

**Federal Railroad Deputy Administrator Karen Hedlund
Remarks as Prepared for Delivery
California Passenger Rail Summit
Los Angeles, California
April 2, 2014**

Good morning, everyone. I am so glad to have this opportunity to join you this morning with Art Leahy and Chad Edison. And I want to thank all the people who had a hand in organizing this summit – especially LA Metro, Orange County Transportation Authority, Riverside County Transportation Commission, and the Southwest Rail Passengers Association.

I am here today to talk about our proposal for a four-year rail bill that is part of the President's \$302 billion surface transportation plan – and how it will provide dedicated, predictable funding for rail projects nationwide.

Our proposal includes \$19 billion for rail safety programs, current passenger rail service, and rail service improvements – building on the High-Speed and Intercity Passenger Rail program. And most importantly, it provides the funding predictably needed to move California, and the Nation, forward.

But I am also here simply to recognize the great work of everyone in this room to build a complete rail system in California.

Chad, before becoming Deputy Secretary, was a vital member of FRA's rail development team.

He did a great job assisting states and grantees in doing coordinated rail planning and making market-based investments in passenger rail.

As a result of his and our development team's efforts, our High-Speed and Intercity Passenger Rail program has been able to support more than 150 rail projects in 32 states.

2014 is our busiest construction year.

In fact, right now, 48 projects worth \$5.4 billion in funding are under construction or will be soon – and 21 projects are complete.

So, while it was tough to see Chad go, it is great to see him helping to lead a statewide effort to bring together rail partners and work strategically toward a common vision for future service.

California's high-speed train – ultimately – is going to be a train to everywhere.

And one of the many reasons this will be true is because the high-speed service connecting Los Angeles and California will tie into California's existing network, serving as its backbone.

California is not just leading the way – setting an example for the Nation – on high-speed rail.

California, thanks to you all – and thanks to your ability to see the big picture in your rail planning and to work together strategically – is pioneering an integrated rail system. The kind of governors, mayors, and local leaders all across the country realize is the future of American transportation – and needed to balance the nation's transportation options.

This has a lot to do with the fact that, by 2050, our transportation network will need to safely, reliably, and efficiently move an additional 100 million people and 4 billion tons of freight.

But America is already facing a massive infrastructure deficit.

And the lack of balance in our transportation network is creating tremendous inefficiencies – and stunting our economic growth.

Forty-two percent of major urban highways are congested.

In 2012, nationwide, the cost of road congestion was \$121 billion – 27 billion of which was essentially the cost of trucks idling in traffic jams.

And as a way of confronting high fuel prices and changing demand, airlines have had to make significant cutbacks to short-haul flights to small- and medium-sized cities: that 200- to 600-mile range that happens to be the sweet spot for passenger rail.

Now, let's look at this from the perspective of California, the producer of more than 10% of America's GDP.

By 2050, the State's overall population will swell to 60 million people.

And in the Central Valley, the population will double – meaning this region will absorb the entire populations of Massachusetts or Washington.

You all know well that California's roads and airports rank among the nation's most congested.

The State also has four of the five metropolitan areas with the worst air quality.

So, doing nothing is not an option.

But we also can't out-build this problem, either.

For example, to build the transportation capacity that California needs, an alternative to the high-speed rail project – building 4,300 miles of new lanes of highway, 115 additional airport gates, and four new airport runways – is not only considerably more expensive ...

... In many cases geographic constraints make it impossible.

Thus, in the face of these challenges, the efficiencies of rail simply cannot be ignored.

With service levels targeted to the market, rail can be the most cost-effective, least oil-reliant, and most environmentally friendly mode to move people and freight.

But we also can't ignore the evolution of American travelers.

Studies by the U.S. PIRG and Frontier Group have documented that Americans – since 2005 – have been driving less, while using passenger rail and public transit in record numbers.

They also found that in an eight-year period starting in 2001, young people reduced their auto vehicle miles traveled by 23 percent and increased their average passenger miles traveled by rail and bus by 40 percent.

Amtrak's ridership is growing faster than any other major travel mode – 40 percent growth over the past decade – with new ridership records set in 10 out of the last 11 years.

And last year, Americans took a record 10.7 billion trips by public transportation – the most trips since the year President Eisenhower authorized the building of the Interstate Highway System.

Clearly, the time is right for change.

Now, in late February, President Obama announced a sixth round of DOT's popular TIGER grant-funding program, which has funded an array of good projects that previously would have struggled to find a funding source.

Rail has been TIGER's big winner.

So far, \$808 million – close to a quarter of all funding – has gone to rail projects in 48 states.

And more than \$120 million of that funding has gone to rail projects in California.

