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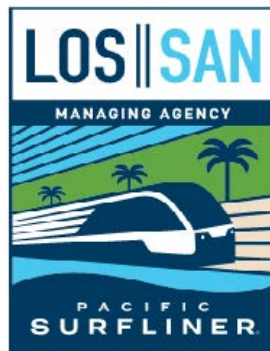
U.S. HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE,
SUBCOMMITTEE ON RAILROADS, PIPELINES AND HAZARDOUS MATERIALS

ON

LEVERAGING IIJA: PLANS FOR EXPANDING INTERCITY PASSENGER RAIL

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SUBMITTED BY



LOSSAN RAIL CORRIDOR AGENCY

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The LOSSAN Rail Corridor Agency is a joint powers authority composed of rail owners, operators, and planning agencies along the LOSSAN rail corridor. The agency has managed the state-supported *Pacific Surfliner* route since 2015.

<https://www.octa.net/LOSSAN-Rail-Corridor-Agency>

Introduction

Good morning Chairman Payne, Ranking Member Crawford, and Members of this esteemed subcommittee. My name is Donna DeMartino and I am the Managing Director of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency which oversees the highest ridership state-supported Amtrak route in the United States, the *Pacific Surfliner*. I am honored to join you today to discuss the importance of state partnerships in growing intercity rail corridor services, as well as improving existing rail corridor services.

Let me first begin by commending Congresswoman Steel for her service on the Orange County Transportation Authority (OCTA) Board of Directors and on the Orange County Board of Supervisors before coming to Congress. My agency is housed at OCTA, which provides both administrative and staffing support to the LOSSAN Rail Corridor Agency. The Congresswoman was involved in ensuring both passengers and freight moved efficiently through the greater Los Angeles region, one of the most congested area of our country, during her years of service on behalf of Orange County residents. We are thrilled that she brings her years of public service and extensive knowledge of transportation in our region to Congress and especially this subcommittee.

I would like to thank Congresswoman Napolitano for her tremendous leadership on water and transportation issues impacting southern California and our nation, particularly during our recent supply chain challenges. The LOSSAN Rail Corridor Agency looks forward to continuing to work with our entire Congressional Delegation to efficiently and impactfully implement the historic passenger rail investments contained in the Infrastructure Investment and Jobs Act (IIJA).

It is also a pleasure to join Secretary David Kim this morning. Our agency, as well as our sister joint power authorities (JPAs), work closely with the California State Transportation Agency (CalSTA) to plan, implement, and fund intercity rail services in our state. We greatly appreciate his leadership and the hardworking CalSTA staff, especially as we work together to implement our long-term vision for an integrated, cohesive statewide rail system envisioned in our work on the 2018 California State Rail Plan, which is being updated currently for 2022. We have successfully been planning, investing, delivering, and expanding both passenger rail and freight rail projects throughout the state for years. The IIJA provides an opportunity to leverage our significant investments to deliver critical infrastructure expeditiously in California.

LOSSAN Rail Corridor Agency and the Pacific Surfliner

The LOSSAN Rail Corridor Agency (LOSSAN Agency) is a joint powers authority comprised of rail owners, operators, and planning agencies along the LOSSAN rail corridor. My agency works to improve passenger rail ridership, revenue, on-time performance, operational flexibility, and safety of intercity passenger rail services over the corridor. In 2012, Senate Bill (SB) 1225 was signed into law, enabling regional governance of the state-funded *Pacific Surfliner* service by the LOSSAN Agency, with the goal of transforming the *Pacific Surfliner* into a service under

local control that is more responsive to local needs, issues, and consumer desires. The LOSSAN Agency executed an interagency transfer agreement with the state of California effective July 2015. This agreement allows the LOSSAN Agency to assume administrative and oversight responsibility for *Pacific Surfliner* service, including identification of more cost-effective strategies for the administration and operation of the service. This arrangement gives local stakeholders, taxpayers, and communities greater control and oversight of their state-supported services, better aligning service objectives to the desires of our communities and regional partners.

The LOSSAN Agency is governed by a Board of Directors composed of 11 voting members representing rail owners, operators, and planning agencies along the entire rail corridor.

