

**Statement of the Honorable
Allan Rutter
Federal Railroad Administrator
before the
Committee on Commerce, Science and Transportation
United States Senate
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Mr. Chairman, Senator McCain and other members of the Committee, I am honored to appear on behalf of the Department of Transportation and the Bush Administration to discuss the wide range of important railroad-related issues being considered in this hearing.

The events of September 11 and their aftermath have demonstrated that the nation requires a safe, secure and flexible system of rail transportation that, along with the other modes in our national transportation system, provides the mobility of people and goods necessary to support our economy and national defense. There has quite rightly been much discussion in recent weeks on how to improve the safety and security of rail transportation. But the Administration is concerned that, in the environment of heightened legislative activity following September 11, many legislative initiatives are also being proposed that go far beyond immediate security and safety needs, such as equipment and operating expenses, and go to fundamental policy issues facing the future of several major rail-related programs. We would appreciate the opportunity to work with the Congress to develop our long-term policy options through more hearings and legislative debate. This, however, would likely require more time than is remaining in the first session of the 107th Congress.

S. 1550 "Rail Security Act of 2001"

On October 17, this Committee reported out S. 1550 to address security and safety needs within the rail industry. Mr. Chairman, I appreciate your leadership and that of Senator McCain in addressing long-standing issues related to passenger rail service that must be addressed regardless of whether the future holds a new model for passenger rail service in this country. I am pleased to tell you that, with a few modifications, the Administration can support the rail provisions of S. 1550 as the vehicle to address our most immediate rail safety and security needs.

This legislation responds to important rail safety concerns by clarifying that the Secretary's authority with respect to rail safety includes the ability to address security issues as well. This

should deter litigation over this issue and quickly end any that might arise. S. 1550 recognizes the changing nature of the rail industry and enhanced cooperation among railroads by expanding the authority of railroad police officers to enforce laws on properties of other railroads. S. 1550 also authorizes appropriations to upgrade the safety and security of Amtrak-owned tunnels on the Northeast Corridor and for systemwide safety and security upgrades on Amtrak. Eligible safety and security projects might include fencing and other means to control access to the railroad right-of-way, video monitoring of key bridges, tunnels and stations, measures to screen passengers and baggage for dangerous weapons and explosives, and overtime pay for Amtrak police and other personnel overseeing surveillance of railroad property and equipment. The Administration supports the concept of strengthening and improving the safety of America's rail system as embodied in these provisions of S. 1550, recognizing that funds would only become available through the appropriations process.

However, S. 1550 also authorizes \$254 million for other infrastructure improvements to the Northeast Corridor, including replacement of bridges and expansion of the train control system. These are part of Amtrak's large capital backlog, and must be addressed at some point. However, the Administration believes that these proposed improvements should be considered as part of the larger issue of how to meet the capital requirements of intercity passenger rail and the Northeast Corridor and not addressed separately as part of this legislation.

The Administration appreciates the enhanced focus on security planning required by this legislation. The Federal Railroad Administration (FRA) welcomes the role of working with Amtrak to craft a meaningful system-wide security plan that will enhance the safety of rail passengers, rail employees and the communities through which Amtrak operates. I have already met with the leadership of Amtrak and the leadership of the Association of American Railroads to ensure that all reasonable and feasible measures to enhance security are identified. FRA will facilitate the ability of Amtrak and the freight railroads to access the latest expertise within the Federal Government. Working together, the Federal Government and the rail industry will make this form of transportation more secure.

The Administration also appreciates that the Committee recognizes the role FRA can play in helping Amtrak define the most pressing of capital investments needed system-wide and on the Northeast Corridor to ensure that the security and safety upgrades are implemented as quickly as possible. In fact, earlier this week a team of FRA technical experts met with their counterparts at Amtrak to begin the process of reviewing the specifics of these contemplated projects, including

the extent to which State, regional and local authorities will participate in the planning and funding of these projects.

Other Pressing Rail Issues

Next to immediate security and safety needs, FRA sees the future of intercity rail passenger service as the most pressing rail issue requiring the attention of Congress and the Administration. The Department believes that there is an important role for intercity rail passenger service to play as part of our national transportation system. Intercity passenger rail has the potential to provide additional capacity and flexibility for our passenger transportation system. However, financial and other constraints inherent in the current system for passenger rail service in this country limit the ability of rail passenger service to fully achieve this potential.

Amtrak faces the most profound financial challenge in its 30 year history. I recognize that Congress has heard such dire pronouncements in the past only to find that, with a little more money, Amtrak could struggle through to the next reauthorization debate. I wish to tell you that we have found that the challenge is real this time. Amtrak has and will, to the extent possible, continue to mortgage or sell assets to pay salaries, buy fuel and meet its other operating needs. But the available assets are down to a precious few. And each time one is converted to cash, that transaction reduces the flexibility and options that we, the Congress and the Administration, have in addressing the future of intercity passenger rail.

The Administration and the Congress need to work together to identify the structural reforms and develop solutions that will result in a financially stable system that can help this country meet our mobility and national defense needs. We must address the issues of what the rail passenger transportation network should be, what we can afford, how it will be operated, and how it will be financed. The time to articulate our national passenger rail policy has come. The Department is totally committed to working with this Committee to develop that policy.

There are many related issues before the Congress in pending legislation including bonds, either tax credit or tax free, to fund high-speed rail infrastructure and equipment investments; expansion of the Railroad Rehabilitation and Infrastructure Financing program to benefit passenger rail service; and new authorizations for high-speed rail research and development. The Administration believes that we cannot separate these issues from development of the fundamental national passenger rail policy and should not legislate on these issues until the Congress and the Administration have a shared understanding of that policy.

We are now at the point that the intercity rail passenger reauthorization debate needs to begin. The Administration plans to include at the very least, an outline of a legislative initiative as part of President Bush's FY 2003 budget submission early next year. The Amtrak Reform Council should also be in a position to present its recommendations on "an action plan for a restructured and rationalized national intercity rail passenger system" at about the same time. No doubt other interested parties will have their own ideas. I would suggest that hearings on these proposals be held early in the next session with a commitment for Congressional action on intercity passenger rail service reauthorization before the Memorial Day recess.

Mr. Chairman, this concludes my prepared remarks. I would be happy to elaborate on these points in response to any questions the Committee might have.

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