden on our highways.

Question 4. What do you believe Congress should do to assist the states in developing viable commuter and intercity passenger rail service?

Answer. I would like to see the federal government place the same emphasis in dollars in commuter rail as it has on other modes of transportation in the recent history of our country. i.e. aviation during the 1960s and interstate highways during the 1950s.

Question 5. Do you foresee a day when people will be doing a reverse commute, traveling from Atlanta to Athens for job opportunities?

Answer. With the University of Georgia in Athens, reverse commute of students from the Atlanta area is almost assured. Also, a number of faculty and staff of the

University live in the Atlanta area, commuting to Athens daily. With the emerging Biotech research base that is already developing in Athens due to the University, a market for reverse commuting by rail is already developing.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND TO
JACK C. ELLIS

Question 1. There has been much discussion, as well as disagreement, over whether people will leave their cars behind to ride the trains. What do you expect from your constituents in Macon on this issue? What incentives do they have to prefer rail over roads?

Answer. Senator, I welcome this public interest, because an undertaking of the magnitude of passenger rail travel must bear intense scrutiny and solicit the input of all its stakeholders. Will people leave their cars to ride the trains? Yes, indeed, if the trip cost, travel time, and convenience of the train trip compare favorably with the automobile trip.

People tend to like what is convenient. We are now used to our cars, and habit is convenient. So, it is no surprise that the bold plan to re-introduce passenger rail service to Macon has stimulated a lot of discussion and, yes, initial disagreement.

Yet the people of Macon also recognize that traffic congestion and poor air quality, the products of sprawl, are very inconvenient. Our leaders of business and industry recognize that non-attainment and highways clogged with unhappy employees stuck in traffic will be extremely inconvenient. Faulty infrastructure can cause layoffs or business closures, inconveniences everyone understands and no one likes. We do not want this to become our future, and there is no disagreement there.

My constituents recognize that we must devote top priority to maintaining the attractiveness of our location to domestic and international companies. If Middle Georgia is to continue to grow as a highly desirable place to live and do business, we must offer convenient, clean, and cost-effective transportation choices.

The Selig Center for Economic Growth predicts a healthy 2.1 percent job growth in the Macon MSA for 2001 that in part reflects our extensive surface transportation system. Macon is located strategically at the intersection of I-75 and I-16. When the Fall Line Freeway is completed, we will have multi-lane highway connections to the other major metropolitan statistical areas of Augusta and Columbus. Macon has two major freight railroad lines, and excellent general aviation facilities that are used by local residents as well as businesses and travelers from throughout much of South Georgia.

However, the University of Georgia economic experts warn that an overburdened transportation infrastructure will hamper growth and diminish the high quality of life which the greater Macon area is blessed with. Moreover, the midstate economy has a ripple effect in rural south and west Georgia. My office and our numerous community partners are solidly engaged in educating the public on the benefits of transportation alternatives to the single-occupancy, gasoline-powered automobile.

We will benefit from the lively discussion about future passenger rail travel, because I fully believe that my constituents will support the concept widely once they have had the chance to examine the arguments on both sides. We must remember that an entire generation of adults here has never even experienced train travel since the last train departed Macon in 1971. Those who have had the opportunity to ride modern trains in the United States or abroad understand the tremendous potential of this mode of transportation.

I expect my constituents to use passenger rail enthusiastically. As Georgia Governor Roy Barnes points out, this is about providing more transportation *choices*. Riding the train provides a safe, clean, and relaxing alternative to driving an automobile.

Question 2.

(a) TEA-21 contains more than \$29 million to construct an Atlanta-Griffin-Macon rail corridor. What is the status of this project?

(b) What is the status of the multi-modal terminal in Macon?

Answer.

(a) The Georgia Rail Consultants (GRC) have prepared a *Screening Report of Alternatives—Athens and Macon Corridors* that will be presented to the Project Management Team (PMT) Thursday, Dec. 7, 2000. The purpose of this report is to present a preliminary analysis of the rail passenger alternates and to eliminate the ones with fatal flaws.

If the PMT concurs with the GRC report, a more detailed analysis of the *GRC-preferred three S-line alternatives* as well as the bus rapid transit TSM alternative will follow. (Federal law mandates that a Transportation Solution Man-

agement, i.e. low-cost alternative must also be considered). The "H-family," the alternatives east of I-75, would be more expensive to upgrade, would conflict with Norfolk Southern freight traffic, and would serve fewer passengers. New construction along I-75 would be vastly more expensive as well as producing lower ridership.