The *Pacific Surfliner* provides service between San Diego, Los Angeles, and San Luis Obispo and is the highest ridership state-supported service in the United States. In Fiscal Year (FY) 2019, the *Pacific Surfliner* carried over 2.75 million passengers and ranked as the second busiest intercity rail corridor in the United States, behind only the Northeast Corridor (NEC). The route serves 41 stations and averaged 26 trains per day in FY 2019. Like all state-supported routes, the *Pacific Surfliner* is supported by state taxpayers. The agency maintains an outstanding farebox recovery rate of over 75%. However, in FY 2019, we received nearly \$36 million in operating support from the state of California to cover the difference.

In addition to our strong ridership and cost recovery performances, I would be remiss if I did not mention how enjoyable and beautiful our corridor is to ride. The *Surfliner* is renowned for providing our riders diverse and breathtaking views of everything southern California has to offer. From coastlines to farmland, from bluffs to beaches, we are incredibly proud of our region, our iconic destinations, and the beautiful landscape views we are able to offer our passengers.

The LOSSAN rail corridor is one of the busiest and most complex corridors in the nation. The corridor hosts 26 intercity rail trains, over 130 commuter trains, and over 70 freight trains each day. On average, more than 8 million passenger trips are taken on the LOSSAN rail corridor shared between intercity and commuter services. The corridor parallels long stretches of Interstate 5 and Highway 101, helping to relieve road congestion in one of the most congested areas of the United States.

In addition to the *Pacific Surfliner*, the corridor hosts BNSF Railway and Union Pacific Railroad (Union Pacific) freight trains, and Metrolink and COASTER commuter trains. In order to effectively operate over this complex and integral rail corridor, we coordinate closely with our host railroad and regional railroad partners. We appreciate the tremendous working relationships we maintain with both our commuter and freight railroad partners.

Intercity Passenger Rail in California & CIRCLE

California is home to the nation's leading state intercity passenger rail network. Our state supports three of the top-performing state-supported services in the United States. The *Pacific*

Surfliner, the *Capitol Corridor*, and the *San Joaquins* intercity services are all among the six highest state ridership lines in the nation. Combined, the three routes carried over 5.6 million passengers throughout California in FY 2019. Pre-pandemic, one out of every five Amtrak riders boarded a train in California, and we were responsible for nearly 40% of all state-supported passenger trips.

California's intercity rail system connects riders between San Diego – Los Angeles – San Luis Obispo on the *Pacific Surfliner*, San Jose – Oakland – Sacramento – Auburn on the *Capitol Corridor*, and Bakersfield – Stockton – Oakland – Sacramento on the *San Joaquins*. Additionally, the state's thruway bus services provide intercity rail riders connections to an additional 122 destinations throughout the region.

Over the last four decades, California has invested nearly \$8 billion in improving its intercity passenger rail network. Our state maintains a proven track record of planning, delivering, and expanding both passenger rail and freight rail projects. We owe much of our success to continued and sustained advocacy in Sacramento to ensure ample state funding and support of intercity services, and the hard-working and dedicated passenger rail advocates and state transportation agency staff members in our state.

Earlier this year, we joined with our sister joint power authorities the Capital Corridor Joint Powers Authority (CCJPA) and the San Joaquin Joint Powers Authority (SJJPA) to form California's Intercity Rail Corridor Linking Everyone (CIRCLE), an advocacy coalition focused on educating policymakers about our state's leading rail system and building stronger partnerships with the Federal Railroad Administration, Amtrak, Class I railroads, and the hard-working men and women of railway labor.¹

On behalf of CIRCLE, we are extremely grateful for the leadership of this committee and Congress in passing the Infrastructure Investment and Jobs Act. We particularly appreciate the efforts of Congressman John Garamendi, who has been a strong advocate in providing greater transparency for state intercity rail sponsors during the surface transportation reauthorization process. This historic infrastructure package provides up to \$102 billion in railroad funding to expand and enhance our passenger rail systems and helps to ensure we maintain a safe and modern national railroad network.

My agency believes several of our proposed capital projects meet the passenger rail investment objectives laid out by the IIA and we look forward to partnering with Amtrak, Class I railroads, and our state to implement them. The LOSSAN Agency manages a capital program of over \$300 million that we are implementing to make significant capital improvements to achieve future service goals. The Central Coast Layover Facility project would allow an additional *Pacific Surfliner* train to be stored overnight in San Luis Obispo, which would expand travel options and

¹ Maybeth Luczak. *California Agencies Team on Intercity Rail Advocacy*. Railway Age. October 22, 2021. <https://www.railwayage.com/passenger/intercity/california-agencies-team-on-intercity-rail-advocacy>.

service for both intercity and regional rail riders along the nation's second busiest intercity rail corridor.² The San Diego County Maintenance and Layover Facility will allow us to better utilize our rolling stock, increase our maintenance capabilities in southern California, create jobs, and ensure we maintain the required train storage needed to expand our service.³ Lastly, we are also interested in purchasing our own railcars and equipment, much like our sister services around the state, so we can better align our equipment to the needs of our diverse customer base.