That includes:

- improvements to rail connections at the ports of Los Angeles, Long Beach, and Oakland;

- rehabilitating Sacramento Valley Station;
- replacing a rail bridge on the Pacific Surfliner route; and
- the Colton Crossing Project, which was completed eight months early and 50 percent under budget, and which eliminated the mainline at-grade crossing of UP and BNSF that *had been a source of delay since 1883*.

The deadline for project applications for this latest round is April 28th.

But let me return now to the President's four-year plan – which builds upon current rail policy and a \$23 billion portfolio of investments made since 2009.

The plan invests equally – \$9.5 billion over four years – in two programs: one dedicated to current passenger rail service, and the other to future rail service improvements.

The current passenger rail service program will fully fund Amtrak, achieving a state of good repair across Northeast corridor, state-supported, and long-distance routes.

The rail service improvement program will in turn provide competitive grants to further the development of a high-performance rail system: from building new corridors, to making substantial improvements to existing corridors, to fixing network chokepoints.

In addition to improving service, our plan also advances our top priority, which is ensuring our rail network continues to grow safely.

Over the past decade, train accidents have declined 47 percent, highway-rail grade crossing accidents are down 35 percent, and employee fatalities have been reduced by 59 percent.

New records in safety have been achieved four of the past five years and Fiscal Year 2013 was even safer than Fiscal Year 2012 – previously our safest year on record.

But we owe it to the public to always do better. And to ensure we do, we are pushing forward with what Administrator Szabo refers to as our three pillars for leading the next generation of safety.

The first is continuing strong oversight and enforcement that is data-driven.

The second is advancing more pro-active safety based programs that identify and mitigate risk well in advance of an accident.

And the third is ensuring predictable and sustainable federal funding for rail to improve infrastructure and develop new safety technologies.

A critical part of our oversight role, or first pillar, is our commitment to learning from every accident.

Last month we released our report of Operation Deep Dive, our 60-day safety assessment of Metro-North. Later this month, Administrator Szabo will meet with commuter rail CEOs to discuss our findings, lessons learned, and to share best practices.

FRA also is part of a comprehensive strategy for ensuring the safe transportation of Bakken crude oil.

In partnership with the Pipeline and Hazardous Materials Safety Administration, we are examining the entire system for crude delivery: from making sure crude is properly classified and packaged, to supporting PHMSA's tank car rulemaking, to taking further steps to mitigate risk throughout rail operations.

In the last eight months, DOT has advanced a dozen safety measures to enhance the safety of Bakken crude oil transport, both immediately and over the long term.

One of those steps, Secretary Foxx's Call to Action, resulted in the Association of American railroads agreeing to a series of immediate voluntary safety measures, including applying the hazardous materials routing rule to the routing of crude oil and slowing down crude oil trains.

Looking ahead, the President's budget request would strengthen our comprehensive approach by providing an additional \$40 million over the next two years to improve the safe transportation of energy products.

It would also provide \$825 million in 2015 – and \$2.3 billion over four years – to support PTC installation on the Nation's commuter railroads: an area in which the North County Transportation District and Metrolink territories are already leading the way.

While we continue to make the funding and policy case for rail, the FRA is as focused as ever on successfully managing our current investments, and executing high-quality projects that deliver tangible value for taxpayers.

That includes high-speed rail in California, a project that has made significant progress.

The design/build contract for construction package 1 was awarded in August of 2013; right of way is currently being acquired; final design is progressing; and construction activities are underway on the first construction package in around Fresno and the associated S9-99 relocation.

The challenges this project faces – including some of the opposition – are nothing new.

Critics of the Golden Gate Bridge called it an upside-down rat trap.

Some engineers believed the towers would never stand, and dismissed the whole thing as impossible to build.

Then, as the project got close to breaking ground, opponents filed more than 2,300 lawsuits trying to stop it – some questioning the revenue sources, others grasping at the issue of how the bonds would be used.

Historians, in fact, would later write: building the bridge was the easy part.

The hard part was breaking ground.

But ultimately, the project did break ground – and during the Great Depression, of all times.

We have an opportunity now to not only absorb these great lessons from the past – but to reclaim them as an essential feature of the American identity.

And that's why I want to close today with what I really think is the most important part of our four-year rail plan: the creation of a new Rail Account within the Transportation Trust Fund.

A rail account will provide rail with its own dedicated source of funding to put it on par with other forms of transportation.

And this is critical.

Because ultimately, this is about more than funding numbers – and even funding transportation in a way that matches the needs of the 21st century.

To build a complete rail system in California – and nationwide – there has to be funding and policy certainty.

States, local governments, our private sector investors – they deserve no less.

To plan, invest in, and build a high-performance rail system – they need predictability.

They need a reliable Federal funding partner.

And if we are able to provide that support, I have no doubt we will succeed in building the rail system our economy needs and travelers deserve.

Keep up the great work.

Thank you so much.