The remaining alternatives will be recommended for detailed study in order to determine the best alternative. The detailed study will take another 5 or 6 months.

- (b) The City of Macon plans to acquire the historic Terminal Union Station from its current owner, Georgia Power, and so lay the groundwork for this tremendously important icon to become the focal point of the future multi-modal terminal. The City has already received a \$15,000 pre-construction grant from the Great American Station Foundation, as well as a 2002-2003 TEA-21 Transportation Enhancement for \$1 million to assist with the acquisition.

At this time, an Intermodal Passenger Terminal Facilities Plan is under preparation. The Plan will study other locations for the multi-modal terminal besides the Terminal Station and identify a preferred location. The Plan will also recommend operating functions and space requirements for the future operating years of 2005, 2010, and 2020. The final report will be delivered in June, 2001.

Question 3. (a) What is the expected ridership for the Atlanta to Macon line? (b) Do you believe the cost to begin rail service justifies the number of riders the trains are projected to carry?

Answer.

- (a) S-lines: 8,800 passengers per day, H-lines and I-75: 5,200 passengers daily,
Bus rapid transit: 6,000 passengers daily.

Yes, I believe the initial cost is well worth the benefits, and in this I concur wholeheartedly with my fellow mayors across the nation who are represented by the U.S. Conference of Mayors. The President and Congress must make passenger rail service a top priority in order to address the congestion problems that are strangling economic growth and diminishing our quality of life.

There is no getting around it that constructing the passenger rail infrastructure will be expensive. We have invested many billions of dollars in air travel and highways, and it is clear from the present air and traffic congestion that we need more solutions. We must take the appropriate steps to make passenger rail just as strong a transportation option in this country as road and air travel.

Question 4. What do you believe Congress should do to assist the states in developing viable commuter and intercity passenger rail service?

Answer. I urge Congress to enact the following measures:

Commit \$12 billion in bonds to support investment by Amtrak and the states in intercity high-speed passenger rail systems, earmark portions of the federal gas tax for rail projects, enable the states to provide tax incentives for the upgrading of all existing rail lines, and require rail freight carriers to work with the state Departments of Transportation to utilize and upgrade existing tracks.

Senator Cleland, I thank you very much indeed for your devotion to identifying viable solutions to our state's and our nation's transportation problems. I am honored by this opportunity to assist you through my testimony.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND TO
STEVE ROBERTS

Question 1. Before becoming the project director of Georgia Rail Consultants here in Atlanta and agreeing to assist Georgia with its congestion concerns, you successfully promoted a passenger rail program in Virginia and headed the Virginia Railway Express (VRE). How did commuters in Northern Virginia adapt to commuter rail?

Answer. Northern Virginia commuters have responded to VRE in several ways:

During 1997 and 1998 there was a substantial decline in ridership as VRE struggled to overcome a CSX Transportation failure to provide on-time performance for VRE trains.

Since that time, CSXT and NS commitment to on-time performance has provided a base for VRE to not only recover, but surpass projections for the mature system. VRE was initially forecast to carry 8,000 daily trips, moving to 10,000 in 2005 after the construction of lengthened HOVlanes and Metrorail extension to Springfield. VRE is already carrying in excess of 10,000 daily trips, four years ahead of the original schedule.

Commuters/customers have been encouraged to consider VRE as "their" railroad and to ask for those qualities that are important to them. VRE now provides service guarantees, a safety net for customers with day care, mid-day options, transfers to

other systems, cross-honoring with Amtrak in the VRE service corridors, GPS-based train information for real time checks, varied communications with customers e-mail, an on-board newspaper, and an active web site, a performance based incentive compensation for both Amtrak corporate and employees based on customer satisfaction.

Question 2. How does your experience in running Virginia's commuter trains compare to the situation in Georgia? How is it different?

Answer. Northern Virginia's commuter rail experience has been largely a local initiative, with the cooperation of the Commonwealth; in Georgia the initiative is principally by the state through the several agencies that have agreed to form the Program Management Team. The opportunities in Georgia are more immediate in that the rail infrastructure is both more robust and more ubiquitous. The rail opportunities are also more immediate in that there is little existing service from the region's transit supplier—MARTA; and currently only one operating suburban bus system.

There are similarities, in that the cities are of similar size, traffic congestion is significant; the suburban residential markets are similar to those in Virginia. The Atlanta region is in a similar position to Northern Virginia in the 1980s, beginning to make a choice to strengthen the core employment areas and improve access to them using other means than the single passenger car.