We look forward to working together to continue to position California as the nation's leading rail state and closely coordinate with our federal partners to quickly and successfully implement the passenger rail funding outlined in the IJA.

Intercity Passenger Rail Route Expansion

We appreciate the opportunity to provide our insights on intercity rail corridor and route expansion efforts as the nation's largest state-supported intercity rail service in the United States. Many of the most prominent intercity rail corridors that are mentioned for new or restored rail service in the media and by passenger rail advocates are corridors under 750 miles, which by law are considered state-supported routes.⁴ As required by the Passenger Rail Investment and Improvement Act (PRIIA) of 2008, states provide the operating funding for these routes and state-Amtrak payments are governed by the Sec. 209 cost formula. Pre-pandemic, California provided nearly 40% of state-supported route passenger trips and nearly 50% of revenues for Amtrak's state-supported route business segment. This has provided LOSSAN and our sister and statewide agencies a unique perspective in what it takes to plan, develop, and maintain successful intercity passenger rail services without operating support from the federal government, as would be required of states that take on new or restored services.

In order for new or restored state-funded intercity rail services to be successful, states must prioritize and build relationships with railroad stakeholders, particularly freight railroads and railway labor, maintain and grow state capacity for railroad development and planning, and have access to a competitive marketplace for passenger rail services.

The LOSSAN rail corridor is one of the most complex rail corridors in the United States. Every day, we closely coordinate with Union Pacific and BNSF Railway on both intercity and freight operations, as well as our regional commuter rail partners. Our corridor has multiple right-of-way owners, both public and private. Our corridor and state-supported route would not be the national leader in passengers carried without successful partnerships with our freight railroad hosts and regional partners. These partnerships enhance our operations and ensure we can deliver our capital project program.

² *Central Coast Layover Facility*. LOSSAN Rail Corridor Agency. <https://www.octa.net/LOSSAN-Rail-Corridor-Agency/Central-Coast-Layover-Facility/>.

³ *Project Spotlight: San Diego County Maintenance and Layover Facility*. LOSSAN Rail Corridor Agency. <https://www.pacificsurfliner.com/blog/project-spotlight-san-diego-county-maintenance-and-layover-facility/>.

⁴ 49 U.S.C. § 24102.

We take pride in our planning efforts with our partners. One such example of our close collaboration and successes with our partners is the recently completed LOSSAN Rail Corridor Optimization Study (Study). Started in 2019, my agency and our partners worked diligently to define and optimize existing and planned services along the corridor, ensuring maximum rail service potential, in coordination with our region in advance of the 2028 Olympic Games to be held in Los Angeles. In addition to plans for the *Pacific Surfliner*, the comprehensive and collaborative Study represented the service goals of our partner passenger service agencies – the Southern California Regional Rail Authority (Metrolink) and the North County Transit District (Coaster)– and our freight partner BNSF Railway. We are particularly appreciative of the positive impacts of the BNSF Railway’s Pathing Study; the study played an integral part in helping to inform our current and future service enhancements and operations. This track record of close and successful collaboration with both commuter agency and freight railroads has resulted in a safe, reliable, and efficient rail corridor for both intercity and commuter rail passengers.

Outside of our study group, we continue to collaborate regularly with our freight, regional, and commuter rail partners through our Corridor Improvement Team (CIT). In FY 2021, the *Pacific Surfliner* finished with an on-time performance (OTP) of 86%, consistently performing better than the national average for state-sponsored services across Amtrak’s network. Working with BNSF, we have experimented with “pulse” cadences, which simplify our train meets and timetables resulting in a consistent passenger experience and on-time performance. We believe our strong partnership model enables our operational and planning successes.

I must commend Union Pacific, BNSF Railway, the U.S. Department of Transportation (USDOT) and CalSTA for their efforts to address and overcome the supply chain crisis currently facing our nation and, especially, the southern California region and the LOSSAN rail corridor. On October 28, USDOT and California announced a partnership to accelerate federal financing for high-priority transportation projects that would reduce our supply chain challenges. These projects include port infrastructure upgrades, rail yard electrification, and railway-highway grade crossing separation projects.⁵ It is critical that we work together to keep the LOSSAN corridor moving, as over \$1 billion in goods are moved along the corridor each year.

