

Committee on Transportation and Infrastructure
Northeast Corridor High-Speed Rail
Testimony
Of
Robert A. Scardelletti, International President
Transportation Communications Union/IAM

Chairman Mica, Ranking Member Rahall and members of the Committee on Transportation and Infrastructure:

Our union represents over 50,000 members. Approximately 35,000 of which work together with 120,000 other railroad workers represented by the International Association of Machinists, Brotherhood of Locomotive Engineers and Trainmen, United Transportation Union, National Conference of Firemen and Oilers, Brotherhood of Railroad Signalmen, International Brotherhood of Electrical Workers, Sheet Metal Workers International Association, American Train Dispatchers Association, Brotherhood of Maintenance of Way Employees, Transport Workers Union of America and UNITE HERE, in both freight and passenger rail, as well as on various commuter lines throughout the United States. TCU is the largest union on Amtrak representing six (6) different crafts. I appreciate the opportunity to appear before your Committee today to address the issue of "Northeast Corridor High-Speed Rail".

As I have testified before, TCU and rail labor have long supported high-speed rail in the Northeast Corridor throughout the United States. We supported the passage of the Passenger Rail and Investment and Improvement Act of 2008 and the American Recovery and Reinvestment Act, and we strongly advocated provisions in the bill to provide badly needed investment in our transportation infrastructure. This historic investment was a good first step in helping to reverse years of neglect and under investment in our transportation infrastructure. We applaud those who are responsible for this unprecedented commitment to high-speed rail in those two bills. However, it must be recognized that a viable intercity passenger rail system that includes high-speed rail can only be achieved through annual appropriations by Congress.

Amtrak is by law America's national rail carrier and the only current provider of high-speed rail, through its Acela Express service. Amtrak and its dedicated workforce will celebrate 40 years of service in May after being established by Congress to provide a national rail passenger service to the citizens of the United States. At the time Congress chartered Amtrak, the Northeast Corridor was in a bad state of repair and the equipment was old and dilapidated. Over the years Amtrak has partnered with the Northeastern states on numerous rail development and improvement initiatives to create one of the best transportation experiences in the United States.

Ten years ago last December, Amtrak launched Acela Express—the nation's first and most advanced high-speed rail service. After working out the kinks and tweaking the system, Acela Express has become a popular alternative to regional flights and automobiles traveling the busy Northeast Corridor.

Amtrak stands apart as a Carrier because it has an established national network which includes an extensive reservation system, existing rolling stock, statutory relationships with the freight railroads, as well as physical infrastructure that could be leveraged to support future improvements and growth to its high-speed rail service.

Most importantly, Amtrak has a dedicated and experienced workforce that will be critical in rolling out and operating future high-speed passenger rail service. Amtrak already has experienced ticket agents, baggage handlers, carmen, on-board service workers, supervisors, machinists, electricians, train dispatchers, signalmen, maintenance of way workers, sheet-metal workers, firemen and oilers, and engineers and conductors, all of whom are vital to running a high-speed rail service. Amtrak, with its skilled and unionized shopcraft employees, should be the first choice to operate and maintain all new high speed rail service and equipment.

But there are those in Congress who oppose funding for Amtrak and then complain that Amtrak is not providing good service and should be discontinued. In fact, just last week, the Republican Study Committee unveiled a proposal to eliminate all funding for Amtrak and \$2.5 billion for intercity and high-speed rail grants. If our country is committed to providing a **world-class high-speed** rail system in the Northeast Corridor and elsewhere, then it needs to provide Amtrak and high-speed rail a dedicated long-term, guaranteed funding source.

The government should expand on Amtrak's success, and embrace its vision for a more ambitious high-speed train that would travel up the Northeast Corridor at speeds of up to 220 miles per hour, significantly cutting the trip times from Washington to Boston. Amtrak's plan, which was unveiled this past fall, would mark a major step forward in building the Northeast Corridor for the future. However, this plan would take a major commitment by the United States Government over the next 25 years to build the system, including new track, tunnels, bridges and stations. Such a new high-speed rail system would create thousands of new jobs.