Question 3. What do you think can be done to encourage people to change from an automobile-centered commute to a commute centered on rail?

Answer. The most effective marketing is the quality and character of the service. The satisfactions that others gain on the 18 operating commuter rail systems in North America will reinforce the continued patronage of Georgians. The commitment to redevelopment the region along the routes of existing infrastructure are a foundation to work with developers and employers in supporting a business climate that supports the quality of life and productivity elements of a move away from the single occupant automobile for commuting.

Question 4. Some have estimated that the cost of the Athens to Atlanta line along I-85 and GA 316 would cost over \$1.5 billion and that express buses running along a similar route would cost \$164 million, or about one-tenth the cost of the trains. Considering the costs, do you support rail over buses and if so, why?

Answer. We have looked at seven alternatives for providing service in the Athens-Atlanta corridor. The most expensive option requires the reconstruction of the 316 and I-85 rights of way to accommodate rail in the median, that option was estimated to be in the range of \$1.5 billion. We have several others that rely on the expansion of capacity on the existing CSXT right of way between Athens and Emory, with options for reaching downtown and the proposed multi-modal passenger terminal. Those alternatives that use existing rights of way vary in cost between \$315 and \$460 million. The bus option is less expensive but it is also less productive, carrying only 53 percent of the passenger forecast for the best rail option.

The Program Management Team has directed our work to examine those remaining alternatives to recommend a preferred alternative that may well include buses and trains as each mode responds more effectively to certain elements of the market. We expect to make recommendations in Spring 2001. Athens trains are forecast to carry between 10 and 12 thousand daily trips in 2010 and we will examine a 2025 forecast in assessing a recommendation or a selected alternative.

Question 5. What is the expected ridership for the Atlanta to Athens line? The Atlanta to Macon line? Do you believe the cost to begin rail service justifies the numbers of riders the trains are projected to carry?

Answer. As in the Athens corridor we have been directed by the PMT to narrow the studied options to those using existing rights of way and to evaluate the manner in which a selected alternative may incorporate the most effective response to the market. The elimination of the more heavily used Norfolk Southern "H" Line will strengthen the consideration of bus service, especially in areas east of I-75. Macon trains on NS's former Central of Georgia "S" Line are forecast to carry approximately 8,700 daily passengers in 2010. We will examine a 2025 forecast in assessing a recommendation for a selected alternative.

Question 6. What do you say to transportation planners who say it's best to demonstrate demand with a bus service first before investing hundreds of millions of dollars in rail?

Answer. The demonstration of demand with bus service would only be as successful as the manner in which the proposed bus service can provide the qualities of rail service: timeliness, reliability, and safety. The full express bus service costs over a hundred million dollars itself and generated half the ridership, and thus only half of the benefits of rail. If only a fraction of the service is provided, smaller benefits

will be generated, and there will be less incentive to create the patterns of land uses that encourage peak hour transit use.

There is no doubt in my mind that if you make a significant commitment to public transportation and support it with complimentary land uses, the ridership will be there. We know from the dozen or so start-ups in the last decade that new commuter rail lines attract plenty of trips in cities formed by the auto, and we know the kinds of things that are necessary — reliability, parking at the home end, mid-day guaranteed trips back, good connectivity with the transit systems, and so forth. There is no reason to believe that Atlanta is radically different from Los Angeles or Dallas or Chicago in that respect.

The absence of truly exclusive bus-ways, as for instance in Houston and portions of Northern Virginia, will adversely influence the reliability of express bus service for the roadway network now in place inside the Perimeter.

Question 7. How would you describe the public meetings that your organization has held since October 14th to present the seven alternatives for each of the proposed lines linking Atlanta and Athens and Atlanta and Macon?

Answer. There are two overriding qualities to the public response in our meetings: Why is this taking so long?

“We had no idea this was under consideration.”

Clearly there are those who are aware of the significant work that has preceded this current effort and wonder why it is still in the talking stage; and, there is a second group, many of whom are new to the region, which are uninformed of any real efforts to address the issues of mobility and patterns of development.

There was general support of using the existing rail lines rather than spending much more on new alignments, there were a few suggestions that bus service be tried first, and there was only one meeting in which there was significant community concern. Much of that concern was based on the mistaken belief that the proposed service was like earlier MARTA heavy rail proposals that would have had major takings of property along the line as well as closings of key streets crossing the lines.