In addition to our close collaboration on operations, we work closely with our partners to move our capital program forward. Our experiences as an agency and a state to successfully improve intercity rail operations and enhance our infrastructure, have shown us the value and importance of strong state-Class I partnerships. The LOSSAN Rail Corridor Agency relies on both Union Pacific and BNSF Railway to help us advance our identified infrastructure and service enhancement projects. We work together to identify feasible projects that benefit the entire

⁵ California, U.S. Department of Transportation Announce Partnership on Supply Chain Infrastructure Program. U.S. Department of Transportation. October 28, 2021. <https://www.transportation.gov/briefing-room/california-us-department-transportation-announce-partnership-supply-chain>.

railroad network and, when there are challenges or differences of opinion, we work collaboratively to overcome our differences and move the project, or at least certain project elements, forward.

The LOSSAN Working Group is perhaps our strongest example of successful capital planning and implementation efforts with our partners. Part of what makes the LOSSAN rail corridor so beautiful and enjoyable is its closeness to our coast line; however, due to climate change and topography factors, we have experienced infrastructure challenges. In 2019, our corridor experienced a bluff collapse in the Del Mar region, caused by heavy rains. Thanks to Secretary Kim's leadership, a working group formed to identify and overcome infrastructure challenges in the Del Mar region. As a result of our working group and partnerships, the corridor secured significant state rail funding and multiple Federal Railroad Administration Federal-State Partnership for State of Good Repair grants to fund sustainable stabilization efforts and infrastructure improvements.

With the passage of the Infrastructure Investment and Jobs Act, we will be working closer than ever with our host railroad and regional partners to identify projects that can enhance and expand operations on the *Pacific Surfliner*.

While we enjoy a strong relationship with our host railroads, these relationships take time to develop. I strongly recommend to states considering expansion or restoration of intercity rail service to begin coordinating route planning and capital projects with freight railroads sooner than later, to ensure all stakeholders are aligned on how to host intercity services efficiently and effectively and better connect all Americans.

In addition to freight railroads, states must also build trusting and collaborative relationships with the hard-working men and women of railway labor. The labor force is often the only direct interaction customers have with our intercity rail services and often times, our agencies. Whether buying a ticket, asking about a connection, or experiencing a delay, passengers almost always remember the experience they had with a conductor, engineer, ticket agent, or customer support specialist. In addition to customer facing roles, the labor force plays an essential part in ensuring the maintenance of the rail equipment and the safety of intercity rail services. Safety remains the passenger railroad industry's top priority.

While strong partnerships with host railroads and the railway workforce are critical to re-establishing and starting intercity service, steady political will and continued buy-in and commitment from the state-level is essential to maintaining and growing intercity rail services. As the primary funders and planners of intercity rail service under 750 miles, intercity rail expansion efforts will not bear fruit if states are not fully bought-in and do not remain the lead stakeholder and partner in planning and developing the service.

While we are extremely appreciative of the historic IJA and the historic, guaranteed investment that will be made in passenger rail, this committee is well aware that, typically, federal railroad

programs do not receive guaranteed federal funding every year, like Highway Trust Fund (HTF) funded highway and transit programs. In some years and during some surface transportation authorization periods, the federal railroad program has been minimal.

Thanks to Secretary Kim's and CalSTA's leadership, and our sustained commitment to passenger rail, California has demonstrated the critical role states should and can play in intercity railroad planning and development, whether or not there is robust federal support for passenger rail services. Since 2015, California has invested an additional \$4.7 billion into our existing intercity rail corridors. These investments are guided by our 2018 California State Rail Plan, which demonstrates a sustainable pathway to grow our service to meet the anticipated demand of 1.3 million intercity passenger rail trips by 2040.

Our state's commitment to passenger rail has also provided the LOSSAN Agency and our sister agencies with the ability to build institutional capabilities to continue our passenger railroad successes into the future. This includes dedicated and knowledgeable staff at the JPAs and at our statewide agencies and long-standing ties with Amtrak, freight railroads, commuter agencies, and regional governmental bodies to ensure our services are coordinated.