These jobs, under the rail laws of the United States, will be good paying jobs with benefits. In other words, the kind of middle class jobs the country needs. There will be more than enough people seeking these jobs, and most of these people will be highly qualified and experienced individuals who will meet the challenge of building and operating a high-speed rail system in our country.

Aside from the jobs this service will create it will also be a much needed travel alternative for the traveling public. New high-speed trains would divert riders from highways and air travel, reducing both congestion and our dependence on foreign oil.

Congress should reject any attempts to privatize the Northeast Corridor. We have always recognized that the private sector does play an important role in both the financing and operation of our transportation system. Private sector airlines, bus companies and highway construction firms, to name a few, provide vital services and provide hundreds of thousands of good-paying, high-quality union jobs.

But we know from experience that passenger rail is better left to the public sector. This is because of the unique safety and security concerns as well as the capital-intensive nature of

building and maintaining the infrastructure and the equipment needed to operate high-speed passenger rail service. We have always maintained, and history bears this out, that intercity passenger rail belongs in the public sector.

To achieve quality high-speed passenger rail significant ongoing investment must be made in rolling stock, signaling equipment, stations, tracks and employee training. These comprehensive and complex investments require entities that are either operated by government or subsidized and regulated.

Amtrak was created out of the 1970 bankruptcy of the Penn Central Railroad – at that time the largest corporate failure in US history. Congress established two separate corporations out of the Penn Central collapse – Conrail to take over freight service and Amtrak to provide intercity national passenger rail service in acknowledgement that railroads all across the United States were hemorrhaging money on passenger rail. Amtrak was a great idea then and continues to be today.

Last year we witnessed the problems and delays that a large private operator like Keolis Rail Services America had in assembling an experienced and trained workforce necessary to safely operate a railroad such as Virginia Rail Express (VRE). Additionally, as reported in the Washington Post, we watched VRE's on-time performance plummet in July 2010, when trains on the Manassas and Fredericksburg lines were on schedule only 63 percent of the time after VRE took over from Amtrak. Congress should do everything possible to avoid another such calamity on the busy Northeast Corridor.

We are specifically opposed to any legislation that would require the Department of Transportation to issue a Request for Proposals (RFP) for high-speed rail routes between Washington, D.C., New York City and Boston. Amtrak already operates several routes on this corridor, including its highly successful Acela Express service. While this service can and should be expanded, we do not understand how the public will benefit by allowing a private operator to take over one of the most successful routes in Amtrak's system.

It is unfortunate Amtrak could not be part of this hearing today to brief the Committee on its plan for the future of the Northeast Corridor and their NextGen High-Speed Rail service. We know from Amtrak's studies that the principal markets for high speed rail are those emerging "mega-regions" which face growing capacity, environmental, and energy challenges. Among them are California, Texas, Florida, and the Midwest, all of which will grow in the coming years. America's population is expected to grow by about 49% between 2000 and 2050 and the recent census figures show that we added nearly 30 million people over this past decade alone. This growth will be heavily concentrated in urban centers, and this pattern of burgeoning urbanization is going to create a demand for transportation capacity in all of these regions. Half a century ago, in anticipation of the population growth of the last fifty years, we invested in the Interstate Highway system and in airports; now those systems are at capacity, and it's time for us to begin the next round of transportation capacity investment for the century ahead.

Today, the Northeast mega-region is the “land of opportunity” for investment in high speed rail for a number of reasons. Congestion in the region’s highways and airports has already reached epic levels, and a couple of statistics will illustrate the scale of the problem:

- Congestion at LaGuardia and Newark Liberty alone cost the regional economy about \$2.6 billion in FY 2008 (Partnership for New York).
- If congestion at these two airports is not addressed, the cost to the regional economy for the 2008-2025 period alone will be about \$79 billion.
- The annual cost of highway congestion in the 13 largest urban areas of the Northeast is more than \$18 billion (TTI).
- The Federal Highway Administration reported that the Northeastern states (including Delaware, Maryland and the District of Columbia) spent a total of more \$41 billion on highways in 2007 – about twenty percent of the total national investment in highways for that year.

