

**SURFACE TRANSPORTATION REAUTHORIZATION:
LOCAL PERSPECTIVES ON MOVING AMERICA**

HEARING

BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION
AND MERCHANT MARINE INFRASTRUCTURE,
SAFETY, AND SECURITY

OF THE

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

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

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MAY 15, 2014
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ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

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SURFACE TRANSPORTATION REAUTHORIZATION: LOCAL PERSPECTIVES ON MOVING AMERICA

THURSDAY, MAY 15, 2014

U.S. SENATE,
SUBCOMMITTEE ON SURFACE TRANSPORTATION AND
MERCHANT MARINE INFRASTRUCTURE, SAFETY, AND SECURITY,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:45 p.m., in room SR-253, Russell Senate Office Building, Hon. Richard Blumenthal, Chairman of the Subcommittee, presiding.

OPENING STATEMENT OF HON. RICHARD BLUMENTHAL, U.S. SENATOR FROM CONNECTICUT

Senator BLUMENTHAL. I'm going to convene this hearing, with apologies that we're going to have to interrupt, take a brief recess. As you may know, votes are underway, which is a good thing, and Senator Blunt and I will have to go back to vote on the next round of votes. So, our colleagues may be able to appear, or may not, but I think, in interests of your time and ours, we should get started.

Without objection, I'm going to make my opening statement part of the record and simply say that this hearing is another step in a continuing effort to move forward with the surface transportation needs and challenges of our time.

[The prepared statement of Senator Blumenthal follows:]

PREPARED STATEMENT OF HON. RICHARD BLUMENTHAL, U.S. SENATOR FROM CONNECTICUT,

It's an important week for transportation.

Earlier today, the Senate Environment and Public Works Committee marked up a surface transportation bill governing highways. That's just one piece of the puzzle—but it's a big piece.

And in April, the president put forward his own proposal. That's the first time that has happened in his administration. This all shows that many are eager to address our transportation needs.

There's a lot of action these days because we're at a critical place.

The current surface transportation bill, MAP-21, expires at the end of September.

Moreover, the Highway Trust Fund (HTF), which supports the country's vast highway and transit network, is expected to go insolvent even sooner—as early as the end of August. At that point, state DOTs and transit agencies will collectively begin facing a shortfall of billions and will have to shelve projects and forego re-building needs. This is increasingly known as the highway cliff.

Like many other states, Connecticut will have to make tough decisions if funding runs short in August. And this happens right as we enter the beginning of the busy summer construction season when tens of thousands of construction workers expect to get out there to re-build and repair our transportation network.

So it's critical that we act soon.

We can do this. We can act. For decades we've done so—dating back to the Eisenhower administration and even before that—we've seen the Federal Government make transportation investments a priority. We've shown the world what it means to have first-class roads, bridges, tunnels, ports and railroads. We've shown other countries how it can be done.

But our attitude has shifted. For some reason, we're not doing that any more. We're no longer leading the world. Rather, we're now looking to China and elsewhere as they become the ones who are build the big projects with a grand vision and an eye to the future.

Still, our needs are as real as ever. Our bridges are crumbling. Our roads are rife with potholes—especially after this past winter.

And congressional inaction only exacerbates these problems. It breeds uncertainty and prevents communities from engaging in long-term planning. It disrupts growth and project development. We can't keep kicking the can down the road with short-term measures. We need a long-term approach that leads to real investment—not stop-gap solutions (in fact there have been more than two dozen of those in the past five years)—rather than simply avert one crisis after another of Congress' own creation.

Congressional inaction also just serves to shift the burden to others to fund our roads, bridges, transit systems, and rail networks. And this way of funding is incredibly inefficient.

The fundamental point here is that the Federal Government needs to continue to lead the way in making the investments our country and economy demand.

Our infrastructure is the foundation of our society. It props up our prosperity.

It's just like a house. Any responsible homeowner needs to maintain the roof, the pipes, the paint. And in maintaining a house, we need to use the latest technology.

But as I noted, our roads and bridges and rail systems are deteriorating. And we're relying on outdated technology to move people and freight where it needs to go.

Take our country's Northeast Corridor. This critical corridor sees more than 2,000 trains a day. Nearly 800,000 commuters depend on it daily to get to work. The New Haven Line in my state and a major part of the corridor has over two dozen bridges—including five major moveable bridges and all but one of these needs to be replaced or rehabilitated in order to address reliability and capacity problems. In fact, the oldest of these bridges, the Norwalk River Bridge, was constructed in 1889. Elsewhere on the corridor, we're seeing other decaying bridges and tunnels that are also well over a hundred years old. And Super Storm Sandy didn't do the corridor any favors. Rather, it accelerated what was an already urgent need to replace the tunnels connecting New York with New Jersey and points south.

This is symbolic of places throughout the country, especially in dense, urban areas where tremendous growth is expected in the decades to come. But no matter where, there is an endless list of places where basic investments would yield enormous results.

Going forward, we need to invest in the projects that matter most—and we need to do so across all modes.

We need to focus on highways. And transit. But also rail. And ports. And the bottlenecks and lost opportunities that are choking our commerce and holding us back.

There were many interesting ideas in the President's budget along these lines, one of which was a Transportation Trust Fund—a TTF. That fund would include highways, transit—and also Amtrak and passenger rail programs. The fund would include a rail account to support Amtrak and public rail assets. The proposal would authorize \$9.5 billion for the Passenger Rail Service Program in order to provide continued support to Amtrak so that Amtrak would no longer have to endure the discretionary nature of the Congressional appropriations process. The administration's proposal would also authorize \$9.55 billion for a Rail Service Improvement Program to develop passenger rail corridors and advance rail plans. This program would also be housed within the TTF.

That's refreshing—and a step in the right direction. And an idea I can get behind. I've pushed for a similar initiative, a Rail Trust Fund, in order to make sure we have dedicated revenues for our country's rail system—just like our highways do.

But regardless of how we do it—we need to provide passenger rail with dedicated, multi-year funding source will dramatically help to improve Amtrak and modernize the Northeast Corridor and other rail corridors throughout the Nation. Because our rail infrastructure is as critical as our roads are and we need to recognize that reality. While we may have one transportation system, there are many modes that comprise it, and if one fails they're all affected and we all end up hit by the gridlock.

And I'm open to other funding solutions. There are many attractive infrastructure bank proposals under discussion now. And there are interesting ideas out there to make TIFIA help even more states and localities.

But we need to invest where it matters.

And investing in our infrastructure means investing in the Federal Rail Administration, the NTSB and safety oversight agencies, too, and making sure they have the resources to carry out their mission. We saw what sequester and a government shutdown can do when these critical watchdogs are off the job.

And I want to make sure any reauthorization package doesn't neglect these issues either. *That's why I intend to introduce a rail safety bill in the coming weeks as part of this committee's reauthorization efforts.* The bill will focus on increasing inspections, improving safety technology, improving the safe transportation of crude oil, addressing fatigue, and attempt to address the funding issues I've raised. Some of this is will require a longer conversation on another day, but the key point is we have critical infrastructure needs—and those include rail—and if we don't address them, *our country suffers.*

Businesses fail. In Connecticut and elsewhere, businesses can't get their goods to market. Or goods sit in needless traffic congestion.

On the Northeast corridor, for example, a one-day loss of service could cost the economy nearly \$100 million per day. If the corridor is unable to accommodate future growth, the region's highway and aviation systems could incur an additional \$1.2 billion in annual costs could be incurred by the year 2025.

But as I mentioned earlier, there's a threat that's right at our doorstep. Earlier this week Secretary of Transportation predicted 700,000 Americans could lose their job in the next year.

All of this stifles our country's competitiveness and ability to trade with other countries.

This is basic economics, however, the lesson seems to be lost on some these days.

Today we get several local perspective on the reasons we need to invest; the need to invest in the projects that matter most; and we hear from local experts about what happens if lose sight of our vision.

I look forward to hearing from our witnesses. One of whom is David Martin, the Mayor of Stamford, Connecticut. Like many cities in Connecticut, Stamford has been a big success story in recent years. The City of Stamford shows what happens when we make smart investments in transportation. Businesses take advantage of the new transportation options, they relocate and grow and thrive. Stamford is a very different place today than it was 20 years ago—and improved transportation is a major reason why. The Federal Government has played a key role in this development, for example, with the award of a \$10 million TIGER grant to the city in 2010 to enhance the Stamford Transportation Center—a once outdated facility that sees 225 commuter trains per day. We need to see more partnerships from the Federal Government like that—not less.

And I now look forward to Mayor Martin and the rest of the witnesses speaking more to these important issues.

Senator BLUMENTHAL. Any surface transportation reauthorization practice has to be multimodal and has to address rail priorities. That is the issue that brings us here. And part of investing in rail is making sure it has dedicated funding in an account within the new Transportation Trust Fund, as the President's proposed, or from a Rail Trust Fund, as I've proposed. And Senator Blunt and I and others—he's really taken the initiative—have proposed a new method of funding, here. Obviously, resources are critical. Making the right investments and the right choices helps to improve safety and reliability.

Today or tomorrow, Metro-North will be submitting its response to the Deep Dive investigation that was conducted by the Federal Railroad Administration. I'm going to be looking forward to receiving it. But, clearly, Federal agencies and watchdogs have been lax or laggard, as well, in their effort, in many respects. So, the emphasis has to be not only on the work that you're doing at the local level, but also on what the Federal Government can do to promote

and advance the cause of safety and reliability in rail transportation.

We have a great panel, and I will introduce them after I give Senator Blunt, the Ranking Member of the Committee, an opportunity to make some opening comments.

**STATEMENT OF HON. ROY BLUNT,
U.S. SENATOR FROM MISSOURI**

Senator BLUNT. Well, Chairman, thank you.

I have a statement, I'll put it in the record as well, in interest of time.

Certainly, the opportunities we have to grow jobs, to make things, to manufacture, to connect with the worldwide marketplace aren't there if we don't have the infrastructure that supports that. I think this is a critical moment as we look forward to where we are next year, but, just as importantly, where we're going to be to take advantage of the opportunities 20 years from now that will be there if we make the right infrastructure decisions and a couple of other decisions, and won't be if we don't. You know, if you outgrow your capacity to move—to make your economy move forward, your economy doesn't move forward.

So, I'm glad that this panel's here. We look forward to their testimony and advice.

And I'll turn this back over to you.

PREPARED STATEMENT OF HON. ROY BLUNT, U.S. SENATOR FROM MISSOURI

I want to thank everyone for coming here today, I appreciate you making the time to speak with us.

I want to especially welcome the Mayor of Kansas City, Sly James, for being here.

I am proud to be Ranking Member of this subcommittee, which oversees issues that are so integral to the state of Missouri.

The Commerce Committee does work on all the transportation modes, not just the highways.

That includes the railroads, waterways, aviation, and even pipelines.

For a state like Missouri, this is critical work.

When you look at a map of the major railroads, interstate highways, and inland waterways, you tend to see all these modes converge right over our state.

Kansas City is one of our primary transportation hubs.

The city is located at the crossroads of some of the Nation's most strategic highways and interstates, it is the second largest rail hub in the nation, and it boasts the Port of Kansas City located near the confluence of the Missouri River and Kansas River.

Kansas City is also home to several intermodal centers, one of which is on the southern edge of Kansas City—the CenterPoint-Kansas City Southern Railroad Intermodal Center.

I am pleased that Mr. Fisher is here today from CenterPoint, and will be interested to hear his take on freight issues.

Obviously, Kansas City demonstrates the importance of multiple transportation modes to the efficient movement of freight.

Likewise, Kansas City is looking at intermodal projects that can help move passengers more efficiently.

The city is identifying opportunities for a downtown streetcar and commuter rail transit services as aspects of the region's long range transportation plan.

I look forward to hearing from both Mayors and Mr. Smith on how a multi-modal transportation network—which includes passenger rail—is integral for cities to attract residents.

Generally, we need to look at our existing transportation system and identify the projects that would give us the biggest bang for our buck to spur economic growth and create jobs.

Of course, all of this is incumbent upon the long-term and sustainable funding for our transportation infrastructure.

Infrastructure has always been a vital element of the economic strength of the United States and a key indicator of our international leadership.

More and more, countries are becoming increasingly efficient in moving goods and connecting manufacturers and consumers with international markets.

We need to continue investing in our own infrastructure to make sure we stay ahead of this phenomenon.

Thank you again for being here today and I look forward to your testimonies.

Senator BLUMENTHAL. Thank you, Senator Blunt.

Let me just introduce, very briefly, the panel, and then we'll turn to Mayor Martin for his comments.

David Martin is the Mayor of Stamford, and has a long career and distinguished record in public service in local government as a member of our Board of Representatives, and then President of it, and was elected to serve a 4-year term as Mayor of the City of Stamford, and has taken a lead in transportation.

Sly James, Major of Kansas City, Missouri, we welcome you here. I know also of your long and distinguished record of public service in Kansas City to your community and to the state of Missouri.

John Robert Smith, Co-Chair of Transportation for America, we welcome your expertise and your experience in this area, and your guidance, along with the rest of this panel, in moving forward, helping us to mobilize support for rail transportation.

And Paul Fisher, who's Chair of the Supply Chain Innovation Network of Chicago and Vice Chair of the Board of Trustees of CenterPoint Properties Trust, we're looking forward to your informing us more fully about the impacts of rail transportation, as Senator Blunt so well said, on our economy, economic growth, and job creation, moving the goods and people that are essential to our economy.

And Raymond Poupore, Executive Director of the National Infrastructure Alliance, likewise your long experience in this area and your perspective on how transportation is served by the investment we can, and must, make; again, persuading our colleagues that these investments are critically important to our future.

So, Mayor Martin, the floor is yours.

**STATEMENT OF DAVID R. MARTIN, MAYOR, CITY OF
STAMFORD, CONNECTICUT**

Mr. MARTIN. Chairman Blumenthal, Ranking Member Blunt, thank you for inviting me here today to speak about this important issue of transportation infrastructure.

My name is David Martin. I've been serving since December 1 as the Mayor of Stamford, Connecticut. Stamford is the third largest city in Connecticut, with over 125,000 residents, located approximately 30 miles outside of Manhattan. The city is home to one of the most diverse and vibrant communities in our country, and is the largest financial services district in the New York metro area outside of New York City. I am honored and proud to testify on behalf of the Stamford residents and on behalf of the broader population of people in Connecticut and the Northeast who depend on rail and who are seeking to build economic growth on a well-functioning transportation system.

Today, I plan to discuss two areas: the importance of rail to the economic vitality of the region and the critical need for Federal investment in our rail infrastructure.

Each day, over 125,000 passengers ride on the New Haven line of Metro-North Railroad, which is the 60-mile stretch of track between New York City, Manhattan, and New Haven, Connecticut. And it carries both commuters and long-distance travelers throughout the Northeast, including a key Amtrak stop in Stamford. Indeed, I took Amtrak today to come to this hearing.

The Stamford Intermodal Transportation Center sees 225 commuter trains, more than 1,000 buses, and tens of thousands of commuters each working day. And, while we are a suburb of New York, and many people think that we are a suburban town sending commuters into New York, Stamford is, in fact, a net-inbound station, with more people arriving to work in Stamford than actually leaving our town to work in Manhattan or other cities.

The New Haven line of Metro-North is the busiest rail line in the United States. In 2012, a total of 39 million passengers utilized the New Haven line, an all-time high. Projections show that ridership will increase to 57 million by 2030, roughly a 50 percent increase in less than 20 years. And if we were to provide rail service equivalent to other industrialized nations, we would easily exceed a 50-percent increase in much less than 10 years.

