

**TESTIMONY BY MAYOR MICHAEL R. BLOOMBERG  
DEVELOPING TRUE HIGH SPEED RAIL TO THE NORTHEAST CORRIDOR  
U.S. HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE**

Good morning, Chairman Mica and Ranking Member Rahall. Thank you for calling this hearing and inviting me to testify. I'd also like to recognize Subcommittee Chair Bill Shuster and Congressmen Jerrold Nadler and Michael Grimm from New York City.

It's appropriate that this hearing is taking place in Grand Central. Like the Erie Canal, the transcontinental railroad, and the interstate highway system, it's a monument to our nation's tradition of dreaming big and investing in our future.

Together, those transportation networks opened up new markets and made us the globe's economic superpower. But that was a long time ago. Today, our nation invests just over 2 percent of our GDP in infrastructure. Meanwhile, Europe invests at twice that rate and China at almost three times it.

In 2007, I visited Shanghai. I landed at the airport and got on a magnetic levitation train capable of traveling at 250 miles per hour. Other countries in Asia, Europe and the Middle East are building bullet trains too. So what is America waiting for?

If we're going to maintain our global economic competitiveness, we must re-commit to infrastructure.

With former Governors Rendell and Arnold Schwarzenegger, I've formed a bi-partisan coalition called "Building America's Future" that has been working to build support on this vital issue. We welcome your committee's interest in building a high-speed rail network and I'm glad to hear that a consensus is emerging around why it should be built here in the Northeast.

As you know, the Northeast is the nation's largest economy. The region is home to the nation's major centers of business, government, finance, medicine, entrepreneurship, and education. 162 Fortune 500 companies are headquartered in the Northeast. In addition, seven of the world's top 20 research universities are located in the region. And most of our population is consolidated in dense cities close enough to each other to make travel by train much more convenient than flying.

At the same time, because of all this activity, the Northeast is approaching a transportation crisis. Our airports are among the most clogged, our highways are among the most congested, and our train corridor is the most heavily used in the country. All of that is only going to get worse with the region's population expected to grow by 40 percent by 2050.

If we want this engine to keep driving the American economy, we need to unclog its fuel lines. And the best way is via a high-speed rail line. High-speed rail would add the equivalent of about 1,900 lane miles of interstate except, of course, this would be an interstate with a speed limit of 220 miles per hour.

High-speed rail in the Northeast would be a boon for our region and our country in other ways. It would generate travel and tourism, raise property values, and cut pollution and dependence on foreign oil. And by reducing congestion on our highways, at our airports and on our commuter trains it would increase economic activity.

We estimate that high-speed rail would generate more than \$7 billion in economic activity and create about 100,000 new jobs by 2040. Because when businesses and industries are brought closer together, they inevitably see greater profits, creativity, and productivity.

President Obama and Congress have taken a good first step by allocating \$10 billion for high-speed rail. And I was encouraged that the President reaffirmed this commitment during the State of the Union, setting a goal of giving 80 percent of Americans access to high-speed rail within 25 years. That's certainly a laudable goal, but the money isn't there for it yet. So we ought to start with what makes sense economically right now. And at the moment, we're not doing that.

Funding for high-speed rail projects has been divided across 36 states, spreading our money so thinly that we run the risk of achieving nothing at all. In fact, the current Federal plan allots just over 1 percent of all high-speed rail spending for the Northeast. That simply doesn't make sense. Especially because Acela is the only profitable line run by Amtrak and the Northeast is the only corridor where there's demonstrated high demand for high-speed rail.

What we need is a new approach to spending transportation money - one that's not dictated by politics, but based on economics. We might not get all the routes we want, but we will get the high-speed trains we need.

Before I close, I want to mention two ideas we need to explore if we want this to be feasible.

First, high-speed rail could cost over \$100 billion and take a generation to build. While government should take the lead, we need to look at new structures and financing that will attract private dollars.

Second, we don't need to wait to start testing new ideas. We should consider stimulating private investment and innovation by opening the tracks to competing franchised operators. They're doing that with the English Channel tunnel and it will lead to more options, cheaper tickets, and better service. Who knows what options might emerge for the Northeast? JetBlue offering trains with leather seats and TVs?

The country needs to make smart investments in 21st century transportation. And the evidence could not be any stronger: high-speed rail in the Northeast corridor is the smartest possible investment for a track to the future.

Thank you.