As part of the public involvement process that accompanies our work on the Georgia Rail Passenger Program we have continued to meet with the localities, neighborhood groups, and other interested parties to clarify the understanding about the proposed services and answer questions. The public involvement process will be enhanced as we move toward our Spring 2001 recommendations.

Question 8. How are important community issues like air quality, wetlands, parking, historic properties, parklands, community disruption and safety being addressed?

Answer. We are following the processes established in the National Environmental Policy Act [NEPA] and federal transportation planning legislation and the associated agency regulations implementing that legislation. We have been engaged in and are now engaged in the detailed study of air quality, wetlands, parking, historic properties, parklands, community disruption, safety and environmental justice. In our recommendation of selected alternatives we will be recommending any necessary mitigation should we find adverse effects on these valuable community resources.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND TO
STEPHEN A. CROSBY

Question 1. In order for passenger rail service to become a reality, viable partnerships must be reached between the state and federal governments and the freight railroads. This partnership will have to include sacrifices and concessions to ensure that freight railroads continue to be able to perform at or above current operating levels, including improvements to tracks and rail alignments. If we proceed with expanding rail service in Georgia, I want you to know that I am committed to ensuring that such a partnership is mutually beneficial for both passengers and freight.

In your negotiations with the state, what specific kinds of financial and operational issues do freight railroads believe must be addressed? What kinds of concessions are freight railroad operators willing to make to advance passenger rail service, both in the short term and long term?

CSX and Norfolk Southern have indicated a willingness to negotiate with state officials. However, an agreement has not yet been reached. What do you believe are the major challenges to reaching such an agreement?

Answer. We are currently working with GRTA to negotiate the details of the first major freight and passenger rail study ever initiated in Georgia by all relevant parties. Given the complexity of Georgia's rail network and the number of organizations that need to be involved, this is a challenging, but necessary, task. We are con-

tinuing to meet and work on this study agreement. While the negotiations are not complete, we are very close to a final agreement. And CSX is making every effort to resolve the issues as quickly as possible.

Question 2. In your testimony, you refer to experiences with two “new start” commuter systems that have been proposed. Could you tell us about your experience with existing commuter operations on your network and whether they satisfy your core concerns of safety, capacity, indemnification, and compensation?

Answer. Every commuter system on CSX’s network is different no system in one city can be replicated in another. Given the complex demands of our freight rail customers and the needs of individual commuter systems, we must develop unique systems that meet localized requirements. Therefore, I cannot point to a model in another city that would work in Atlanta. Our experience, however, with the six commuter systems running on CSX, leads to the following observations.

- **First**, it is in the public’s interest to ensure that freight capacity is maintained and protected for future growth in order to keep trucks off the highway. CSX moves one million freight cars through Atlanta each year, with each car roughly the equivalent of three trucks. So, put simply, failure to protect freight capacity in this area could mean as many as three million new trucks on the highways of Atlanta and surrounding areas. As a result, the goal of reduced highway congestion is defeated and road wear and tear increases significantly.
- **Second**, it is important to build the new infrastructure required by or additional passenger operations on the freight network before such service begins. While that may lengthen the time in which new or expanded passenger service can start, it will pay far better dividends over the long-term. For example, in the case of VRE, CSX is in discussion with state and commuter authorities about the need for additional infrastructure capacity prior to any expansion of existing VRE service. Be it Virginia, Massachusetts, Georgia or any other state in which officials are looking to railroads as an alternative to chronically congested roadways, rail service will not be reliable for freight or commuter customers without the proper infrastructure in place. And by frustrating our respective customers with unreliable service, freight shippers will switch to trucks and commuters will stay in their cars.
- **Third**, the best solution is building and operating commuter systems on separate track structures. By operating commuter trains on dedicated commuter tracks and freight trains on dedicated freight tracks, we can provide optimum service to all users. The United States has, in terms of performance and productivity, the best freight rail system in the world. But we will never approach world-class status for passenger rail systems if each is forced to work within the confines of the other. This is the model used on Amtrak’s Northeast Corridor between New York and Washington.
- **Fourth**, safety and liability concerns are addressed best when rail systems are completely separated from vehicular systems. Grade crossing closure and over/underpass programs are important infrastructure considerations in any increased use of the rail right-of-way.
- **Fifth**, liability concerns are best addressed through state legislation, similar in form to the Amtrak Reform and Accountability Act and a Massachusetts statute. Such legislation would provide a cap on tort liability and establish insurance requirements for the protection of the freight railroad providing access to passenger trains.