It plays a vital role in supporting the nearly three trillion dollar economy of the Northeast United States, and is a vital portion of the rail network that extends from Washington, D.C., to Boston. When rail service is effective, it provides economic benefits, better access to markets, employment, and increased investment. In fact, because of the valuable Federal, State, local, and private-sector investment in the Stamford Intermodal Transportation Center, including support from you, Senator Blumenthal, that you have helped provide, there is now \$5 billion—and that’s a “b”—\$5 billion in mixed-use, sustainable, transitorian development taking place within a short walk of our transit center.

Business in Stamford and throughout Fairfield County depends on rail. In Stamford, the vacancy rate for commercial buildings near the train station is half the commercial vacancy rate in other areas. We are unique, in that we not only have local residents depending on rail to commute to New York City, but we have employees coming to Stamford, as I said earlier.

And when I meet with executives from these companies located in Stamford, they are all concerned about the reliability and future of rail service. Unreliable service, frequent breakdowns, and other complications threaten their growth, and it affects Stamford’s ability to both attract and retain and grow businesses. It affects the quality of life for residents, especially considering the fact that it is the primary alternative to traveling on our roadways, which are among the most congested in the country.

The Federal Government can have an immediate impact and safeguard the long-term vitality of the Northeast region by investing. And, while the return from this investment, or ROI, is astronomical, the scope of this investment, and the scope of the investment necessary, is more than what any one city or any one state can support.

Despite this overwhelming and growing demand for rail service, we haven’t made the necessary investments. The line was built in the 1840s, before the Civil War, and it is beginning to fail. In the

past 2 years, the New Haven line has suffered from significant disruptions. In May 2013, a train derailment injured 76 people. In September 2013, a broken electrical feeder cable past its design life caused a power outage that hampered service for 2 weeks. In January 2014, riders were stranded on trains at the Grand Central Station for over 2 hours. And just this week, a fire at the Cos Cob switching control caused multiple days of delays.

The line has been laden with frequent delays caused by malfunctioning bridges, signaling errors, and any number of other problems. There are, in fact, 134 bridges on the main line. Five of them are movable bridges that are rated in fair or poor condition. And, in fact, the youngest of those bridges was built over 100 years ago, in 1907. We had the bridge malfunction in Norwalk in January and October of 2011, and again this year. The Cos Cob Bridge malfunctioned this last December. And we have additional needs in our rail—in our infrastructure, both in signaling in the rail yards and the platforms and tracks.

Under the leadership of our Governor, Dan Malloy, the State of Connecticut is committed to investing nearly \$1 billion over the next 5 years, despite significant budget constraints. But, even with this level investment, it is estimated that an additional \$3.6 billion is needed through 2020 to rebuild that rail infrastructure. Other nations are investing in bullet trains. We need to make the investment in our infrastructure, as well.

In terms of the importance of this, it exceeds that of just Stamford or of Greenwich or Norwalk or Port Chester, in New York. The most successful nations in history have been defined by their ability to maintain and grow their transportation networks. The great empires of the Persians, the Chinese, the Inca, and particularly the Romans, were all known for their investment in roads. The great powers of Portugal, Spain, and Britain depended upon their mastery of navigation, ports, and seapower. In all cases, great nations' investments in transportation was well beyond the capacity of any single portion of that nation.

And the United States as a great nation is no different. Our success and prosperity has been made possible, in large part, because of our commitment to our transportation networks, whether it was the Erie Canal, the transcontinental railroad, or our interstate highway system.

I am here to request funding that can be used to help make the repairs to our passenger rail line and put us back on track toward safe, fast, and reliable service. I understand that these challenges will not be solved overnight, but I am asking for your partnership and your assistance to help prevent economic or safety catastrophes and safeguard the economic vitality of our region.

Thank you again for your time and your attention this afternoon.
[The prepared statement of Mr. Martin follows:]

PREPARED STATEMENT OF HON. DAVID R. MARTIN, MAYOR,
CITY OF STAMFORD, CONNECTICUT

Chairman Blumenthal, Ranking Member Blunt, and members of the Subcommittee, thank you for inviting me here today to speak about such an important issue.

My name is David Martin, Mayor of Stamford, Connecticut. Stamford is the third-largest city in Connecticut, with over 125,000 residents, and located approximately

30 miles outside of Manhattan. The city is home to one of the most diverse and vibrant communities in the country.

I am honored and proud to testify on behalf of Stamford residents and the broader population of people in Connecticut and Northeast who depend on rail.

Today, I plan to discuss two areas: the importance of rail to the economic vitality of the region and the critical need for Federal investment in our rail infrastructure.

Importance of Rail to our Economic Success

Each day, over 125,000 passengers ride on the New Haven Line of Metro North Railroad, which is a 60-mile stretch of track between New York City and New Haven, Connecticut that carries both commuters and long-distance travelers throughout the Northeast. In 2012, a total of 39 million passengers utilized the New Haven Line, an all-time high. It is the busiest rail line in the United States.

The New Haven Line plays a vital role in supporting the nearly \$3 trillion economy of the Northeast United States and is a critical portion of the rail network that extends from Washington, D.C. to Boston.

When rail service is effective, it provides economic benefits such as better accessibility to markets, employment, and increased investment. Businesses desire and depend on rail. In Stamford, for example, the commercial vacancy rate in buildings near the train station is about half that of the overall commercial vacancy rate in the city.

Stamford is home to four Fortune 500 Companies and is the largest financial district in the New York Metro Area outside of New York City. We are unique in that we not only have local residents depending on rail to commute to New York City, but have employees depending on rail to commute to Stamford.

In meeting with executives from these companies, they are universally concerned about the reliability and future of rail service.

Unreliable service, frequent breakdowns, and other complications threaten their future growth and it affects Stamford's ability to both attract and retain new businesses. It also affects the quality of life for residents, especially considering the fact that rail is the primary alternative to traveling on our roadways, which are among the most congested in the country.

Projections show that the populations of Connecticut and New York City will continue to grow and that ridership on the New Haven Line will increase from 39 million passengers to 57 million by 2030—a nearly 50 percent increase.

We need to be able to support this growth.

The Federal Government can have an immediate impact and safeguard the long-term vitality of the Northeast by investing in our rail infrastructure. The scope of the investment necessary is more than any one city or state can provide.

Need for Federal Investment

Despite the overwhelming—and growing—demand for rail service, the government has not made the investments required in order to maintain the infrastructure.

The line was built in the 1840s—before the Civil War—and believe it or not, some of that original rail infrastructure is still in use today. And it is beginning to fail.

In the past two years, the New Haven Line has suffered from significant disruption:

- May 2013: Train derailment and collision in Bridgeport that injured 76 people.
- September 2013: Broken electrical feeder cable, past its design life, caused a power outage that hampered service for two weeks.
- January 2014: Riders stranded on trains and at Grand Central Station for over two hours as a result of signaling glitches.
- May 2014: Just this week, a fire at a Cos Cob switching control house caused multiple days of delays.

In addition, the line has been laden with frequent delays caused by malfunctioning bridges, signaling errors, and any number of other problems. It has been on the front page of the local newspaper every day this week.

Severe weather in recent years has only expedited the line's deterioration.

Funds are urgently needed to help revitalize the line and make repairs as soon as possible.

- There are 134 bridges on the main line, including nine moveable bridges (over water), and over half of these bridges are rated in fair or poor condition.
- Five of the movable bridges—required for boats to gain access to Long Island Sound—are in dire condition. The youngest bridge was built in 1907.

- Repairs to the signal & communications system, platforms, tracks, and rail yards are also necessary.

The State of Connecticut, under the leadership of Governor Malloy, has committed to investing nearly \$1 billion over the next five years, despite significant budgetary constraints. Even with this level of investment, it is estimated that an additional \$3.6 billion is needed through 2020 to rebuild the rail infrastructure.

That level of funding does not even begin to address discussions about high speed rail or a major expansion in line capacity; it is needed to simply catch up on deferred maintenance and allow the track to run as it was intended when first built in 1840s.

The most successful countries in history have been defined by their ability to build, maintain, and grow their transportation networks.

The United States is no different. Our success and prosperity as a nation has been made possible in large part because of our commitment to our transportation networks. Examples include the Erie Canal, transcontinental railroad, and our Interstate Highway System.

I am here to request funding that can be used to help make repairs to our passenger rail line and put us on track towards safe, fast, and reliable service. I understand that these challenges will not be solved overnight, but I am asking for your partnership to help prevent catastrophe and safeguard the economic vitality of the region.

I thank you again for your time and attention this afternoon.

Senator BLUMENTHAL. Thank you. Thank you, Mayor Martin.

With apologies, Mayor James, we're going to go vote, and—hopefully, vote twice—and then come back without another interruption. I may—we'll be right back.

[Recess.]

Senator BLUNT. Well, we're going to resume the hearing, and I'm pleased to have my good friend, Mayor James, from Kansas City, here. He has been the Mayor for a couple of years now, off to a great start, taking a great city and making it better. And I enjoy working with him, and I'm particularly pleased, Chairman, that he's here.

Senator BLUMENTHAL. And my thanks to you, Mayor James, for being here. And I hope you will focus, as Mayor Martin has so eloquently and powerfully, on the impact of transportation. And one point that he mentioned, that the Federal Government has played a key role in the development in Stamford, for example, with the award of a \$10 million TIGER grant to the city, in 2010, to enhance the Transportation Center, once an outdated facility and the busiest rail artery in the country, the Northeast. And I know that you are very much involved in these transportation issues, as well.

So, welcome, and thank you, and my apologies to all of the witnesses for the delay. I may have to duck out, in about 20–25 minutes. I'm going to turn the gavel over to Senator Blunt. Not lightly do I turn it over to a Republican, but he's one of the good guys.

[Laughter.]

Senator BLUNT. This is my big chance.

[Laughter.]

Senator BLUMENTHAL. And I think there are limits as to how much, you know, harm he can do in—

[Laughter.]

Senator BLUMENTHAL.—the space of 10 minutes while I'll be gone. So, in case I duck out, forgive me again.

And I mean it sincerely, everything that you say, even though I may not hear it, will be on the record in—for the review of my col-

leagues as well as myself. So, it—there may be a very brief interval when I'm gone.

Mayor James, thank you.

**STATEMENT OF HON. SLY JAMES, MAYOR,
CITY OF KANSAS CITY, MISSOURI**

Mr. JAMES. Thank you very much, sir.

Chairman Blumenthal and Ranking Member Blunt, members of the Committee—and I also want to thank the people behind you, your staffs, the ones who toil in obscurity but without whom things probably would not get done at all—I'm the Mayor of Kansas City, Missouri. I'm a proud and lifelong Kansas Cityan, a constituent of Senator Blunt's and Senator McCaskill's, and an advocate for multimodal transportation planning.

It's truly an honor to be here today to talk with you all about the transportation needs in cities like mine. The fact that the state of Missouri and the city of Kansas City sit in the middle of our country means that we have a unique transportation challenge, but we also have unique transportation opportunities.

In Kansas City, we have 6,300 miles of lane miles of pavement. That means that when it snows, something every mayor who has ever lived in a snowbelt deals with, we actually plow one lane of road from Boston to San Diego and back every time it snows. Then there are 1,379 miles of interstate in the state of Missouri. And our metropolitan region has more freeway lane miles per capita than any other, and is one of five U.S. cities where four interstates connect and intersect.

In addition, we have five major railroads that serve Kansas City. We are, in fact, the largest rail hub in the Nation, in terms of volume. We have 90 miles of track in the metropolitan area, and we have 4800 miles of railroad track in the state of Missouri.

I've given you a lot of statistics, but those statistics are important to give perspective as to why multimodal transportation strategy is more than simply a good talking point, it's essential for the growth of our communities across the Nation, including my city, Kansas City. Thoughtful multimodal transportation strategies create economic development opportunities by connecting our Nation, by ensuring that workers can get to their jobs, by fostering economic activity along transportation lines.

From a local standpoint, we've already seen substantial economic development along our streetcar line, which is only in the early stages of construction. In addition to a multimodal approach, the Federal Government's role in this effort is absolutely critical. Cities and states need policymakers to enact long-term, multi-year solutions to transportation issues. Short-term solutions often result in uncertainty, making planning and implementation costly and inefficient. The key to this certainty is obviously the issue of funding.

Innovative solutions from Congress will go a very long way toward helping cities with long-term strategic planning. For example, my friend Senator Blunt is leading the way with his Partnership to Build America and BRIDGE Acts. These are cosponsored by another friend, Senator McCaskill, and those bills would fund infrastructure projects through repatriation and a new infrastructure bank. I applaud the outside-the-box approaches to finding creative

solutions to funding critical projects and programs. I call that “innovative leadership.” And one thing that we must be in this country, in this day and age, is innovative. And I want to thank you, Senator Blunt, for those efforts, and Senator McCaskill will know of my thanks to her, as well.

Whether it’s a gas tax increase or a repatriation of funding for an infrastructure bank or a combination of potential solutions, we absolutely need more certainty, from the funding perspective. Also equally important to the multimodal and long-term strategy is increasing local flexibility in the decisionmaking process. Cities and states are keenly aware of local transportation needs of our citizens. Solutions to address these needs must include a comprehensive approach at the local level which includes roadways, mass transit, bike- and pedestrian-friendly routes, as well as freight routes. This is also why competitive Federal grant programs, like TIGER, are so vitally important. Cities and states can apply for that funding to target specific needs as part of an overall strategic approach. We have received a number of TIGER grants in Kansas City. Last year, we received a \$20 million TIGER grant for streetcar, largest in the Nation, the only one for streetcars.

Now, while MAP-21 made progress by providing states increased flexibility, our cities and local governments must have a strong seat at the decisionmaking table in how MAP-21 should be implemented. It only makes sense, really, that those closest to the projects and the problems should have a voice in how to solve those problems and make those projects come to fruition. Trust me, the residents of Kansas City know how to reach me with their opinions. They do it all the time. They know that I know the pulse of the community.

That being said, I feel strongly that local leaders can offer a tremendous amount of insight on transportation projects. I applaud this committee’s close examination and efforts toward finding ways to tackle difficult issues. Transportation is not a partisan issue, it is a uniquely American issue. The roadways do not ask whether they’re traveling through a Democratic or a Republican district. They simply travel, and they must be repaired and kept up. And it’s one of those issues that will impact communities and individuals for generations to come. The decisions made here are decisions that have 50-year lifespans, minimum.

So, I want to thank you, Chairman Blumenthal, Ranking Member Blunt, and members of the Committee, for this opportunity, and, like my colleagues here, I’ll be happy to answer any questions that you may have at the appropriate time.

Thank you very much.

[The prepared statement of Mr. James follows:]

PREPARED STATEMENT OF HON. SLY JAMES, MAYOR,
CITY OF KANSAS CITY, MISSOURI

Chairman Blumenthal, Ranking Member Blunt, and members of the Committee, I’m Mayor Sly James of Kansas City, Missouri.

I’m a proud, lifelong Kansas Citian, a constituent of Senator Blunt’s and an advocate for multimodal transportation planning.

It’s an honor to be here today to talk with you all about transportation needs in cities like mine.

The fact that the State of Missouri, and the City of Kansas City, sits in the middle of our country means we have unique transportation challenges and opportunities.

We have approximately 6,300 lane miles of pavement within our City limits, and there are 1,379 miles of Interstates in the State of Missouri.

Our metropolitan region also has more freeway-lane miles per capita than any other, and is one of five U.S. Cities where four Interstates connect.

In addition, five major railroads serve Kansas City, and we are the largest rail hub in the Nation in terms of volume.

We have 90 miles of track in the metropolitan area, and there are 4,800 miles of railroad tracks in the State.

I've just given you a lot of statistics, but those statistics are important to give perspective as to why multimodal transportation strategy is more than a good talking point—it's essential for growth in communities across the nation, including Kansas City.