Between 1990 and 2007, the average commuter in the five major metro areas on the NEC (Washington, New York, Boston, Philadelphia and Baltimore) experienced a 60% rise in traffic delays, while the total hours of congestion increased by 24%.

Given the need for transportation alternatives, the real question is not ‘can we afford to invest in high speed rail in the Northeast Corridor’ – but rather, “can we afford not to?”

First of all, Amtrak does a much better job of recovering its costs than either of the principal competing transportation modes. From ticket revenues alone, Amtrak recovered 76% of its FY 2010 operating costs; when you include the revenues derived from food and beverage sales, real estate rental, commuter rail operations, and other sources, Amtrak recovered 84% of its total operating costs. Acela service did even better; it covered all of its operating costs and in addition, it generated revenues that were equal to about 41% of the total cost of operating the service. By contrast, air travelers paid about 57% of the FAA’s operating costs in 2010, and the highway system generated less than 60% of its total cost—the remainder was assumed by state and federal taxpayers.

Cost recovery is only part of the story. Amtrak’s NextGen High Speed Rail vision would, if implemented, generate a whole range of additional benefits, including travel time and safety cost savings, energy savings, productivity improvements, and congestion mitigation on the highway and airport systems. Once these are factored in, the net benefit is more than double the projected cost—and there’s still room for a century of growth, because the 2040 service level is only a quarter of the system’s designed capacity. As noted, while public investment will be a vital component of the plan, the cash flows anticipated will be sufficient to service some of Amtrak’s debt, allowing the company to explore various debt financing options, such as Railroad Rehabilitation and Improvement Financing or other financial instruments. The projected cash flow estimates are based on conservative ridership estimates, and Amtrak can possibly leverage private sector funding opportunities, perhaps through some form of a public-private partnership, to fund some construction and development costs.

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The Northeast is a land of real opportunity for passenger rail service of every kind. It includes some of the most productive and densely populated cities in the U.S., with a diverse range of high-tech, high-growth industries and businesses—and the best projections suggest that regional population and economic growth will continue.

I believe that Amtrak has the solution to this problem with its NextGen high-speed rail system. We can bring the nation the transportation capacity of a six lane highway on a two track right of way, and we can improve on what Amtrak already offers—trip-time competitive transportation between the largest cities in the Northeast.

Today, Amtrak is carrying more people between New York and Washington than all of the airlines put together. The people who built this railroad planned for a century of growth, and the railroad delivered on their vision. But that century is up, and the system is operating at the outer limits of its capacity. The time to plan for the coming decades is now upon us, and I would urge the Chairman and the Committee to consider Amtrak's proposal—for it represents a real opportunity to create a valuable legacy for the generations to come, and a priceless asset for America.

**Biography of
Robert A. Scardelletti
TCU International President**

Robert A. Scardelletti, International President of the Transportation Communications Union, started out in 1967 as a yard clerk with the New York Central in Cleveland, Ohio.

He rose through the ranks, serving in a variety of positions including Local Chairman of Lodge 725, Vice General Chairman and General Chairman of System Board 86, and then International Vice President. He first was elected President at the 1991 Grand Lodge Convention and since then has been returned to office by acclamation at the '95, '99, '04 and 2009 Conventions.

As TCU President, Scardelletti also represents the interests and needs of TCU members in a variety of other forums: He is a Vice President of the AFL-CIO, and in the federation's Transportation Trades Department; and he serves on the Executive Board of the International Transport Workers Federation.

Through the years and in every office he has held, Bob Scardelletti has committed himself to making TCU a strong union. Because of his leadership, TCU members have strong contracts, leadership education, solid representation, and the ground-breaking improvements to the Railroad Retirement Act, among many achievements.

Under his aegis, TCU became an affiliate of the International Association of Machinists and Aerospace Workers in July 2005, moving toward full merger no later than 2012.

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