Question 3. Does CSX see the development of commuter and intercity passenger rail service as a help or hindrance in meeting the infrastructure needs of your company?

Answer. Our goal in working with commuter operations is to ensure that there is no negative impact on our rail operations. That is why in working with both new starts and currently operating commuter systems, we require the necessary infrastructure to be in place prior to the commencement of service. Our experience has demonstrated that when commuter service begins before such infrastructure is in place, three things happen—the needs of freight rail customers are not met, more trucks appear on the highway as customers shift away from rail transportation and commuters get frustrated by unreliable service.

By forcing passenger service on freight lines or in adjoining rights-of-way without proper planning and funding, the needs of neither freight nor public transportation will be met. Schedules will become unreliable, quality service will diminish and capacity will not be available to fully meet the needs of either constituency. The result will be the antithesis of the state’s goal—highway congestion will increase as mil-

lions of new trucks are forced onto the highways and people remain in their automobiles. Therefore, it is in the best interest of all parties to develop and implement the right infrastructure plan, consistent with the judgement of operating professionals, before beginning commuter operations.

Question 4. Assuming liability and safety issues could be addressed adequately and assuming that there was no impact—or a net positive impact—on freight rail capacity, what other issues are there that must be addressed in order to gain the freight operators' support for passenger rail operation?

Answer. Assuming liability, safety, and capacity are addressed, the remaining outstanding issue is fair compensation. The freight railroads are not public utilities. We are publicly held companies, operating on private property that has been purchased and maintained by private investment. For that reason, we simply cannot ask our shareholders and customers to subsidize the cost of commuter rail and rail transit operations. As freight rail capacity, or our property is consumed by passenger rail systems, CSXT must seek the fair market value of the assets being used.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MAX CLELAND TO
H. CRAIG LEWIS

Question 1. Let me reiterate what I said to Mr. Crosby: If we proceed with expanding rail service in Georgia, I want you to know that I am committed to ensuring that such a partnership is mutually beneficial for both passengers and freight. Do you believe there can be mutually beneficial outcomes that could be derived from passenger rail development? If so, what are some examples?

Answer. We believe, based upon experience in other parts of the country, that mutually beneficial outcomes for freight and passenger rail interests can be achieved as part of new passenger rail development.

The most common scenario is one in which a passenger rail project is accommodated on existing freight tracks or right-of-way in return for infrastructure improvements that assure the freight railroad that capacity required for present or future freight service will not be reduced or constricted. Further, the freight railroad would expect to be able to use much of the passenger infrastructure in non-peak periods, if desired. These mutually beneficial partnerships can occur only with public support and public funding so your support, Senator, will be crucial in achieving these goals.

Question 2. In the state of Georgia the CSX and Norfolk Southern railroads own and operate eighty percent of the total state systems of railroads, consisting of approximately 5,000 route miles. This is very impressive. Are there peak times that these tracks experience heavier traffic than at other times? How difficult do you believe it is to schedule additional trains on these existing tracks?

Answer. Many of the issues that need to be addressed in negotiations are common to CSX and Norfolk Southern. However, the principal railroad segments under discussion are separately owned. We believe the major challenges to reaching an agreement are:

- a. Separating the discussion about Atlanta/Athens from the discussions about Atlanta/Macon.
- b. Helping to inform elected officials and the public that there are no simple or inexpensive solutions.
- c. Identifying sources of funding so discussions have a context of reality.

Question 3. Where do you currently have commuter service that satisfies the core concerns of safety, capacity, indemnification, and compensation?

Answer. All areas in which commuter and freight service are conducted fulfill the core concerns you identified. However, most of these areas have had joint operations for long periods of time. The challenge arises with regard to core concerns when new or expanded passenger service is proposed for existing freight lines. Our most recent experience with these circumstances has been in New Jersey. We are actively engaged in discussions in New York, Philadelphia, Chicago, Charlotte and Cleveland.

Question 4. Norfolk Southern and CSX have indicated a willingness to negotiate with state officials. However, an agreement has not yet been reached. What areas do you believe are the major challenges to reaching such an agreement?

Answer. There are peak traffic periods that vary more by day of the week, line segment and commodity type than time-of-day. The real challenge with introducing passenger service to a freight line is frequency and speed of the passenger trains. Passenger trains typically run at much faster speeds than freight trains so there is a constant problem of passenger overtaking freight—think of it like a pac-man dynamic. And so, without track and infrastructure improvements, passenger service tends to shut out, or severely curtail freight service during much of the typical pas-

senger operating period (6 a.m.–10p.m.), creating the unacceptable situation of relegating freights to a very limited night-time window. The challenge is to find the right balance in which each rail operation can meet its requirements with transparency to the other. Technology does not solve the problems; more tracks and intelligently designed stations usually will.