Thoughtful, multimodal transportation strategy creates economic development opportunities by connecting our nation, by ensuring workers can get to their jobs, and by fostering economic activity along transportation lines.

From a local perspective, we've already seen substantial economic development along our streetcar line, which is only in the early stages of construction.

In addition to a multi-modal approach, the Federal Government's role is critical to this effort.

Cities and states need policymakers to enact long-term, multi-year solutions for transportation issues.

Short-term solutions result in uncertainty, making planning and implementation costly.

Key to this certainty is the issue of funding.

Innovative solutions from Congress will go a long way toward helping Cities with long-term strategy.

For example, my friend, Senator Blunt, is leading the way with his "Partnership to Build America" and BRIDGE Acts.

Co-sponsored by another friend, Senator McCaskill, those bills would fund infrastructure projects through repatriation and a new infrastructure banks.

I applaud these outside-the-box approaches to finding creative solutions for funding critical projects and programs.

I also call that innovative leadership.

Thank you for that, Senator.

Whether it's a gas tax increase, a repatriation of funding for an infrastructure bank, or a combination of potential solutions, we absolutely need certainty from a funding perspective.

Also, equally important to a multi-modal, long-term strategy, is increasing local flexibility and decision-making.

Cities and states are keenly aware of the local transportation needs of our citizens.

Solutions to address these needs must include a comprehensive approach at the local level, which includes roadways, mass transit, bike and pedestrian-friendly routes, as well as freight routes.

This is also why competitive Federal grant programs like TIGER are so important—cities and states can apply for funding to target specific needs as part of an overall strategic approach.

While MAP-21 made progress by providing states increased flexibility, our cities and local governments must too have a strong seat at the decision-making table.

It only makes sense that the people closest to the projects should have a voice in the process.

Trust me, the residents of Kansas City know how to reach me to express their opinions.

Local leaders know the pulse of their communities.

That being said, I feel strongly that local leaders can offer a tremendous amount of insight on transportation projects.

I applaud this Committee's close examination and efforts toward finding ways to tackle these difficult issues.

Transportation is not a partisan issue—it is an American issue.

And it is one of those issues will impact communities and individuals for generations to come.

Thank you again, Chairman Blumenthal, Ranking Member Blunt, and members of the Committee for this opportunity, and I will be happy to answer any questions you might have.

Senator BLUMENTHAL. Thank you very much, Mayor James.

Mr. Smith, we'd be pleased to hear from you, and thank you very much for being here.

I'm glad you mentioned, Mayor James, those bills for funding, which I am cosponsoring and supporting, as well. And I join you in thanking Senator Blunt for his leadership, Senator Bennett and Senator Warner, who have worked with us on them. Thank you.

Mr. JAMES. Thank you, sir.

Senator BLUMENTHAL. Senator Smith. I'm sorry. Mr. Smith.

**STATEMENT OF JOHN ROBERT SMITH, CHAIRMAN,
TRANSPORTATION FOR AMERICA**

Mr. SMITH. Chairman Blumenthal, Ranking Member Blunt, thank you for allowing me to testify today. And I appreciate your focus on transportation that is so critical to every aspect of daily life and to the economic growth of our cities, regions in this country.

I am the Chairman of Transportation for America, a national alliance of local leaders—elected, business, and chamber, alike—that have come together to see that transportation investment at the Federal and the State level support local priorities. But, before coming to Washington, about 5 years ago, I also served for 16 years as the Mayor of my hometown of Meridian, Mississippi, and also served as Chairman of the Board of Amtrak. And I can tell you that every day my constituents in Meridian would stop me and tell me, whether it was at the grocery store or at church, about their transportation challenges. Yet, as Mayor, I was very frustrated to see so many limited choices of where I could go to for funding to meet the challenges of the people I serve.

Now, the Federal money came to the states, and there was a small percentage that could be accessed by local government. But, even that was often flexed and used for state priorities, never making it to the locals. In fact, local leaders had almost no direct access to Federal dollars. Fortunately, there was a small program, called Transportation Enhancements, at the time, that the state couldn't access, so I had—I was able to access those funds and build Meridian's Union Station, which was the first multimodal transportation center in the South. The city put about \$1.3 million in it. We coupled that with \$5 million in additional Federal and private-sector funds, and that project has leveraged \$135 million of additional public/private-sector investment within three blocks of that facility. Unfortunately, the Federal program that I used, which is now called Transportation Alternatives, has been shrunk, and states are now allowed to use half of those funds for State priorities, never getting to the locals.

When we couldn't get our needs met by the Mississippi Department of Transportation, I could come here to my Senators and my Congressmen to get a transportation earmark to address the transportation needs of my citizens. That door is closed, as well, now. And I have been traveling across the country, talking to my former colleagues, these gentlemen here, and others, about these issues. And I can tell you, local leaders know firsthand the needs of their communities, and they also have the energy and the drive to address them, like these gentlemen do.

In my written statement, you'll see several examples of innovative locally driven projects, one in Hartford, Connecticut. But, all those mayors share the same frustration that I experienced. They have little direct access to Federal funding and are often completely shut out of the process.

Based on these discussions and issues I experienced firsthand, I have several recommendations:

First, Congress must stabilize and increase revenues to the trust fund and make sure that those revenues are sufficient to support all modes, including highways, transit, and rail. If Congress does not provide additional revenues to the trust fund, there will be no new funding for transportation projects in the fiscal year beginning this October. Connecticut stands to lose \$654 million. Missouri, almost a billion dollars. That means that the 60,000 bridges that need replacement or repair are going to have to wait while we travel over them. The aging buses will have to last even longer. And the people who would have been employed to build those and repair those bridges and manufacture those buses won't have those jobs. And those who use them to get to work or move goods won't have those opportunities. Local leaders from around the country—Metro Hartford Alliance, the Capital Region Council of Governments in Hartford, the City of Gainesville, Florida, the Seattle Metropolitan Chamber of Commerce—all support raising the needed revenues, and will support you in making those choices, whether that's by increasing and indexing the gas tax, adding a sales tax, imposing an oil fee, or other solutions. They support these actions because they know the adverse economic impact that their region would face if the Federal funding for transportation disappears.

But, simply raising revenue isn't enough. With the expiration of PRIIA and MAP-21, you have a marvelous opportunity for policy changes to increase competition and give local governments more control and use of the funds. When moving people and goods, the solutions are multimodal. You can't expect any single mode to do it all. Therefore, freight investment should be targeted to the best solutions to address bottlenecks and improve last-mile connections within regions, regardless of the mode. Our national passenger rail network must be truly national. It must be maintained, expanded, and it must have dedicated funding to provide the transportation choices to our cities and towns, large and small, across the country. And local governments must have access to the financial tools to redevelop their rail stations and to economic drivers for their downtowns, as we did in Meridian.

Transportation for America has a number of proposals we've developed to spur these innovative and multimodal solutions, and my written statement discusses these in detail. And I would encourage the subcommittee to consider them.

The most important message I have to deliver today, though, is: the status quo is not acceptable. Mayors and other local leaders are doing everything they can to improve their transportation systems and keep their economies strong, which is the basis of a strong national economy. But, they need a Federal partner. Too often, they're shut out of this process. The Federal Government can, and must, do more to help local leaders meet the transportation needs that their citizens require.

Thank you both.
 [The prepared statement of Mr. Smith follows:]

PREPARED STATEMENT OF JOHN ROBERT SMITH, CHAIRMAN,
 TRANSPORTATION FOR AMERICA

Chairman Blumenthal, Ranking Member Blunt, and members of the Subcommittee, thank you for the opportunity to testify today. I am John Robert Smith, Chairman of Transportation for America, an alliance of elected, business, and civic leaders from communities across the country, united to ensure that states and the Federal Government step up to invest in smart, locally-driven transportation solutions. We believe that these are the investments that hold the key to the economic competitiveness of cities, towns, and suburbs, and thus to the future economic prosperity of the Nation.

I greatly appreciate the Subcommittee's invitation to testify on the important topic of surface transportation reauthorization. With the expiration of MAP-21 in a few short months, the members of this Subcommittee, along with your colleagues in both the Senate and the House, have the opportunity to reinvigorate the Federal transportation program in ways that will boost today's economy and ensure future prosperity for all Americans. Based on the discussions we have had with local leaders in cities and towns across the country, two key lessons have emerged loud and clear. First, local governments are working hard to find innovative solutions to their transportation challenges and in many cases are raising their own revenues to help meet the demand. Second, these communities need a strong and reliable Federal partner if they are to succeed. Unfortunately, existing Federal programs are not doing enough to support local efforts to maintain their existing infrastructure and prepare for the future, and often leave local governments out of the process altogether.

1. Local Leaders Are Developing Innovative Transportation Solutions that Benefit the Economy and Improve Quality of Life

Transportation has a direct effect on the strength of local economies and the quality of people's daily lives. Local leaders around the country understand that in order to remain competitive their city or county has to offer connectivity and mobility for residents and visitors, as well as for goods and materials. Workers need affordable and reliable connections to jobs; businesses need dependable and efficient ways to ship and receive goods. Americans of all generations, from college students to seniors, are looking for more transportation options to get them where they need to go.

Increasingly, businesses are seeking to locate in places that can provide a high quality of life for both executives and employees. Young college graduates are looking for places to settle where they can have transportation options other than driving. A recent poll released by the Rockefeller Foundation and Transportation for America found that more than half (54 percent) of millennials surveyed say they would consider moving to another city if it had more and better options for getting around, and 66 percent say that access to high quality transportation is one of the top three criteria in deciding where to live next. The mayors and local leaders with whom I have spoken agree that these are the factors that lead to economic success—residents who want to remain, businesses and young people who want to move in. They further agree that a multimodal transportation network—including roads, transit, passenger rail, and bicycle and pedestrian facilities—is a key component of their ability to retain and attract residents.

I have seen this first-hand: before I came to Transportation for America, I was the Republican Mayor of my hometown of Meridian, Mississippi, for sixteen years and a member of the Amtrak Board of Directors from 1998–2003 (Chairman from 2002–2003). I have spent much of my career finding innovative ways to fund and support transportation improvements. I led the effort to turn our historic Meridian Union Station into the South's first multimodal transportation center, which proved to be a catalyst for transforming our downtown, increasing public transportation ridership, and helping to generate millions of dollars in private economic development in the surrounding neighborhoods. Historic buildings were renovated; people came back downtown to both live and work, and also for entertainment. Our city center was revived, not only for residents but for those that lived in the surrounding 11-county region. The city's investment of \$1 million leveraged an additional \$5 million in federal, state, and private sector dollars, which resulted in \$135 million in economic development.

Meridian may have been among the first, but it is not the only community to have used its rail station as a focal point for economic development. Mayor Chris Koos

of the Town of Normal, Illinois spearheaded the construction of a multimodal transportation center as the anchor for redevelopment of an entire neighborhood, Uptown Normal, and creation of a city center. Using a Federal TIGER grant, local taxes, and tax-increment financing, the city built a new city hall and multimodal center to replace an aging Amtrak station, along with other infrastructure needed to attract private development. As a result, Uptown Normal is now a vibrant neighborhood with residential, commercial, and entertainment opportunities. Thus far, investment in the transportation center has generated \$220 million of economic development in the Uptown Normal district, including two new hotels.

Transportation is not one-size-fits-all, and other local leaders have developed different types of transportation projects to fit their local needs. The Nashville metropolitan region is facing some of the worst congestion in the Southeast, and its population is projected to continue growing at a rapid pace. Rather than waiting until the region reaches gridlock and commuters reach the boiling point, Nashville—with strong leadership from the business community and the Nashville Chamber of Commerce—is investing in greater transportation options for the region. Specifically, Nashville is building bus rapid transit (BRT) through the heart of the city to connect riders with the numerous employers in the area. The BRT system will enable more people to move into this busy corridor without increasing traffic. Also important to Music City is the benefit the BRT system will bring to bolstering tourism, a major industry in Nashville. While the region consists of a variety of suburban areas and smaller towns as well as the central city, the entire region has united around this transportation vision. Ken Moore, the mayor of Franklin, a small city on the outskirts of Nashville, has observed that “transportation is a regional issue,” and even though the first phase of the BRT system would not serve his city, Mayor Moore is a strong supporter of the project. He sees it as “the beginning of bolder transit initiatives in our region to address the congestion on our highways and to improve people’s ability to get around.”

Locally driven transportation projects can also play a critical role in town and city centers by ensuring employers have access to top talent across a region. In the Chairman’s home state of Connecticut, the City of Hartford is leading a project to redesign downtown streets to better connect major job centers with a growing multimodal transportation hub at Union Station. Downtown Hartford is an economic engine with more than 110,000 jobs, including 80,000 jobs within one-half mile of Union Station. But employers, including several Fortune 500 businesses, were concerned that inadequate connections in the downtown core were limiting access to top employees. This project will boost the downtown economy and make these jobs more accessible to workers across the region through relatively small improvements: remarking streets, adding new crosswalks and wayfinding signs, and retiming traffic lights to improve transportation connections through the downtown core. The City of Hartford was able to partner directly with the Federal Government to undertake this innovative project through the TIGER grant program; the project was awarded a \$10 million grant in 2012.

Local communities are increasingly raising their own revenues to help fund these transportation investments. According to the Center for Transportation Excellence, which tracks local ballot measures, transportation measures pass at twice the rate of all other ballot measures, and this success holds true for both large places and small ones. In Salt Lake City, for example, a 2007 sales tax measure passed with a two-thirds majority to support further development of the region’s light rail, bus, and commuter rail systems to keep up with the rising demand on those systems. In 2013, Missoula, Montana voters supported a new property tax measure to improve their local bus service. Many of these measures passed with the support of a broad coalition of stakeholders, including local businesses, hospitals, universities, and community-based groups. These local actions underscore the momentum and commitment that exists today among local leaders to improving transportation options in their communities. But they cannot do it alone. While local revenues are playing an increasingly important role, Federal dollars typically make up well more than half of transportation project budgets.

2. Congress Should Provide Stable and Dedicated Revenues For All Modes of Surface Transportation

The projects discussed above, and their associated economic benefits, would likely not have materialized if not for Federal support. But the gasoline tax that has sustained the Federal transportation program since the middle of the last century is no longer keeping up with investment needs. According to projections from the Congressional Budget Office, all of the gas tax revenues that are expected to come into the Highway Trust Fund in the next Fiscal Year will be needed to pay for commitments the U.S. Department of Transportation (USDOT) has already made to states,

regions, and transit agencies. Without new revenues being added to the trust fund, USDOT will not be able to make any new commitments of funding for transportation in the coming Fiscal Year.

Every region in this country has developed multi-year transportation plans that count on Federal funding being available in the future for important local projects. If Congress does not act to provide additional revenues for the Highway Trust Fund, these plans and projects would be stopped in their tracks, with real—and likely lasting—effects on the Nation’s economy. Transportation for America’s recent report on this issue, “The End of the Road? The Looming Fiscal Disaster for Transportation,” found that if nothing is done, communities across America can expect to see a \$46.8 billion hole in their transportation budget for projects that would otherwise have begun next year. The breakdown of that number among the states represented on the Subcommittee is shown in Table 1.

