

Chairman Ernest Hollings
Senate Commerce Committee
Railroad Advancement and Infrastructure Law of the 21st Century (RAIL-21)

One month ago today, the United States was attacked by terrorists who hijacked airplanes and used them as weapons against the World Trade Center, Pentagon and another unknown target which was crashed into a field in Pennsylvania. After the Federal Aviation Administration grounded the airlines following the terrorist attacks, travelers flocked to Amtrak. Whether people had to travel for business, to help with rescue efforts, or just to get home, Amtrak kept our American citizens moving during a time of national emergency.

The situation not only proved that Amtrak works, but that Amtrak is a critical part of our transportation infrastructure during a national emergency. Now that airlines have reduced their flights on the East Coast and throughout the country, more of the passenger burden has fallen on Amtrak, which carries 35,000 passengers along the Northeast Corridor everyday. Even the U.S. Postal Office carried 237 extra carloads of mail in the days following the terrorist attacks.

Today I am introducing the Railroad Advancement and Infrastructure Law of the 21st Century, or RAIL-21. In the short run, this bill will provide emergency security assistance to Amtrak, a key part of our national transportation infrastructure. In the long run, this bill will spark the building of important high-speed rail infrastructure in high-volume corridors across the United States, reducing our dependence on air and highway travel.

In light of the events of September 11, it is important to look at the entire transportation system. Transportation security requires a balanced and competitive system of transportation alternatives. Three weeks ago we found out that our dependence on the aviation system almost crippled us. We cannot be overly reliant on any single mode of transportation; we need to ensure that we have a balanced system.

Today we are trying to pass the airline security bill to make airline passengers feel safe so they will fly again. We need to make passengers feel just as safe when they travel by train. And we need to make sure we have transportation alternatives.

To address Amtrak's immediate concerns, the bill would authorize \$3.2 billion in emergency spending for Amtrak's security and capacity needs. The money will pay for more police, surveillance, fencing and lighting at the train stations and train yards; life-safety improvements and more fire-fighting capacity for tunnels in New York, Baltimore and Washington, D.C.; and more passenger cars and capacity improvements to meet the growing demand for train service.

RAIL-21 would reauthorize Amtrak for one year with \$1.2 billion for capital and operating expenses. The bill would allow Amtrak to continue its GSA vehicle lease agreements and would suspend Amtrak's redemption requirements for common stock until the end of FY2004.

Additionally, the bill would remove the operational self-sufficiency requirement passed three years ago. Let me talk about that for a moment. There is no truly national passenger train service in the world that makes a profit. Requiring Amtrak to do so has forced the railroad to short-change critical infrastructure investments in order to meet a questionable economic model. We must free Amtrak from this requirement so they can go back to running a passenger railroad with modern and safe equipment — not juggling bond payments and taking out mortgages on Penn Station just to meet an impossible self-sufficiency deadline.

Nations invest in passenger rail service because it increases the opportunities to travel — and thus a nation's quality of life. Rail service also reduces car congestion and pollution. And we saw last month that, during a national emergency, having a viable, operating national train system can be a strategic asset.

Kenneth Mead, the Inspector General for the Department of Transportation, has said the drive for self-sufficiency has forced Amtrak to spend money on quick projects that improve the short-term bottom line while cutting back on maintenance and investments.

Those who want Amtrak to operate without federal assistance — ultimately forcing the railroad's passengers onto cars, buses and airplanes — always cry that we should not "subsidize" Amtrak. But we subsidize the building of roads and highways with tax dollars. We subsidize the building of airports and pay flight controllers with tax dollars. We consider those subsidies to be worthwhile investments in our economy and our quality of life. We must make the same investment that other countries make in passenger rail service.

While that argument should stand on its own, here's something the highway and airplane crowd can take to the bank: moving more short-haul travelers to rail service reduces congestion on our already overcrowded highways and eases congestion at airports, allowing airlines to focus on more-profitable, long-distance routes. Investing in passenger rail improves conditions for highway and airport users at a fraction of the cost per mile traveled.

According to some experts, Amtrak has reduced air traffic congestion out of Philadelphia's airport by 50 flights a day. Rail service between New York and Washington carries enough passengers to fill 121 airline flights per day. Now, with reduced flights out of East Coast airports, it makes more sense to look at Amtrak not only as a transportation alternative, but as a transportation mainstay for regional corridors all over the U.S.

Amtrak has been severely under-capitalized since its inception in 1971. We would not be talking about many of these problems with Amtrak if it had been given the proper seed money for capital and annual funding from the very beginning.

And that leads me to the second part of this bill, in which we look to passenger rail's long-term future. The passenger railroad system that has worked on the Northeast Coast can work in other high-congestion areas of the country: the South, the Midwest, California and the Northwest.

Thirty years ago, those areas did not have the population to support high-speed intercity rail. But today those areas are growing by leaps and bounds. As the highways in those areas clog up and the planes run three hours late, their governors — many of them Republicans — are asking us for help to build high speed rail.

RAIL-21 authorizes \$35 billion in direct loans and loan guarantees for passenger rail, freight rail, and rail security enhancements. RAIL-21 also would authorize \$50 million in matching grants annually during FY02 through FY04: \$25 million would be available for security and technology research and development; \$25 million would be available for corridor planning and acquisition of rolling stock, with preference given to designated corridors.

RAIL-21 identifies existing high-speed corridors for priority consideration. Many of these corridors are in the South, Midwest and California where people are now driving cars or taking airplanes on trips of 200 miles or less. In these areas, like the East Coast, travelers could take a high-speed train instead — and arrive about the same time.

But right now they don't have that option. Therefore, we have a problem here: They can't use it if we don't build it.

We built high speed rail on the East Coast, and the people have used it. If we build rail corridors around Chicago and the Midwestern cities, they will use it. If we build rail lines in the South from Washington, D.C. through the Carolinas to Atlanta and Florida, they will ride it. If we build a corridor in California from San Diego to Sacramento, they will ride it.

This bill does not only support Amtrak — it is also intended for commuter rail, freight railroads, and short line operators. That's what many Senators, governors and constituents

have asked for.

In the long term, travel in the United States will outpace the ability of airports and highways to handle the volume. With the tighter security checks at the airports, it will be faster to make trips of 200-300 miles by train than by air. More train travel will reduce congestion at our most crowded airports and our most gridlocked Interstate highways.

I am pleased my colleagues have joined with me to introduce this bill, which we hope to move quickly. Modernizing Amtrak now will create jobs in the short run to stimulate our economy. And by modernizing our transportation infrastructure, high-speed rail corridors will play a key role in our long-term prosperity.

I would ask that the text of my bill be printed in the record following my statement.