Question 5. Would you support appointing a senior member of your operations staff to be the point of contact in rail negotiations with the state in order to help explore all realistic options for developing passenger rail service in Georgia?

Answer. Yes

Question 6. Could you please tell us about your experience in Virginia in regard to commuter rail and the lessons Norfolk Southern learned in that state?

Answer. We learned that, when working together with a commitment to promoting the interests of both parties, government and the private sector can construct relationships that can get things done. Most importantly from our perspective, the State of New Jersey understands and accepts the value of keeping NS commercially viable whenever new passenger service is imposed. Where most passenger authorities are seen as having an entitlement mentality, New Jersey Transit has shown genuine sensitivity to the effects of passenger trains operating over freight railroads.

Question 7. Does Norfolk Southern see the development of commuter and intercity passenger rail service as a help or hindrance in meeting the infrastructure needs of your company?

Answer. Either. Historical attitudes have typically cast new passenger rail proposals as a hindrance to freight operations. The potential for a new paradigm, the development of public/private partnerships centered around preservation of freight competitiveness, can be constructive and helpful for all parties.

PREPARED STATEMENT OF ATLANTA REGIONAL COMMISSION, ATLANTA, GA

As the Metropolitan Planning Organization (MPO) for the Atlanta Metropolitan Region, we want to take this opportunity to emphasize the importance that passenger rail implementation plays in the future of transportation in our region. The Atlanta Region is classified as a non-attainment area under the Clean Air Act of 1990 and thus has been required to implement an intensive regional transportation and land use planning effort in order to demonstrate conformity with the emission targets established by the state and federal environmental agencies. The recent adoption and approval of a new long range Regional Transportation Plan (RTP) demonstrates our commitment to this process and clearly sets a new direction for transportation infrastructure investment for the Region.

Passenger rail implementation plays a significant role in this plan. Commuter rail projects are programmed for early implementation. The commuter rail projects are:

Atlanta—Athens	2003–2005
Atlanta—Griffin—Macon	2003–2005
Atlanta—Senoia	2010
Atlanta—Bremen	2010

We expect the population of the Atlanta Region to grow by approximately 1.1 million people over the next 25 years. It is essential that we invest now in transportation infrastructure that will meet the mobility needs of the future without compounding our air quality problems. These commuter rail projects will enhance regional mobility for our citizens and will provide the much needed alternative to the automobile.

We have recognized that future development and land use go hand in hand with transportation infrastructure investment. We have adopted a Regional Development Plan (RDP) that recognizes the importance of land use decisions to the regional transportation system. The RDP provides a guide for the future that encourages land use decisions which will create higher density development around available rail and transit systems. This change in development patterns will decrease our dependency on the automobile and promote utilization of alternative transportation modes.

The Atlanta Regional Commission also supports statewide efforts to implement intercity high-speed rail. Atlanta has always been the major transportation hub of the Southeast and this will certainly continue. The Atlanta-Hartsfield International Airport is now the busiest airport in the world and will quickly reach its maximum capacity. Our interstate highway system becomes more congested every day. It is

clear that intercity passenger rail service is needed as a viable alternative to these other modes. The original designation of national high-speed rail corridors included the route from Charlotte through Atlanta to Macon and from Savannah to Jacksonville. With the additional designation this year of the continuation from Macon to Jesup, a complete tie in through the state will be available. We believe that the designation of additional corridors such as Atlanta-Chattanooga and Macon-Albany-Tallahassee should be considered as future enhancements to the high-speed corridor system.

The Atlanta Regional Commission has been an active participant in developing rail programs that have the potential to significantly change our mobility options. In partnership with the Georgia Department of Transportation, the Georgia Rail Passenger Authority, the Georgia Regional Transportation Authority and other local government agencies in both Georgia and Tennessee, we are participating in the National Maglev Deployment Program. We have done a tremendous amount of work on this project and believe that Maglev is not only feasible, but will provide a modern, safe and comfortable mode of transportation that will be financially supportable over the long term.

In summary, we are committed to the implementation of commuter rail in the Atlanta Region and fully support the early development of intercity high-speed rail programs. We hope that this Committee will work to provide the investment necessary to bring these rail options to reality.