Table 1. Contract Authority States Stand to Lose in FY2015 (Highways and Transit)

| State | Total Dollars | State | Total Dollars |
|----------------------|-----------------|-----------------------|-----------------|
| <i>Alaska</i> | \$530,948,095 | <i>Missouri</i> | \$1,017,454,027 |
| <i>Arkansas</i> | \$537,519,402 | <i>Montana</i> | \$421,688,246 |
| <i>California</i> | \$4,874,210,701 | <i>Nebraska</i> | \$304,996,749 |
| <i>Connecticut</i> | \$654,278,090 | <i>Nevada</i> | \$409,378,648 |
| <i>Florida</i> | \$2,210,614,868 | <i>New Hampshire</i> | \$181,282,406 |
| <i>Hawaii</i> | \$210,909,824 | <i>New Jersey</i> | \$1,570,130,769 |
| <i>Indiana</i> | \$1,036,206,363 | <i>South Carolina</i> | \$703,867,293 |
| <i>Massachusetts</i> | \$956,611,330 | <i>Texas</i> | \$3,787,141,049 |
| <i>Minnesota</i> | \$739,788,429 | <i>Washington</i> | \$907,772,105 |
| <i>Mississippi</i> | \$498,547,291 | <i>Wisconsin</i> | \$826,022,133 |

Source: “The End of the Road? The Looming Fiscal Disaster for Transportation,” Transportation for America, April 2014, Table 2, <http://www.14america.org/maps-tools/fiscal-cliff-report/>.

Transportation for America has proposed an investment plan for the Nation’s transportation fund that calls for an additional \$30 billion per year to support all modes of surface transportation. We support revenue raising mechanisms such as an increase in the per-gallon gasoline tax plus indexing it to inflation, a sales tax on gasoline, or a per-barrel oil fee. Our plan also calls for creation of a new Transportation Trust Fund to replace the existing Highway Trust Fund that would provide dedicated and stable revenues for all modes, not only highways and transit but also intercity passenger rail and other surface transportation programs currently subject to annual appropriations. Providing dedicating funding for these modes is important not only to allow for long-term investments in equipment and infrastructure, but also to facilitate the use of innovative financing strategies, as private investors require long-term commitments, not promises that can be renegotiated every year.

Transportation for America’s revenue proposal has been endorsed by a number of local chambers of commerce, cities, and other organizations, such as the MetroHartford Alliance and the Capitol Region Council of Governments in Connecticut; the Newark Regional Business Partnership in New Jersey; the City of Gainesville and the Broward MPO in Florida; the Southern California Association of Governments; and the Seattle Metropolitan Chamber of Commerce. These entities have joined with us in calling for Congress to address the funding issue because inaction would be devastating for local transportation projects. In Boise, Idaho, for example, the urgently needed Broadway Bridge replacement project is at risk. The Broadway Bridge has the lowest structural rating of any bridge in the state, and given its degraded condition, could require weight restrictions or closure at any time. The \$11.2 million project was scheduled for 2015, but with \$10.4 million in Federal funds now uncertain to materialize, the project may not happen. This is just one of hundreds of projects important to local communities that could be threatened if Congress does not stabilize funding for transportation.

3. Federal Transportation Programs Should Be Refocused to Better Support Local Needs.

As discussed, local communities are working tirelessly to address their transportation challenges, but they need a strong Federal partner if they are to succeed. The reauthorization of MAP-21 provides an opportunity to refocus Federal programs to better support transportation needs at the local level. Based on discussions with civic, business, and elected leaders in communities throughout the country, Transportation for America has developed a set of policy reforms, based upon principles of competition, multimodalism, innovation, and local access to funds. The following sections address key proposals that we believe would be of particular interest to members of this Subcommittee.

a. Spur Local Initiative Through Competition and Incentives

Normal, Illinois used a TIGER grant to attract private investment; the City of Meridian used funding from the old “transportation enhancements” program (now rolled into the Transportation Alternatives program, from which states can choose to shift half of the funding for other purposes). These funding sources are flexible—multiple modes are eligible—and are available to local governments for locally-developed projects. Unfortunately, these programs represent only a tiny percentage of Federal transportation dollars, far less than is needed. The demand is clear: in the five past rounds of TIGER grants, USDOT has received over 5,000 applications requesting over \$114 billion, for just \$3.5 billion in available funding.

Local leaders need the tools and resources to invest in innovative transportation solutions that are critical to their economic competitiveness. Through the consolidation of programs in MAP-21 virtually all competitive Federal funding opportunities were eliminated, making it harder for local communities to directly access Federal funds. These were the same programs to which communities looked to help fund their innovative transportation projects. Formula programs now make up nearly 93 percent of all Federal highway funding, an increase of 10 percent from SAFETEA-LU. Local and regional entities are provided direct access to less than 15 percent of all authorized highway funds from MAP-21. Additionally, the primary source of funding for local transportation projects, the Surface Transportation Program (STP), had more than \$5.0 billion of new responsibilities added to it by MAP-21, while that program was only increased by \$1.2 billion. As a result, states are facing increased pressure to use STP funds to address state needs, rather than local priorities.

Competitive programs, for which all modes are eligible and to which local governments can directly apply, are a promising model to address these needs. Competition spurs innovation as communities work harder to create projects that stand out, achieve multiple goals, and attract both public and private matching funds.

Transportation for America has proposed several approaches to improve local access to Federal funds. First, a national competitive program in which communities from around the Nation compete with each other would both stimulate innovation and provide an option for local communities to gain funding for projects that are otherwise hard to fund under existing formula programs. Open to road, rail, transit, and port projects, a national competitive program could target funds to projects with the greatest return on investment, regardless of mode.

A complementary approach, which could be done in addition to a national program, is an in-state competition using a portion of a state’s highway funds. This proposal, championed in the Senate by Senators Wicker and Booker and in the House by Reps. Rodney Davis (R-IL) and Dina Titus (D-NV), would allow local and regional governments to build infrastructure that provides better opportunities for local businesses and residents to prosper. Under this proposal, states will conduct annual competitions for a small portion of Federal formula funds. Projects would be selected by a panel with equal representation from state departments of transportation and local jurisdictions, as well as other stakeholders, based upon a set of criteria aimed at improving the transportation system, promoting innovation, and spurring economic development.

I encourage the Subcommittee to consider these approaches as well as others that would achieve the goal of increasing local access to and control over Federal transportation funds. These reforms will help to ensure that our limited Federal dollars are used to provide the highest return on investment.

b. Reduce Freight Bottlenecks and Address Last-Mile Connections

Efficient goods movement is critical to economic growth. However, throughout our transportation network there are bottlenecks that slow down goods movement. Congestion increases logistics costs on businesses and undermines productivity. Freight takes longer to get through many metropolitan regions than to traverse long-haul freight corridors: it can take 48 hours to move goods from Los Angeles to Chicago, and another 30 hours just to cross the Chicago metropolitan region.

Over the past ten years, we have seen a significant growth in domestic freight movement, especially freight rail. Specifically, between 2002 and 2012 there has been a 17 percent growth in ton-miles of freight rail. Just last year, freight rail’s intermodal volume totaled 12.8 million containers and trailers, up 4.6 percent over 2012. Any solution to improve freight movement needs to be multimodal and address both long-haul routes and last-mile connections within cities and regions, which can be disproportionately costly and time-consuming. For example, a truck that misses a 15-minute delivery window can disrupt the production or merchandising of goods by the recipients, interfere with other trucks maneuvering into tight spaces and scheduled door capacity at customer docks, and in some cases may even be turned away.

Currently, our Federal surface transportation program does not recognize the multimodal nature of freight movement. Instead, the program looks at highway, rail, and water infrastructure for freight separately. To improve freight movement, the next transportation reauthorization should invest in multimodal solutions. A multimodal freight transportation system recognizes the market demand for intermodal trips that improve efficiency and reliability and reduce costs. It recognizes the intersection between modes of transportation—whether it is from rail to truck, water to rail, or water to truck to rail. The next bill should direct funds to projects that will reduce bottlenecks and address last-mile connections through investments *in all appropriate modes*.

The next bill should also incentivize and support regional freight planning efforts, particularly with regard to first- and last-mile connections, which are of particular importance to local communities. In Mississippi, a lot of timber is shipped by rail. But to get to the rail yards, the timber first has to move by truck. As you can imagine trucks carrying timber to load onto freight rail causes wear and tear on our roadways, and also caused concern for my constituents who did not enjoy sharing our city's streets with timber trucks. As Mayor, I worked with the city staff to identify key routes through the city, and then designated specific roadways that could carry the timber trucks. This plan resulted in improved efficiency for the trucks as well as other drivers, who could avoid the truck routes if they so chose. This type of effort is not unique to Meridian. Our much larger neighbor to the north, New York City, has also implemented this type of program. The Federal Government should recognize the value of these planning efforts and encourage other communities to undertake them.

Finally, MAP-21 required the Department of Transportation to designate up to 27,000 miles of existing interstate and other roadways as the Primary Freight Network to help states direct resources toward improving freight movement. Reauthorization should build on this provision by expanding the Primary Freight Network to include critical rail corridors, waterways, and connections to ports, as well as designating the urban corridors that are critical to freight movement.

c. Maintain and Expand the National Passenger Rail System with Stable and Dedicated Funding

Another issue of great importance to local communities is the future of intercity passenger rail. Americans today are using intercity passenger rail in record numbers. For smaller communities no longer served by air or intercity bus, rail provides the critical connection to jobs, medical centers, and universities in larger metropolitan areas. The national rail system increases economic activity and supports economic development efforts in communities across the country. For example, three years after the Downeaster service from Boston to Portland started, researchers found more than \$15 million in annual business sales in Maine and New Hampshire attributable to the rail service.¹ A study of the Empire Builder's impact on Montana found that direct spending in Montana by Amtrak and riders from out of state totaled between \$5.3 million and \$5.7 million annually, and that the benefits for Montana residents of using Amtrak intercity service (in terms of automobile costs avoided, lower accident probability, reduced highway maintenance, etc.) totaled at least \$7.6 million annually.²

Rail service is a key component of local communities' ability to retain and attract residents and businesses—the foundation of their future economic success. Yet too many communities lack this service. The college town of Grinnell is located in a sparsely populated part of central Iowa. Grinnell is only 285 miles from Chicago, but is no longer served by passenger rail, which used to connect the two cities in only a few hours. According to Jim Reische, Vice President of Communications for Grinnell College, "Grinnell is having an increasingly hard time recruiting the world-class faculty, staff and students we need to sustain our reputation and support our community, because of the impression that we're geographically isolated." Reische believes that restoring the rail connection to Chicago is necessary for "attracting people who have competing educational or employment options in locations they largely perceive as more desirable, typically because of easier access to metropolitan areas and the associated assumptions about diversity, cultural life, etc."

¹"Economic Benefits of Amtrak Downeaster Service," Prepared for the Maine Department of Transportation by Economic Development Research Group, Inc. and KKO and Associates, February 2005.

²"Analysis of the Economic Benefits of the Amtrak Empire Builder to Montana: Report to the Montana Department of Transportation, Montana Department of Commerce, and Montana Department of Agriculture," R. L. Banks and Associates, Inc., July 2003.

Along the Gulf Coast, 22 mayors have joined together to support restoration of passenger rail service from New Orleans to Orlando. Service along the Gulf Coast was suspended after Hurricane Katrina in 2005 and has not been restarted, despite the fact that this corridor is experiencing rapid growth. It is the fourth largest aerospace corridor in the country, an industry that needs rapid, efficient transportation for its products and people. These mayors—who represent cities large and small along the Coast—are seeking the restoration of passenger rail service in order to allow their region to continue its strong economic growth without choking on highway and airport congestion.

At the same time, local leaders in Baton Rouge and New Orleans are spearheading an effort to create a rail connection between their two cities. Post-Katrina, Baton Rouge is now the largest city in Louisiana, yet many of its residents still commute daily to New Orleans. Those in New Orleans need access to the state capital as well. As a result, the highway between the two cities is highly congested, and geographic limitations make expansion challenging. Civic leaders in Baton Rouge and New Orleans recognize that passenger rail between these two major economic centers is essential to support the region's continued economic growth.

While these examples focus on specific corridors, the value of our passenger rail system derives from the fact that it is a national system. As with any network, the more connections that are made, the larger and more valuable the network becomes. By expanding service to more communities, the economic benefits of the entire network can be increased. If any set of connections is eliminated, *e.g.*, through reductions in service or degrading infrastructure, the value of the entire network is diminished. To ensure that our national passenger rail system achieves its maximum economic potential, we must not only improve and expand service to additional communities, we must also make the investments needed to ensure that the system is brought into a state of good repair.

The reauthorization of the rail program should maintain and expand the national intercity passenger rail system, provide increased, stable, and dedicated funding for passenger rail, and provide local communities with additional funding and financing tools to support station-area economic development efforts such as those in Meridian and Normal.

d. Deploy Promising Research Through Locally-Based Pilots

Local communities would also benefit from the ability to put promising new ideas into action. The next transportation bill should use a portion of Federal research dollars to provide opportunities for communities to apply for innovative implementation grants and use these pilots as models, should they succeed, for communities nationwide. Innovative projects could be those that would improve transportation decision-making, increase operating efficiencies, or advance performance outcomes. Local communities, as the laboratories for ground-breaking practices, would receive an early return-on-investment through these deployment activities, through cost-savings and increased efficiency. This type of program would also make more efficient use of Federal dollars by decreasing the time it takes for research to get from testing and development to implementation nationwide.

Conclusion

To conclude, let me reiterate my appreciation for the Subcommittee's interest in this topic. As I have said, mayors and other local leaders across the country with whom I have spoken are working hard to keep their local economies moving and improve the quality of life for their residents. The Federal Government must continue to stand with them as a ready partner in these efforts. As the Subcommittee develops its transportation authorization bill, we stand ready to assist your efforts to ensure that our multimodal transportation system can realize its full potential and allow our cities, towns, and suburbs to be more competitive and prosperous. Again, thank you for inviting me to testify today.

Senator BLUMENTHAL. Thank you.

We're going to make all of your written statements part of the record, without objection.

And I want to thank you particularly for mentioning the city of Hartford, which, in your testimony—your written testimony, you correctly describe as an economic engine for the entire region. And the TIGER grant that we were able to obtain in 2012 for Hartford is going to play a critical role at Union Station there in developing a multimodal approach.

So, thanks for mentioning it, and thanks for your excellent testimony.

Mr. SMITH. Thank you, Chairman.
 Senator BLUMENTHAL. Mr. Fisher.

STATEMENT OF PAUL S. FISHER, VICE CHAIR, BOARD OF TRUSTEES OF CENTERPOINT PROPERTIES TRUST; CHAIR, SUPPLY CHAIN INNOVATION NETWORK OF CHICAGO (SINC); AND MEMBER, COALITION FOR AMERICA'S GATEWAYS AND TRADE CORRIDORS

Mr. FISHER. Thank you, Chairman Blumenthal and Ranking Member Blunt.

It's a real honor and privilege to have the opportunity to talk to you about an issue that's absolutely essential to the national economic health, which is enhancing our national freight system. I'd like to tell you a little bit about who I am and why I'm here.

I was asked to share the perspective of business, not just transportation businesses, but business generally, because all businesses depend on effective freight transportation.

A little on my background. I was a founder of CenterPoint Properties, which is a national company focused exclusively on transportation-related assets and transportation infrastructure. Our business is the business of this committee. I was President and CEO of the company when I recently retired. My first activity after stepping away was, with a group of other executives in the supply chain, forming an organization called SINC, the Supply Chain Innovation Network of Chicago. My friends in the supply chain, in all links of the supply chain—railroads, short-lines, steamship lines, 3PLs—said we had to get together and talk about this, because, without enhancing our supply chain, we're going to lose business, not just their business, but America's business. Finally, I'm a Member of the Coalition for America's Gateways and Trade Corridors, a national organization that includes both businesses and governments.

But, why is an integrated, well-conceived, well-created, maintained freight system important, and more important than ever? Two facts, I think, illustrate this. Virtually every American and every business depends on freight transportation. It's a little-known fact, but our freight transportation system handles 40 tons of freight annually for each American. And, on average, 50 cents of everything we buy or use is transportation expense. If we get our integrated freight transportation system right, we can boost economic growth across a gigantic swath of our economy.

First of all, manufacturing. Reshoring is real, and it's happening. We can accelerate this growth if we have a system that can move parts, other inputs, and finished goods more cheaply.

In the resource market, the boom in energy production is real. We can produce and move more, as well—more energy, as well as derivative products, if we create and enhance the related freight system to these products. It's not just oil and gas, though. You know, goods that are green also move by train. Turbine blades and modern components of the electrical grid depend on the freight system.

Agricultural goods. We are the world's most productive nation in the agricultural sector, but these products depend heavily on transportation to get these goods to our homes, and, more importantly, abroad.

Then finally, retail goods. Of course they depend on freight.

So, what is an effective railroad system—freight system? Well, it's multimodal. And this is the term to describe it. What does this mean? It really depends on the interchange of freight from different roads. The most common is ship to rail to truck to distribution facilities and to our homes or to businesses. Think—you've got to think about it like a relay race. There are the racers that are the modes, the interchange is the baton handoff. And businesses—and then the winning relay team, it's the handoff that counts. So, it's the interchange between the modes that really matters. Inventory has to be in motion, goods have to be in motion, because time is money.

Your colleagues aren't here, but, I think, in half the Committee, there are projects that we have done that have involved multimodalism. So, what principles ought to guide you in looking at this? First, we need to change policy and integrate all modes. We have to look at this holistically. We should designate and enhance a national intermodal network, and then we have to invest in projects that best serve that network.

I think following these principles will tackle some important challenges that we have. First of all, we have to foster collaboration across the many committees in the Congress that actually deal with this. So, having a policy that organizes the committees, I think, is essential.

Second, these projects are enormous and take a long time. Multiple states are frequently involved, multiple levels of State government. And at each level of State government, there are multiple agencies. And then there are multiple private entities. An intermodal national focus would help motivate these groups to work together.

Seed money can align interests and get people focused on doing the right thing. In my experience, 10 cents of government investment motivates about 90 cents of private investment. That's tremendous leverage if it's focused practically and smartly.

It has been said that \$2 billion should be allocated to this. Matched with another \$2 billion from State government, that could produce as much as \$40 billion of annual investment in freight infrastructure.

We need to look at these projects as partnerships. If we focus on the best projects for the Nation, the ones that lower freight movement cost will benefit the greatest number of Americans. We have to look at this, we have to solve big problems. If we—but, if we grow jobs and wages, we can fund mortgages, tuition that address weaknesses in our housing markets and our skill deficit. We can grow exports that will help balance our trade deficit. And if we can grow revenues, that will help us balance our budget.

Doing nothing is a tax. Congestion is a tax. Freight costs that are higher than they should be is a tax on everything we make and consume. In fact, doing nothing is a tax increase. We will miss the opportunity that's just sitting there for our Nation and our fellow

citizens. The supply chain is seeking the lowest cost to move freight. We can't be complacent, because maybe America will be left out of the chain.

A lot of issues divide this body. This one shouldn't. Effective government direction, coupled with investment that leverages state and, more importantly, business investment, will grow our economy. I think we all can stand on this common ground.

Thank you for listening to business.

[The prepared statement of Mr. Fisher follows:]

PREPARED STATEMENT OF PAUL S. FISHER, VICE CHAIR, BOARD OF TRUSTEES OF CENTERPOINT PROPERTIES TRUST; CHAIR, SUPPLY CHAIN INNOVATION NETWORK OF CHICAGO (SINC); AND MEMBER, COALITION FOR AMERICA'S GATEWAYS AND TRADE CORRIDORS

It is my pleasure and honor to testify before the Senate Committee on Commerce, Science and Transportation's Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security. Today I am representing both CenterPoint Properties—an owner, manager and developer of industrial real estate with expertise in intermodal and transportation-related development—and the Coalition for America's Gateways and Trade Corridors (the Coalition), a diverse coalition of more than 60 public and private organizations dedicated to increasing Federal investment in America's multimodal freight infrastructure. I thank Chairman Blumenthal, Ranking Member Blunt and Members of this Subcommittee for the opportunity to share my views with you, as I believe it is essential that our federal, state and local leaders all understand the important role logistics, advanced technology, and infrastructure play in maximizing both trade and manufacturing opportunities.

Realizing that the surface transportation authorization touches a broad range of topics and has bearing on the safety and quality of life for people across the nation, I will focus my comments on an aspect that supports American businesses, leverages our economic output to create more jobs, and enhances Americans' daily lives by providing the products on which we all depend: our national freight system. According to the U.S. Department of Transportation, each American requires the movement of approximately 40 tons of freight per year across the freight network.¹

We are a growing nation of consumers and, thanks to a rebounding economy, Americans are experiencing increased purchasing power. Our manufacturing sector is exporting goods to the world's consumers at rapid pace and our global economic competitiveness is tied directly to our ability to move these goods in a safe and efficient manner. Just last month, the Boston Consulting Group issued a new report calling the U.S. a "rising star" and ranking our country second only to China in competitiveness for global manufacturing.² According to the Bureau of Transportation Statistics, "productivity growth in freight transportation has long been a driving force for the growth of U.S. overall productivity and contributed directly to the growth of the U.S. GDP."³ Representing 85 percent of our national economy, our country's five major economic sectors—manufacturing, retail, agriculture, natural resources and transportation providers—are reliant on efficient freight movement to be successful in both the national and world marketplace. Despite all this, we have ignored the need to invest systematically and strategically in our national multimodal freight transportation system.

Strategic investment in freight efficiency and relief for congestion chokepoints is very important to my industry. Headquartered in the Chicago area, CenterPoint Properties Trust is focused on the development, acquisition and management of industrial property and transportation infrastructure that enhances business and government supply chain efficiency. We are the Nation's leading developer, investor and manager of supply chain industrial assets and related rail, road and port infrastructure. The company invests in major coastal and inland port logistics markets anchoring North America's principal freight lanes. CenterPoint's portfolio includes 45

¹Federal Railroad Administration, "National Rail Plan," September 2010. <www.fra.dot.gov/Elib/Document/1336>

²Sirkin, H., Rose, J., & Zinsler, M, *The U.S. Manufacturing Renaissance: How Shifting Global Economics Are Creating an American Comeback*, 2014. <<http://www.bcg.com/media/PressReleaseDetails.aspx?id=tcm:12-159505>>

³Bureau of Transportation Statistics, "Economic Impact on Transportation," January 2014. <http://www.rita.dot.gov/bts/programs/freight_transportation/html/transportation.html>

million square feet and 5,750 acres under development in the company's integrated intermodal industrial parks; the company currently manages \$3.1 billion in investments and employs 107 people. After 12 years as a public industrial real estate company, CenterPoint was acquired by CalEast Global Logistics in March 2006.

As a founder of CenterPoint Properties, I have a great many years of experience in the freight transportation and logistics industry. And, as a company, CenterPoint has helped bring enhanced goods handling and movement to areas as far-flung as Oakland CA, Houston TX, Atlanta and Savannah GA, Suffolk VA, and our hometown of Chicago IL. Our customers reflect a wide spectrum of American and international business, including major Class-I railroads, Wal-Mart Stores, Inc., DSC Logistics, Georgia Pacific, Potlatch, Sanyo Logistics, Partners Warehouse, California Cartage, Maersk, Bissell and many others. So, my remarks draw on the collective experience of many freight system users and locations.

It is widely agreed that in the United States we can support our retail, manufacturing, agriculture and other industries better by improving our national multimodal freight system. Without a campaign of strategic investment to expand capacity and increase efficiency, U.S. productivity and global competitiveness will suffer, costs will increase and investment will lag. Freight mobility—on all modes—requires added capacity and improved efficiency to keep pace with growing demands. And connectivity among the modes is key to efficient goods movement. Based on estimates of freight system needs, the Coalition for America's Gateways and Trade Corridors believes a minimum of \$2 billion in Federal investment is necessary on an annual basis, in addition to state, local and private funding.

Per MAP-21, "It is the policy of the United States to improve the condition and performance of the national freight network to ensure [it] provides the foundation for the United States to compete in the global economy." MAP-21 took the first steps toward a robust freight transportation program and, since its passage, the chorus of support has grown among Members of Congress, the Administration, and American businesses.

As called for by the House Transportation and Infrastructure Committee's Special Panel on 21st Century Freight Transportation, the Coalition asks Congress to expand this commitment by taking the following measures in the 2014 reauthorization:

- *Modify the national freight transportation policy to make it multimodal and designate a national, multimodal freight network:* Freight policy and planning should incorporate the many modes of transportation that move goods;
- *Authorize dedicated, sustainable, substantial funding for multimodal competitive freight infrastructure grant program:* Authorize dedicated, sustainable funding for a multimodal freight-specific Projects of National and Regional Significance (PNRS), or a similar freight infrastructure program, through a competitive grant process and establish clear measurable criteria for project selection. By prioritizing projects with demonstrably important public benefits and supported by non-federal funding, a \$2 billion merit-based, competitive grant program could leverage many times itself in economic value. Established under SAFETEA-LU, PNRS assists in funding large-scale infrastructure projects, spanning modes and jurisdictional borders, which are difficult, if not impossible, to fund through traditional distribution methods such as formula programs;
- *Ensure robust public investment in all modes:* Freight does not move on highways alone—where public benefit is derived, public investment must be made. In the case of highways, increased investment is necessary, particularly for National Highway System intermodal connectors, which bridge highway freight to other modes and distribution centers and are the conduits for the "synergistic" use of combined modes. FHWA estimates intermodal connectors are at least 50 percent less maintained than the rest of the highway system. Often it is the places where various modes come together that need public assistance to close the funding and infrastructure gaps, which result in capacity inefficiencies and bottlenecks. Examples include highway-rail grade crossings, rail spurs to access cargo, logistics or transfer facilities, tunnels and bridges for port access, border crossing capacity enhancements, and air-freight connectors.

The planning groundwork for highway freight introduced in MAP-21 is commendable and a true step forward. Now, it is time to take the next step. Freight is not a singular mode commodity and as such, planning and funding its built infrastructure should not be either. We recognize the challenges:

- Legislatively speaking, current committee jurisdictional boundaries make it difficult to craft law in a multimodal fashion.

- Freight infrastructure is not solely public or federally operated. Freight rail is private. Inland and seaports vary in structure and authority (some are run by states, others by special authorities, cities or even counties). International ports of entry are governed by a multitude of agencies at the federal, state, and local level. Given the varying degrees of operation, it is difficult to make broad-stroke planning mandates.

Those challenges cannot be minimized, but they are put into perspective when juxtaposed against the challenges we face through inaction:

- The lag in U.S. manufacturing that stands to take place as a result of stifled shipping capacity.
- Increased transportation costs, which effectively acts as a tax that we, as consumers, are paying as long as the bottlenecks, capacity problems and deficiencies in our multimodal network go unaddressed.
- The pressure on the trucking industry to retain drivers and owner-operators in the face of fading productivity and mounting stress due to congestion.
- The competition from Canadian and Mexican ports where government support and investment has expanded North American gateway options and market access.

Building upon the good work of MAP-21, freight policy must be reoriented to become multimodal. Just like the overlapping modes needed to move freight, legislating a multimodal freight program will require teamwork among jurisdictions in Congress. For the next surface transportation authorization, the Coalition calls for a holistic, large-scale multimodal freight policy containing a highway-specific program and a complementary multimodal competitive grant program, with broad applicant and project eligibility, to be administered by U.S. Department of Transportation. Noting the great emphasis both the Senate Commerce Committee and Senate Environment and Public Works Committee have placed on freight, the Coalition encourages the two Committees to work together to develop a program that addresses and satisfies the needs of our entire multimodal freight network.

Private companies, CenterPoint Properties Trust included, have made enormous infrastructure investments that benefit our company, our customers and the American public. However, there exists a gap that must be filled by strategic, targeted investment by our national government. On behalf of both the Coalition and CenterPoint Properties, I ask this Committee to prioritize freight investment in the next surface transportation authorization. Such investment is truly critical for our national economic competitiveness and I caution Congress that these important freight projects cannot wait another six years in hope that we find ourselves in a better financial condition. In fact, absent investment in our national commerce-moving system, we most certainly will be in a far worse situation than we are today.

Senator BLUNT [presiding]. Thank you, Mr. Fisher.
Mr. Poupore?

**STATEMENT OF RAYMOND J. POUPORE, EXECUTIVE
DIRECTOR, NATIONAL INFRASTRUCTURE ALLIANCE**

Mr. POUPORE. Thank you for the opportunity to join you this afternoon, Chairman Blumenthal and, I guess, Chairman Blunt—

[Laughter.]

Mr. POUPORE. Ranking Member Blunt and distinguished members of this subcommittee. My name is Ray Poupore, and I'm the Executive Director of the National Infrastructure Alliance, coalition of four of the Nation's largest construction unions: the International Union of Operating Engineers, the United Brotherhood of Carpenters and Joiners of America, the Laborers' International Union of North America, and the International Association of Bridge, Structural, Ornamental, and Reinforcing Ironworkers. The four unions of the alliance, together, represent over one and a half million workers, many of whom build our Nation's transportation infrastructure.

I've had the honor of representing these unions for a number of years on some of the Nation's largest transportation infrastructure projects—projects that span the array of transportation modes. From the Woodrow Wilson Bridge in the capitol area here, to the Tacoma Narrows Bridge in the Pacific Northwest, from the Tappan Zee Bridge up there in the New York area, to the Bay Bridge in San Francisco. We build the rail lines, the light rail systems, SoundTransit Regional System, in the Pacific Northwest, to the first phase of the Dulles Light Rail, in Northern Virginia. We build the Nation's locks and dams, including one I've got going on right now at the Olmsted Lock and Dam. It's on the Ohio River, just south of Illinois and north of Kentucky there. We've got hundreds and hundreds of craftsmen working out there. It's a great Corps of Engineers project. The operating engineers dredge the Nation's harbors and inland waterways. The unions I proudly represent build the Nation's multimodal hubs, train stations, and large-scale freight infrastructure. In short, the four craft unions I'm proud to represent build much of the transportation infrastructure we see today in the United States and Canada.

And my background, Senator Blunt, is—I'm an operating engineer, a crane operator, out of Detroit, Michigan, out of Local 324, spent a lot of time working on rail projects and building railroad bridges and working crane rentals, putting those trains back on the tracks when they would get derailed.

I would like to spend a moment talking about the Federal Highway Administration's estimates that over two-thirds of direct jobs created by transportation investment are in construction. So, about 10,000 direct construction jobs are created with every \$1 billion invested in a highway project. While every project is different, particularly as we look across transportation modes, requiring varying levels of labor from the different crafts, the estimates are roughly consistent across all modes. So, we're looking at about 10,000 construction jobs for every billion dollars invested. It's very important to the members I represent.

Please let me turn now to the crisis that brings us here today. As we know, the Highway Trust Fund faces a steep cliff on October 21, 2014. It appears that the Highway Trust Fund will be unable to meet its obligations even sooner, perhaps as soon as July, forcing the Department of Transportation to withhold payments to States, with a ripple effect to construction contractors and potentially to the workers.

If the Highway Trust Fund is allowed to go over the edge, the harm to the construction sector will be catastrophic. The National Infrastructure Alliance respectfully and strongly encourages your committee to join the bipartisan effort to reauthorize MAP-21 to stave off the dramatic harm that could be inflicted on the construction sector and beyond if resources are not found to fill the funding gap. We implore you to quickly move on the freight title under your committee's jurisdiction and send the reauthorization to the Senate floor.

So, please let me allow to shift gears here for a second, taking you from the description of what is at stake if we fail to take action to some of the action you will have to take, and must take, in order to avoid the self-inflicted economic harm.

We know that the Finance Committee is going to have to wrestle with these difficult funding questions. The funding gap is substantial, estimated at roughly \$15 billion a year. But, what is clear is that we must solve the problem. The National Infrastructure Alliance has long supported the U.S. Chamber of Commerce's preferred revenue option, the gas tax. Yet, Congress and the administration, to date, have been unwilling to raise the user fee. Inflation has swallowed up the purchasing power since the last time the gas tax was raised, over 20 years ago—twenty years. Twenty years, the NIA believes that it's necessary to index the gas tax to inflation. I looked, before I came over here, earlier this morning, of what a gallon of gas cost in 1993. It was between \$1.10 and \$1.20, certainly under \$1.50. Gas has more than doubled.

We are receptive to a whole range of revenue and financing options that we believe should be pursued by the Finance Committee to remedy this crisis, and we are prepared to work with this Congress to build support for a revenue package.

I included a chart in my testimony to show how badly impacted construction workers were in the last great recession. We've lost over one and a half million construction jobs since 2007. They haven't come back. If we're not to address the Highway Trust Fund, it'll get worse.

A fully funded multi-year transportation reauthorization is a top priority for the carpenters, ironworkers, laborers, operating engineers, and the rest of the building trades. You have the power to make this happen, but it will require leadership. We strongly urge you to follow the bipartisan lead of the Environment and Public Works Committee. Their markup builds momentum to solve this crisis. We're eager to continue to work with you in the 113th Congress to remedy an even bigger problem and, indeed, save the Highway Trust Fund.

Thousands of my members are out of work and are desperately looking to Washington for leadership so that we can get back on the job. It's time for Congress to do its work so that we can do our work, building America's transportation system.

Thank you, Senator Blunt, for the opportunity to join you this afternoon. And we appreciate all that this committee does in creating funding that puts my members to work.

So, thank you very much.

[The prepared statement of Mr. Poupore follows:]

PREPARED STATEMENT OF RAYMOND J. POUPORE, EXECUTIVE DIRECTOR,
NATIONAL INFRASTRUCTURE ALLIANCE

Thank you for the opportunity to join you this afternoon, Chairman Blumenthal, Ranking Member Blunt, and distinguished members of the Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security.

My name is Raymond J. Poupore. I am the Executive Director of the National Infrastructure Alliance—a coalition of four of the Nation's largest construction unions, the International Union of Operating Engineers, the Laborers' International Union of North America, the International Association of Bridge, Structural, Ornamental, and Reinforcing Ironworkers, and the United Brotherhood of Carpenters and Joiners of America. The four unions of the Alliance together represent over 1.5 million workers—many of whom build the Nation's transportation infrastructure.

I have the honor of managing labor relations for the four unions of the Alliance on some of the Nation's largest transportation infrastructure projects—projects that span the array of transportation modes. From the Woodrow Wilson Bridge in the Capital area to the Tacoma Narrows Bridge in the Pacific Northwest. From Tappan

Zee Bridge to the Bay Bridge. We build the rail lines and light rail systems. Sound Transit's regional system in the Pacific Northwest to the first phase of Dulles Light Rail in Northern Virginia. We build the Nation's locks and dams, including the construction that is currently underway at Olmsted Lock and Dams. The Operating Engineers dredge the Nation's harbors and inland waterways. The unions I proudly represent build the Nation's multi-modal hubs, train stations, and large-scale freight infrastructure. In short, the four craft unions I'm proud to represent build much of the transportation infrastructure we see today in the United States and Canada.

Construction workers and members of the unions of the Alliance, in particular, pay their mortgages, buy their cars, and purchase their family health care through the paychecks they earn building all modes of surface transportation, and we appreciate you giving the National Infrastructure Alliance the opportunity to bring you an industry perspective on the critically important work you do to create jobs by investing in surface transportation.

To underscore just how important transportation investments are to the industry, please allow me to remind you of the employment numbers. The Federal Highway Administration estimates that over two-thirds of the direct jobs created by a transportation investment are in construction. About 10,000 *direct* construction jobs are created with every \$1 billion invested in a highway project. While every project is different, particularly as we look across transportation modes, requiring varying levels of labor from the different crafts, the estimates are roughly consistent across modes. Your investments employ thousands of NIA members. There is nothing more important to the employment prospects of NIA members than a robust Federal surface transportation bill.

Please let me turn now, Chairman Blumenthal, to the crisis that brings us here today. As we know, the Highway Trust Fund faces a steep cliff on October 1, 2014. It appears that the Highway Trust Fund will be unable to meet its obligations even sooner, perhaps as soon as July, forcing the Department of Transportation to withhold payments to States, with a ripple effect to construction contractors and, potentially, to workers.

If the Highway Trust Fund is allowed to go over the edge, the harm to the construction sector will be irreparable. The National Infrastructure Alliance respectfully and strongly encourages your committee to join the bipartisan effort to reauthorize the Moving Ahead for Progress in the 21st Century (MAP-21) and stave off the dramatic harm that could be inflicted on the construction sector and beyond if new resources are not found to fill the funding gap. We implore you to quickly move on the freight title in your committee's jurisdiction and send the reauthorization to the Senate Floor.

The National Infrastructure Alliance (NIA) believes that investing in American infrastructure is an essential element of a national strategy to boost our economy at the local level, project by project, simultaneously creating job opportunities for construction workers and enhancing the Nation's global competitiveness. The NIA is concerned that without meaningful, long-term investments in surface transportation infrastructure the construction sector will drag down the performance of the broader economy, causing significant damage beyond the already decimated industry, reducing demand for heavy equipment, steel, aggregate, and other related products.

The unemployment rate in construction peaked at over 27 percent in February 2010. That is a depression-era level of unemployment. I have attached a graph to my testimony to give you a look at the damage done to the construction sector and the workers in it since December 2007, the formal start of the Great Recession. You can see that employment levels in the construction sector bottomed out in winter 2010–2011. While we are gradually seeing some growth, we are still in the trough. Unfortunately, the data reveals what appears to be a new normal in the industry.

The unemployment rate in construction is still at 9.4 percent, more than three points higher than the overall economy. While that unemployment rate is too high, it is dramatically improved over the same time four years ago when it was almost 22 percent. There are roughly 1.5 million fewer workers in the construction industry today than there were in start of the Great Recession in December 2007—that's about one-fifth of the whole industry.

The situation must not be allowed to worsen. Failing to reauthorize the surface transportation law—and more immediately to fill the hole in the Highway Trust Fund—would dramatically worsen the construction sector employment picture. Simply put, this battered industry cannot sustain the type of blow that would be inflicted if Congress fails to enact a timely multi-year, fully-funded surface transportation reauthorization. Further, the crisis in the Highway Trust Fund demands immediate congressional attention and intervention. Congress cannot allow the Highway Trust Fund to fail to meet its obligations to the states. The effect on employ-

ment in the construction industry would be catastrophic. Every job counts in our beleaguered industry and we are risking the loss of tens of thousands more construction jobs if the surface transportation funding puzzle is not solved.

It is worth pointing out that these are family-sustaining jobs. The average hourly wages for production and non-supervisory workers in the “heavy and civil engineering” subsector of construction is \$25.33—almost five dollars higher than average wages for production workers throughout the private sector. Members of the four unions generally earn higher than the average wage in the sector, and they also earn retirement and health care benefits.

Please allow me now to shift gears, taking you from the description of what is at stake if we fail to take action to some of the action you will have to take—must take—in order to avoid self-inflicted economic harm.

We know that the Finance Committee is going to have to wrestle with these difficult funding questions. The funding gap is substantial, estimated at roughly \$15 billion a year. But what is clear is that we *must* solve the problem. The National Infrastructure Alliance has long supported the U.S. Chamber of Commerce’s preferred revenue option—the gas tax. Yet Congress and the Administration to date have been unwilling to raise the user fee. Inflation has swallowed up purchasing power since the last time the gas tax was raised over twenty years ago. Twenty years. The NIA believes that it is necessary to index the gas tax to inflation.

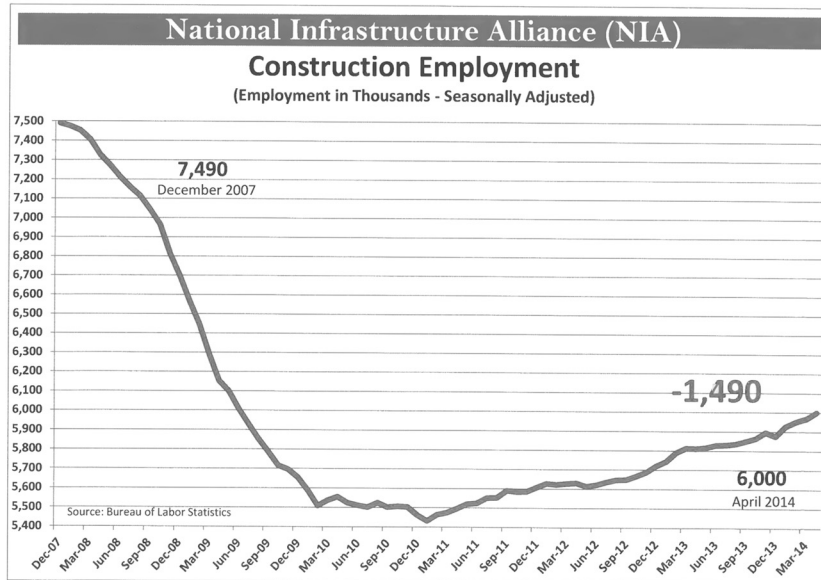
It is also clear that spending is not the problem. MAP-21 only brought more discipline to spending in surface transportation. The legislation marked up in Environment and Public Works this morning does not spend too much. Indeed, it is not nearly enough, at least from the NIA perspective. We are receptive to a whole range of revenue and financing options that we believe should be pursued by the Finance Committee to remedy this crisis, and we are prepared to work with this Congress to build support for a revenue package.

The nation’s roads and bridges are crumbling before our eyes. Millions of American construction workers have left the industry for lack of opportunity. We simply cannot afford to lose more construction jobs. Yet without a solution to the problems in the Highway Trust Fund, that is precisely what will happen. The passage of a robust, multi-year transportation bill will slow the bleeding and give the industry a much needed shot in the arm.

A fully-funded, multi-year surface transportation reauthorization is a top priority for the Carpenters, Ironworkers, Laborers, and Operating Engineers. You have the power to make this happen. But it will require leadership. We strongly urge you to follow the bipartisan lead of the Environment and Public Works Committee. Their markup builds momentum to solve this crisis. We are eager to continue to work with you in this 113th Congress to remedy an even bigger problem and, indeed, save the Highway Trust Fund. Thousands of our members are out of work and are desperately looking to Washington for leadership, so that they can get back on the job. It’s time for Congress to do its work, so that we can do our work building America’s transportation system.

Thank you, Chairman Blumenthal, for the opportunity to join you this afternoon. We sincerely appreciate it.

ATTACHMENT



Senator BLUNT. Good. Thank you.

Thank all of you for your testimony.

Senator Blumenthal has a news thing he has to do, but he'll be back. And, while he's gone, I'm going to ask some questions and try to do minimal damage beyond that, that he'd have to clean up when he got back.

Mayor Martin and Mayor James, you know, traffic congestion, a big problem. Everybody, wherever they live, has that moment of the day—some places last longer than others—that's the traffic moment of the day. I'm just wondering, from either your experience in your city or something you've seen that you'd like to do, what kind of things can we do that will have the most impact on that?

Mayor Martin first, and then Mayor James.

Mr. MARTIN. It's approximately 20 miles from Bridgeport, Connecticut, which is the state of Connecticut's largest city, to Stamford. It is a heavily trafficked area of I-95. And on a routine day, it takes approximately 45 minutes for someone to commute that short distance. The peak traffic time starts at about 7 o'clock in the morning and ends at about 10:30 in the morning. It's worse in the evenings, when—particularly on a Friday evening, where the peak traffic time starts at around 3:00—to 3 o'clock, and you'll be lucky if you can get from Stamford to Bridgeport in 45 minutes, which is, again, only 20 miles.

I said that's typical, but, in fact, what's also typical is that, at least once or twice a week, you're looking at more like an hour commute time in that short little distance. We need to do something, not only on our rail side, which is what I testified on, but we also need to do something on our highway side.

But, here is a paradox that I've shared with others. And I'm not the expert transportation planner. But, if we were to lose our Metro-North Railroad, it would seem to have this terrible impact on I-95, making that transportation system even worse than it is already. I hate to tell you, Senator, but, in fact, I think it goes the other way. If we lose Metro-North, then we will have such a blow to our economic vitality that our major businesses will move out, our secondary and even tertiary businesses will move out. And the interesting thing is that we will, in fact, reduce the congestion on I-95 because we've destroyed the economic vitality of the region. We are desperately in need of your support from the Senate and the House in order to get the funds to expand the capacity and, particularly on Metro-North, to fix the infrastructure and build it for the future. And I ask for your—I humbly ask for your support.

Senator BLUNT. Mayor James.

Mr. JAMES. Well, thank you, Senator. I think that we have to confront several changing significant issues in our society. Number one, our society is getting older. And with that comes the advent of the old driver. Now, my daughter will tell you that, since I haven't been able to drive for the last 3 years, that she thinks that I am now totally incompetent to drive and will not want me on the road. So, we will have to live near transit so that I'll be able to get around, me and the seeing-eye dog and my assistant.

[Laughter.]

Mr. JAMES. But, we need to recognize that—I live in a city that's 316 square miles, 6,300 lane miles of road. That is a lot of road. As we shrink and get older, then what we are seeing is a retreat back to the core of the city, where services are easier to get to, and vehicles are less important. That's on the aging end.

On the millennial end, where they do not want vehicles, but need and want to get around, then we have to look at alternative forms of transportation. Thus, we would create a complete system of transportation that would consist of cars, that would consist of ride-share, that would consist of rail, in terms of commuter rail and also streetcar, walking trails, transportation trails, and walkable neighborhoods. All of these things are transit-oriented, and they will determine how our cities continue to be built in the next 30, 40, 50 years. And we need to address our demographic issues. And I think if we listen to our aging population and our young population, they will give us a lot of guidance as to where we should be going.

Now, in order to do that, we need consistent long-term funding so that the strategic planning necessary to accomplish those goals, reduce the level of traffic on streets, and, along with it, the smog and the pollution, are able to be accomplished in an efficient and cost-effective way.

So, frankly, the best thing that we can do is to recognize what the Nation is becoming, in terms of age, and where we need to build things to attract and maintain our youth and creative class, and then head in that direction with some degree of planning and thought.

Senator BLUNT. You know, even in the middle of the country, where we have been pretty automobile-dependent and -focused, car-optional for the millennials is a much more frequently used term

as to where you put businesses, where you put places that people live, have those options. It's a—and both sort of moving back, as you said, nearer to the center of the city.

Mr. Smith, do you have a thought on that?

Mr. SMITH. Yes, sir, if I could respond.

The solution to a highway congestion problem may not be a highway, and the Mayor referenced that. Public transit is often a solution. Also, commuter rail is a solution, and can be even in a state like Mississippi, where the interstate traffic through the 22nd Avenue interchange in Meridian is expected to double to 98,000 vehicles a day. Well, it'll become a parking lot. And you cannot expand the highway there, because you start buying hotels and shopping centers. So, the response from MDOT has been to build a loop around Meridian. Well, that sucks assets away from the heart of Meridian, out to where you now have to recreate those assets removed from the city center. And it really doesn't address the needs of capacity. When a rail link across Mississippi, linking Meridian, Jackson, and Vicksburg, could take care of a lot of that in-State traffic and take the decision from—MDOT would not have to build that loop, and the congestion on the highway could be solved by rail infrastructure investment.

And the Mayor touched on it, but the baby-boom population, of which I certainly am one of those—we're the largest generation in the history of the country, with the longest life expectancy. And you don't want us all on the interstate highway system for the next 20 years. But, how do we stay connected to our family members, to the rest of this country, as we have time and the wherewithal to enjoy older life?

And, as the Mayor said, when you—all of us who run for office say we want to create a hometown that our young people will come back to, to raise a family and to find a job and create a life. Well, if we want that, and if we mean it, we'd better be asking them what they're looking for. And the younger generation are not looking for the same things we looked for. They're choosing places that have character, that have transportation alternatives, to create their life. Then they're finding a job in those localities. And cities that understand that and are positioning themselves will reap the benefits of maintaining their retired population, which they want to do, but also drawing in the best and brightest young minds in the country.

Senator BLUNT. Mr. Fisher.

Mr. FISHER. Yes. I think that this is an interesting point. I would agree that millennials don't want to drive, and they want transportation options. But, our transportation network, our roads and our rail lines, are often shared with the freight network. And one way that we can free up our highway system is by building an effective multimodal transportation system so the trucks and rail don't interfere with passenger traffic, and that passenger rail traffic doesn't compete with freight rail traffic. Some of the most congested areas in the United States are freight hubs, and freight hubs tend to be population centers. And so, if we don't reconcile or improve our freight system, we end up inhibiting the movement of people.

Senator BLUNT. And do you want to give—I was going to ask you about that very topic—do you want to, maybe, give me an example of, either in our country or somewhere else, where, really, the multimodal, the intermodal freight system is doing what we would want it to do?

Mr. FISHER. Well, sure.

Senator BLUNT. What are good examples of that?

Mr. FISHER. Well, in your state, we redeveloped the Richards-Bower Air Force Base, and that is on the NAFTA highway. And there's a resurgence of manufacturing taking place in your state, and it's directly related to the efficient transfer of parts and finished product at—taking place at that intermodal. And we're partners with the KCS, and they're doing an excellent job of doing that.

Senator BLUNT. The Kansas City Southern Railroad?

Mr. FISHER. Kansas City Southern Railroad. We're great friends with them. And we expect, because of that hub, manufacturing will accelerate in the Kansas City area, because it's also a skilled-labor force there. We built an NNSA complex there, so you've got engineering talent and you've got a skilled labor force. But, importantly, you've got effective transportation in and out of there, where there's the interchange of goods from rail to truck to factory, or goods to ultimate consumers.

Another example is in our home state, Chicago. We developed a dual-intermodal facility for the BNSF and the Union Pacific that handles, currently, about 2 and a half million TEUs, which ranks it as a very significant port in the United States. Millions of trucks come in and out of that facility. There are 6,000 surrounding acres. We have, now, about 25 million square feet of industrial space. And that's processing parts, other goods. It's an export center for grain. And, because that hub is there, we've lowered the cost of living in Chicago, we've created new markets for our farmers, and we're beginning to attract manufacturing back to our region. Certainly, your colleague from Milwaukee, I think, if he were here, could attest to that. That's a manufacturing center, and they depend on efficient, cost-effective movement of goods. And our intermodal facility helps that.

Now, one of the things—you know, that's a good thing for our region. A bad thing is, we have all Class-six-ones—all six Class 1s converge in Chicago—and so, passenger traffic definitely competes with rail traffic. I know most people don't understand the freight system until they're waiting at a train crossing, waiting for the freight train to go by. That happens a lot in Chicago. So, you're tying up people that could be productively engaged in their jobs, and many times you have trains stopped because passenger traffic is moving.

So, that's—when you look at a multimodal program and an integrated approach to transportation, it has to account for passenger traffic, but it really does have to account for the interchange of goods from rail to truck, and, at our ports, from ports to rail or trucks. And the most congested areas that impose the greatest costs on Americans, all of us, are where those interconnections take place. And that's what Congress can really help focus us on by using selected prioritized funding to align all the interests that

we've got to get into the room and thinking together to fix those transfer points that increasingly will be in our urban areas.

Senator BLUNT. And how critical do you see water as part of that, particularly in the middle of the country, where—

Mr. FISHER. Well, barge—

Senator BLUNT.—Mayor Martin's from and Mayor James and you and I live?

Mr. FISHER. You know, I think the Mississippi River is a tremendous asset. I just retired. I bought a house in New Orleans. I watch huge barges go up and down the river. We just bought a barge terminal in Joliet. Barge traffic is going to increase. It's a very low-cost way of moving bulk goods. When I talked about export of resources and resource movement, those are very heavy commodities, and they're—it's natural to move those by barge.

So, water is really important, but also how those goods get, again, interchanged between barges and trains, or barges and trucks. And to use the analogy again, it really is a relay race. And if you can't pass that baton efficiently from mode to mode, racer to racer, it costs money, and that higher cost makes our businesses less competitive.

So, we can't just focus on individual modes. We have to focus on all modes, and focus on how they're linked together. And that's what an integrated policy could accomplish, prioritized projects and selected funding to incentivize all the different people that touch these things to work together.

Senator BLUNT. And if your productive capacity, whether it's in agriculture or manufacturing or anything else, outgrows your infrastructure, it won't have outgrown your infrastructure for very long. Back to Mayor Martin's point, you begin to go the other way. And—

Mr. FISHER. Let me—

Senator BLUNT.—that's why I think we're at such a crisis point on what we're doing now as it relates to where we'll be a decade from now and a decade after that. And—

Mr. FISHER. No question. I picked up *The Wall Street Journal* yesterday, and, you know, farmers had a bumper crop, grains piled up because there isn't the equipment or the network to get it to our ports. It's costing our farmers money. They're worried about getting fertilizer to their fields for the spring season. I mean, in every sector of our economy—

Senator BLUNT. The railroad being otherwise occupied.

Mr. FISHER. Well—

Senator BLUNT. As part of that. As part of that.

Mr. FISHER. It's part of that, but part of that is capacity on the system. And planning—these projects take years, and it's a lot of hard work. Our company—I've been through many of them. And Congress can help by looking at this holistically. You can't just look at the roadway system, the passenger rail system, you know—you know, you've got to look at it all together. It's all of a piece. The supply chain is all of a piece. And as—you know, one comment I'd like to make. Data now is driving these decisions. There are companies out there that are developing algorithms to say, "What's the cheapest way to move this"—

Senator BLUNT. Sure.

Mr. FISHER.—“product to this?” And, you know, the United States doesn’t have to be in the supply chain. You know, if it’s expensive to move things around this country, we won’t make things here. We’ll buy things here.

Senator BLUNT. Right.

Mr. FISHER. And if—you know, that’s—we want to make things here, and freight—our freight network is essential to being able to do that.

Senator BLUNT. Chairman.

Senator BLUMENTHAL [presiding]. If you wish to proceed with additional questions—

Senator BLUNT. Let me ask one more. Just—I want to make a point. I want to—don’t want to ignore people who build this, here, because it’s critically important, and—you know, these are things that we use for decades, and it takes a while to pay for them, but, you know, the capacity of the construction trades to get out—get in and make these things happen, this could be a particularly good element, the turnaround in the economy of that money once it goes to those families. And I think you’ve made those points well in your remarks, but do you want to say anything more about that?

Mr. POUPORE. Yes, thank you, Senator Blunt.

You know, what we really need is long-term vision with the capacity to fund it in these various modes of transportation. I had mentioned the Olmsted Dam project. That’s a dam and a lock that’s 1,200 feet. And the reason they’re 1,200 feet is—the old ones use to be 600—that way, they don’t have to break the barges down, and you can move more product quicker and get it out there into this global economy. But, it takes a lot of planning, and it takes a lot of time to build these projects.

We’ve been building the Olmsted Dam since 1996. We still have 7 years to go. The Corps developed a new way to build a dam. I don’t think they’ll ever try that way again. They used to build them the old-fashioned way, put a coffer dam around the area, make it dry, and then build the dam, but they tried something new, to float. It’s something that they apparently had done in Europe. But, it has delayed it.

But, our guys are all about trying to build the infrastructure and in—we want to do it, we’ve got the skills to do it. We’re not asking anybody for any money. We do our own training. We pay for our own healthcare. We have skilled trades that are proud to make careers out of this, and good living—good middle-class wages. So—but, we need the help of all the brains around this table and the two Senators here in this room to help us make sure that there’s the funding in place so that we can create those job opportunities.

Mr. JAMES. Senator, if I could just add something on the river issue. If the Mississippi is the vena cava of water travel in this country, then the Missouri is certainly a major vessel. And we all know that the vena cava won’t work if all the other vessels are clogged up. If we are going to have a truly intermodal system—and that includes water—then we need to be looking at all of our navigable rivers and waterways to make sure that they contribute to, as opposed to detract from, the ultimate issue of getting things to the ultimate port.

Senator BLUNT. Good point. And the Missouri—I'd leave a river out, here, if we're not careful—the Missouri, the Illinois, the Ohio—all make this inland draining system, with the biggest contiguous piece of agricultural land in the world, incredibly competitive and valuable, if, as Mr. Fisher said, we get the right thing on the right mode of transportation at the right moment in the process for the right amount of time. And if we don't, you know, and there—if we don't have those options, we're not nearly as competitive as we could be if we do have.

And I have said, a number of times lately—of course, you know, where I live, it might be logical to say that—but, I think the Mississippi River is about to become more important than it has been in 100 years. I think we'll see a real revitalization of the riverways, generally—and that just happens to be our biggest of the rivers—but, the riverways, generally, as they become a much more critical part of commerce. They've never not been part of commerce in the last couple of hundred years, but certainly the focus on the river that we had 100 years ago, and the century before that, I think we're about to see that same kind of intensity, because it does get all of that off of the other things that we're trying to make less congested.

Mr. FISHER. I would agree with you. Our business focused on rail, intermodal rail. We're now—we've bought our first barge terminal, and we're looking at several others. And having barge is really, really important—you know, to a business, they could move it by rail. My friends in the rail business don't like it, but you can also move it by barge. And having that competition, again, helps transportation costs to be low.

If you permit me, I'd like to comment a little bit on wages. I—we have many, many friends in the labor movement. And, you know, Illinois is a union state. And there's a lot of talk about how wages are high in the United States. As a practical matter, if we keep our transportation costs low, it offsets that which some would perceive as a disadvantage for locating here. You know, we have very highly skilled workers, and they should be paid a commensurate wage. And that may deter industry from locating here. But, if you can move goods efficiently from mode to mode to mode, get them to international and national markets, we can pay people well. So, part of those savings can be redeployed to extra jobs and better wages.

Senator BLUNT. Good. Another key element there is the utility bill. If it's competitive, if transportation works, then a lot of other things come into that whole package.

Thank you, Chairman.

Senator BLUMENTHAL. Thanks very much, Senator Blunt.

Happy to welcome Senator Wicker of Mississippi.

**STATEMENT OF HON. ROGER F. WICKER,
U.S. SENATOR FROM MISSISSIPPI**

Senator WICKER. Thank you, Mr. Chairman.

And, to our panel, we took five votes today. They're supposed to be 15 minutes for the first one and then 10 minutes thereafter, but we just have a way of stretching those out, and that throws the whole afternoon out of kilter. So, now—I appreciate members ask-

ing questions long enough for me to get a thing or two done in the office and run down here.

It's a particular pleasure for me to welcome Mayor John Robert Smith, who served with distinction as Mayor of Meridian, Mississippi, for several terms, and who's certainly well regarded around the Nation as an expert in the area of intermodal transportation—highways and rail.

You know, the—states have different ways of suballocating their highway money, so let me—Mayor Smith, let me ask you about that in a couple of ways. I'm told Indiana, for example, suballocates a large portion of their surface transportation funds. In Maryland, a large portion is suballocated to the Baltimore-Annapolis Metropolitan Planning Organization. We don't do that in Mississippi, as you know, Mr. Mayor. And this means that city and county officials, basically, have had little to no involvement in developing a State transportation plan.

So, let me ask you, first of all, Mr. Smith. MAP-21 made a number of changes to the way highway maintenance funding goes out the door. As a former Mayor, could you enlighten us? How have these changes impacted the way local government—cities and counties—participate in transportation planning?

Mr. JAMES. Yes, sir, Senator Wicker, and thank you for the kind things you said. It was always a pleasure to work with you and your office while I was serving as Mayor of Meridian.

MAP-21 consolidated a number of the programs that local units of government could access for funds. And as they were consolidated, local units of government lost that ability to access those funds. Also, the—MAP-21 reduced the percentage of funds suballocated to local units of government. And then, third—and they added responsibilities, which then must be covered by those local units of government. In the TAP program, for example, which was one so successfully used by local units of government, 50 percent of that money was taken, and State DOTs are allowed to flex that for their use rather than even allow communities to compete for it. So, all of those things, taken together collectively, have greatly reduced local units of government access to any Federal transportation dollars to try to solve the transportation needs that they hear about from their local citizens every day.

Senator WICKER. Thank you for that.

Are you aware, Mr. Smith, of my amendment, with my colleague Senator Booker of New Jersey? We actually had the markup of the highway reauthorization today. Senator Booker and I did not offer the amendment. We discussed it and, of course, reserved the right to offer it on the floor after it has been refined, perhaps so as to gain the support of the leadership of the Committee. But, it was interesting to me to hear a Democratic member of the U.S. Senate from the Northeast saying the very sorts of things that a Republican member from the Southeast would say about the wisdom of local government and people being closer—the officials that are closer to the people knowing the needs better. It was kind of refreshing to see that bit of agreement there.

Our amendment would carve out a portion of the money set aside for a discretionary competitive program within each state. Could you give us some thoughts about that, if you don't mind?

Mr. SMITH. Yes, sir. We absolutely support your push for an in-State competitive grant program that our local units of government, NPOs, can compete for, for the funding of the very issue that was not fully addressed in MAP-21. So, I thank you for that. I thank Senator Booker for that. And the fact that it's true in New Jersey and true in Mississippi tells me it's pretty universal across the country. And it's an issue that you have the opportunity to address here.

I think the fact that you not only create the funding, allow the local units of government to compete for it, but you also set up a panel that assures the fairest process possible—

Senator WICKER. Absolutely.

Mr. SMITH.—so that the best projects will move forward, so that you get the most innovation, you get the most transparency, and you assure that those Federal dollars have the greatest return on investment. And it will give my colleagues here at the table another funding source to meet the needs that their residents are pushing them for. And we discussed, before you came in, about the polar generations in our cities—and it's true in Mississippi, just as it is in Kansas City or in Connecticut—that we local electeds have to prepare ourselves to address those coming needs. And your amendment, which I hope will be offered, and I hope, working with the leadership, they will understand the wisdom, and that they will hear the voices of this Nation's local elected leaders, and will include that in the transportation authorization bill. You're absolutely correct.

Senator WICKER. Mr. Chair, if I might just ask one other line of questioning?

Senator BLUMENTHAL. Absolutely.

Senator WICKER. Mayor Smith, did—have you had an opportunity to tell the Committee your long-term involvement in the Amtrak system?

Mr. SMITH. I mentioned it briefly, yes, sir.

Senator WICKER. OK. Well, let me just ask you. And I appreciate what you've done as the Mayor of a medium-size city in Mississippi, to work for a truly national passenger rail network. We have a lot of talk about the need for Amtrak's Northeast Corridor, which benefits those of us that work up here in the Northeast. But, how important are Amtrak's long-distance networks to the cities and towns along those routes? And are there any changes we should look at, in that regard, that could free up funds for railroads across our Nation?

Mr. SMITH. Yes, sir. The Northeast Corridor is very important to this region and to the country, but it's not the only important corridor. And to focus on one corridor as being the only important one would be like focusing on one interstate highway as the only important one. We understand that, in the highway system, you have interstate highways, State highways, county-city roads and streets that connect together to form a system. We understand the holistic system of highways. Well, we need to have that same understanding of a holistic connected system of passenger rail.

We're not looking for high-speed rail in Mississippi right now, but we are looking for some rail, and we're looking for maintaining that national system. Very important to our people, very important

to access, very important to economic development that you've seen in the downtown—in Meridian after the investment in that transportation center there. We're seeing it in Hattiesburg, Mississippi, we've seen it in Jackson, Mississippi. You will see it along the coast again, if we get rail back there.

The—to be on a transportation spine is critically important to economic development for a community. And in a state like ours, where you see that we're losing intercity bus, which we're losing all across this country, and we're threatened with the loss of essential air service, do you tell your citizens that you only have one choice to move about, and that's the private automobile? I think, again, when you look at an aging population in the millennial generation, they're not making those choices. And if we want them in Mississippi, creating their lives, spending their money, then we'd better have the tools to adapt to that. And the national passenger rail system is a part.

So, it needs to be looked at. What is the best form of passenger rail that meets the needs of the states that it serves?

And I would call your attention to the coastal South, which I know you hear from the cities in coastal Mississippi. Katrina occurred, wiped out service east of New Orleans. The cities and the people there did nothing to lose that service; it was a horrific storm. But, they don't have the service back. And you look at that corridor of cities from New Orleans through Gulfport, Biloxi, to Mobile, over into Florida, and why is that thriving corridor not connected by rail? I think that's a disservice to the people of the coastal South.

Senator WICKER. Thank you, sir.

Thank you.

Senator BLUMENTHAL. Thank you, Senator.

I have a few questions. I know that you covered a lot of ground in your testimony and then in response to the questions that have been asked so far, but—

First of all, let me ask Mayor Martin. You recounted, in your testimony, some of the recent challenges—in fact, crises and catastrophes that have really crippled rail transportation in Connecticut and, in many respects, throughout the Northeast Corridor, beginning with the Bridgeport derailment, the outage in Mount Vernon, the Spuyten Duyvil derailment, which killed four people, injured many others, costing literally, probably, at—in the end, all of them—billions of dollars and sparking a major interest in safety and reliability, culminating in what the Federal Railroad Administration called “The Deep Dive,” the report that was done. And now a response from Metro-North, which has been issued, just about an hour ago. And it concludes, and I'm quoting, “Yet, while good progress has been made, much more needs to be done. The problems identified by the FRA clearly developed over a long period of time and will take continued relentless focus and ongoing attention to fully correct,” end of quote.

I would agree that much more needs to be done and the attention has to be relentless and long-term. And, in the meantime, there are steps that can be taken more quickly, relatively minimal in cost, such as alerters, cameras looking inward and outward, automatic train control, speed reductions. All of these steps should have been

taken long ago, and can be taken right away. They are management issues as much as resource issues.

And we've talked relatively little here about the management issues. And I would suggest to you that management really is a key component of this challenge, because as construction goes forward—and I'm totally in agreement with you that there has to be the investment in construction and renewal of this infrastructure—there are going to be management problems continuing. In fact, more so.

In the case of Bridgeport, one of the reasons why the line was, in effect, crippled as a result of the derailment was that several of the tracks were out of service due to construction ongoing in one of the bridges that you mentioned, Mayor Martin.

So, let me ask all of you, beginning with Mayor Martin, an open-ended question about your assessment of how the management of Metro-North and other railroads has been within your knowledge, and what can be improved.

Mr. MARTIN. Well, before I answer that question, Senator, let me say, I don't think that everyone in the state of Connecticut recognizes just how important the great work you've done in leading this issue. And you are to be applauded, by me and by others, for tackling this. It's certainly disheartening as you peel back the layers and see more and more issues. And you're absolutely right, I'm talking about the infrastructure needs and the potential for catastrophe, but, at the same time, yes, the concern over—have we been having the right sort of management? Is the management only focused about how we get that train running, at whatever top speed it needs to be, tomorrow, but not dealing with the longer-term issues? And that's something that I have not been as close to as you have, and others. And I just want to thank you again, in recognizing your leadership—

Senator BLUMENTHAL. Thank you.

Mr. MARTIN.—on taking this on, both from the funding level and the things you're doing, as well as the issues about management.

From the way I see this—and if you—and, if I may, I'll take just an extra moment, here—

Senator BLUMENTHAL. Sure.

Mr. MARTIN.—I want to tell you a little story that I was sharing with Mayor James that, Senator Blunt, you might find of interest.

As you know, I grew up in Kansas City, Missouri. And when I was but a wee lad, when I was in, I guess, an—elementary or junior high school, I went on a tour of the Kansas City City Hall. And, during that tour, we went up to the very top floor, the observation deck, and we looked out on the Missouri River. And they pointed out—the tour guide pointed out a bridge there. And I still remember this whole story. I had to look up a couple of facts on Google today, but I remember this whole story. And there's a bridge out there that's known as the "Hannibal Bridge."

In 1868–1869, the leading cities in the eastern part of Missouri and—or, the western part of Missouri and the eastern part of Connecticut, were Leavenworth, Kansas, and St. Joe, Missouri. And Kansas City was really not that important a city. But—and in St. Joe and Leavenworth, they had a lot of arguments about whether or not they should invest to build a rail bridge over the Missouri.

But, in Kansas City, they built a bridge over the Missouri and caused the railroads—instead of going to St. Joe, which is what everyone had expected, the railroads changed direction and went down to Kansas City and built a—the first connection between Chicago and Texas that ran through Kansas City, and changed the course of development in western Missouri, such that—I doubt that either Mayor James nor I would be here today if it weren't for that sort of development, which fundamentally changed Kansas City into a major economic center and, as Mayor James noted, in the rail yards that now exist in Kansas City and that center of economic activity.

What I see in—what I see here today is, the investments we make are going to shape the future. And we are, on one side, looking at great opportunity, but, on the other side, we're looking at potential for complete catastrophe. And I know that those bridges—of the \$3.6 billion, \$2.8 billion of it is in movable bridges. And I mentioned they have malfunctions. What is a malfunction? A malfunction is when the bridge is half open and you can't get it shut. And either the river traffic can't get through or the rail traffic can't get through. That's just not a good thing. And the bridge, the most recent of which was built over 100 years ago? We absolutely need those investments to avoid the catastrophe and to build for the future.

And that's why I want to thank you and—for pushing this forward. It is not just about Stamford, Connecticut. It is about the economy of that whole region of the country. And again, I want to thank you for your leadership on this issue.

Senator BLUMENTHAL. Well, I appreciate that. And, as I mentioned in my introduction, you have been a long-standing leader, not only as mayor, but in local government, and I think you—your point emphasizes that the thing about rail and about, really, all transportation, is that it shows no town, no city, no region is an island, because they are linked inseparably to other areas. And the point that you made about the impact of a bridge on economic development, I think, is very profound and important.

Mayor James, I don't know whether you have anything you'd like to add.

Mr. JAMES. Well, Mr. Chairman, I think, in order to get you the best information, with people here who I think have far greater expertise on the subject of your question, I'll demur and let others speak to the issue of management of the railroads. There's no sense in me faking it.

Senator BLUMENTHAL. Mr. Fisher, how well managed are our railroads? You want to push on your microphone?

Mr. FISHER. There we go. I think they're well managed. You know, private industry is motivated by profit. And I think the railroads have done an excellent job of building their networks. I think the critical management issue is how freight is interchanged between trucks and railroads. You can have a well-run trucking company, you can have a well-run railroad, but the question is, who manages that connection? Could be an intermodal yard, connecting streets, the highway system, how the passenger rail system intersects that. And that's where government comes in, because it can reconcile all the interests and all the different considerations and

all the well-run private entities that have to worry about that connection.

And I think it's an interesting point you made that, you know, it's a national problem, because these terminals are in different states. And so, I think government needs to—can use its policy-making authority, it can use its ability to prioritize projects, and then it can use seed money to get people to focus on how those interconnections can work more effectively.

It's amazing how a little Federal money or State money can focus people's minds. Seed capital. In other words, guys, if we all work together, we can make this happen. And that was the case in the Joliet Park, the case at Richards-Bower and other facilities we've built around the country.

The Senator is not here from South Carolina, but we built an inland intermodal, in Greer, that moves freight very efficiently from the ports of Charleston inland. And that's fueling the manufacturing resurgence in that State. And other states have contacted, says, "Can you do that for us?" So—and it's about, again, port to shuttle train to an intermodal to a truck to a BMW plant that's 4 million square feet and makes all the X-5s that are exported around the world.

So, transportation is really important, but, again, to your question specifically—well, maybe it's a little bit of an indirect answer, but it's really managing the investment in, and operation of, the interchange points between the different modes of transportation that we have to rely on here.

Senator BLUMENTHAL. I'd welcome any other comments on that point.

Mr. SMITH. Yes, sir, Mr. Chairman. When I was on the Amtrak Board of Directors, safety was the number one priority, and we'd reinforce that by training of the personnel and then holding those personnel accountable. And Amtrak has had a very, very strong safety record. And it's not just—and I want you to consider this, moving forward—it's not just protecting the infrastructure and the crews and the passengers from an accident. It's, when there is an accident—and there will be—how do we train responders for a freight-rail incident with hazardous materials or a passenger-rail incident when the—if you remember the Bourbonnais accident, where Amtrak hit a load of steel that had run around the crossing arms and was on the track when it shouldn't have been in Bourbonnais, Illinois, and killed so many people. Well, there was no facility in the country that trained the emergency responders on how to deal with that. We created such a facility. It's in my hometown of Meridian, Mississippi, so I have to brag about that.

But, we need to look at the responders that come to freight- and passenger-rail incidents. And in the Northeast Corridor, you can't overlook the investment that needs to be made in infrastructure. The Northeast Corridor needs \$9 billion in infrastructure. And that's not to make the trains go any faster, that's to replace Civil War bridges and tunnels.

So, that's a real safety issue, moving forward. And you—that's a part, I think, of your answer.

Senator BLUMENTHAL. Mr. Poupore, on the issue of safety, how well are the railroads doing? And I mention it because one of the

incidents that I omitted—and I apologize for omitting it—was the death of a Metro-North worker in West Haven, which was absolutely inexcusable. The controller was a trainee, made the mistake of permitting the train to go on a track where work was in progress, and Metro-North had failed to institute rudimentary, long-available methods of alerting and preventing—alerting workers and preventing such tragedies.

So, I'm going to ask you how well the railroads are doing in the safety of workers. And again, if any of the other folks on the panel want to comment, I open it to them, as well.

Mr. POUPORE. Thank you, Mr. Chairman, for your question.

Unfortunately—I'm going to be truthful—I do not have a real good handle on the safety issues with rail there. I know what we do in other forms of construction and how safety is predominant with the crafts I represent and the training that they go through. I'm kind of shocked that you can have these kind of mistakes in the 21st century. So, I apologize that I don't have a better answer for you, and I will defer to my smart colleagues, here, who may actually have the answer to your question.

Senator BLUMENTHAL. And I recognize you may not have immediate answers. I would just suggest that safety is a priority as we do construction, but also as we prepare infrastructure for the future, because we're going to have to deal with positive train control, which has a deadline. There's a lot of pushback from the industry on that issue. Positive train control is definitely a safety issue. And when we talk about investment in infrastructure, it's going to be front and center.

Mayor Martin?

Mr. MARTIN. I haven't seen closely what management was at Metro-North, which has been most of my testimony. But, what I do know is that those lines on the Metro-North line, the—there are four rail lines in most locations, and they are—as they were built in—over 100 years ago, those lines are actually a little bit closer together than what is the standard today. And one of the failures of management was—is that, in too many locations, they were running those trains too fast, given how close the lines are together. And that's part of the challenges we're having now with the schedules having to change and the uncertainty, because the rail regulations have come back and said, "Hey, wait a minute, you can't go more than 35 miles an hour," and it's not just around curves, it's around the fact that the rails are a little bit too close together.

So, I happened to at least see in that a failure to enforce or recognize the safety issues, which might be unique to that line, simply because it was built so long ago. And, as you know, that was, in fact, one of the problems, was too much speed on one line, and on another line, I think there was something about—they were so close together. But—so, that's a—it's a signal that you're absolutely right about the direction you're taking this.

Senator BLUMENTHAL. I don't think they were unique to that line. I think they are common to many railroads around the country. And one of the major obstacles to higher-speed rail is, in fact, the configuration of the tracks. And one of the obstacles to multimodal use of the rails is, in fact, the decaying tracks that we have and also tracks that were built in the last century for the last

century's freight cars, as well as passenger cars, so they are—can't carry the weight. And the derailment in Bridgeport was due to, in fact, the failure of a joint, which, in turn, resulted from the lack of ballast holding up the tracks. That's an opinion that I think is founded on statements made by the National Transportation Safety Board—they have not issued their report yet, but I think that it's fruitfully confirmed that that is the cause.

So, this issue of infrastructure has many different ramifications. And I think the consensus here—and it has been very powerfully stated—is that investment is key, and we need to find a way to do it on a bipartisan basis. I think you've all indicated that it's not about party. People don't care whether they're going through, as one of you said, a Republican or—I think you said it, Mayor James—or a Democratic district or State; they care about whether they're traveling safely and reliably. And that's why we have so much more in common than in conflict on this issue.

So, I want to thank all of you for being here today. You've been very understanding of our schedule.

I would suggest to the Ranking Member, if he has more questions, I'd be happy to continue—

Senator BLUNT. No, I'm grateful for everybody's time. It was a very helpful hearing, lots of helpful perspectives for us. And I'm walking away with about four really good new examples to talk about. And sometimes I can go a lot longer than a 2-hour hearing before I can get four things that I can carry away.

I assume, Mayor Martin, the Hannibal Bridge, headed toward Hannibal, Missouri, where you cross the Mississippi River, which, if you're not from—is quite away away, but I think that's where you cross the Mississippi, coming out of Illinois, which is, I guess, why you call it the Hannibal Bridge?

Mr. MARTIN. I believe that Mark Twain's father was one of the original investors in the Hannibal to St. Joe Railroad. And what it did across the Mississippi—I believe you're correct, but I don't know—but then, when they built the bridge in Kansas City, causing the change in the rail to move away from St. Joe and down to Kansas City. And that's why it's the Hannibal Bridge on the western part of Missouri, even though Hannibal is on the eastern—right on the shore of the Mississippi. But—

Senator BLUNT. But, that's where you—

Mr. MARTIN.—I believe you are correct.

Senator BLUNT.—cross the Mississippi River, right?

Mr. MARTIN. Yes, I think you're right.

Senator BLUNT. And if I know anything about Mark Twain's father, if he invested, they lost money.

[Laughter.]

Mr. JAMES. Senator, I think there's another part to that, too, that Kansas City acted and took advantage of and worked with its congressional delegation to make sure that the only money that would be used for that would be to Kansas City. I would encourage that same thinking right now.

[Laughter.]

Senator BLUMENTHAL. I want to thank Mayor James and Mayor Martin particularly for using the power of history, and particularly

references to Mark Twain, who, as you know, did most of his best writing in Hartford, Connecticut.

[Laughter.]

Senator BLUMENTHAL. And I will just tell you, as a footnote to this hearing, that the Majority Leader of the U.S. Senate has a portrait of Twain behind his desk, because there's a very strong Nevada connection to Mark Twain, as well. So, you've hit all the right notes, here.

[Laughter.]

Senator BLUMENTHAL. Again, my thanks to each of you.

Just to concur with Senator Blunt, this record is very, very compelling, and you've helped us to make it with stories, which often move people more than statistics or abstract rhetoric. And those stories, I think, will reverberate powerfully among our colleagues, who are represented here through their staff and who will review this testimony.

So, thank you very much.

I'm going to permit the record to be open for a week, in case anybody has questions or if you have additional comments. And your statements will be made part of the record.

Thanks so much.

Hearing is adjourned.

[Whereupon, at 4:50 p.m., the hearing was adjourned.]