Working with the American Association of State Highway and Transportation Officials (AASHTO), we were hopeful that the IIJA would contain federal support to help other states establish the institutional capacity and knowledge we have developed in California by providing funding for planning and project development. This idea was included in the House-passed INVEST in America Act, and we appreciate this committee's support of the idea. Unfortunately, this proposal did not make it into the final iteration of the IIJA. However, I respectfully recommend this idea be reexamined in future Congresses to help all states develop first-hand intercity passenger rail planning and development knowledge to implement and develop sustainable intercity rail services.

In addition to funding support and institutional knowledge, our state has a keen interest in ensuring our limited state taxpayer dollars are spent transparently, effectively, and efficiently. The LOSSAN Agency and our peer agencies were created to not only handle marketing of our state-supported services, but also oversight of how our state-dollars are spent by our current operator, Amtrak.

Many of you on this committee deeply understand that public officials need transparent, traceable, and actionable information to determine the best and most efficient use of limited public resources. While our agencies have been able to develop an intimate working knowledge of the Sec. 209 cost formula over the years, providing support to states' passenger railroad development programs will help others build the ability to credibly articulate complex financial information to state policymakers and funders. This in turn will help in securing future and sustainable support for passenger rail services at the state level.

In addition to strong relationships with host railroads and labor, and continued institutional support to develop, plan, and fund state-supported intercity rail services, a competitive market place for passenger rail providers and services must be supported. A fully robust and accessible marketplace for passenger rail operations ensures that both new and current state-supported routes are receiving cost-competitive services and the latest operational and service innovations.

Several current FRA programs encourage states to undergo a competitive process to select the operator of their intercity rail service, and to provide operator selection justification to the U.S. DOT Secretary based on cost and performance factors.⁶ The Infrastructure Investment and Jobs Act's changes to the Federal-State Partnership for State of Good Repair program (now named Federal-State Partnership for Intercity Passenger Rail Grants) further encourages private operators to be considered in reestablishing or establishing intercity passenger rail services and require USDOT to consider private sector participation, including in operations, in its funding decision process.⁷ USDOT has a prominent role to play in attracting and considering private sector interest in passenger railroad operations and services, as envisioned by the infrastructure bill.

Current Intercity Passenger Rail Services: Lessons Learned to Support New Service

Eventually, all new routes and restored intercity rail corridors will become existing routes and face similar challenges to the already established state-supported corridors. I would like to take this opportunity to highlight some areas of concern and potential opportunities to improve current state-supported services, making sure they maintain the necessary local political support to thrive in the future.

The IJA allows for up to six years of federal operating assistance (in varying amounts) for states to meet their required Sec. 209 payments for new or restored intercity railroad services.⁸ However, after this time period, states would be required to meet their full Sec. 209 payment obligations. States may also access operating assistance for their routes through the federal Congestion Mitigation Air Quality (CMAQ) program, but this program is highly competitive among local and state governmental agencies and not a reliable source of assistance for most corridors.

The IJA also makes several helpful reforms and updates to the current state-Amtrak cost methodology formula governed by PRIIA Sec. 209. The State-Amtrak Intercity Passenger Rail Committee (SAIPRC) is required to update and revise the Sec. 209 governed cost methodology no later than March 2022 and the new methodology must be implemented no later than FY 2023. Additionally, Amtrak will be required to provide states general ledger data – which we believe

⁶ 49 U.S.C. 22902(c)

⁷ H.R. 3684 – Infrastructure Investment and Jobs Act – Sec. 22307. Federal-State Partnership for Intercity Passenger Rail Grants.

⁸ H.R. 3684 – Infrastructure Investment and Jobs Act – Sec. 22304. Restoration and Enhancement Grants.

will be a more transparent and traceable source of financial information – and a third-party audit will be required of the new cost model.⁹ These are important oversight and transparency changes, and we look forward to working with SAIPRC and this committee on the cost model update.

However, in the interim, both new and existing routes and state-sponsors are left with the current Sec. 209 cost methodology. In 2016, the Government Accountability Office (GAO) conducted a study to review Amtrak’s efforts to reorganize and implement PRIIA, which included shifting the funding burden of under 750-mile corridors to the states and the development of Sec. 209 state-Amtrak cost sharing methodology.¹⁰ The report found that cost information regarding the state-supported route segment to be unclear and that the structural financial and accounting challenges prevented Amtrak from providing funding partners consistent and timely accounting documents and financial information to support service decisions.¹¹

Like the GAO, we have found the current Sec. 209 system to be complicated and opaque. In a typical contractor-public agency relationship, costs must be clearly documented and relate directly to services provided. However, with the current Sec. 209 cost model, costs are allocated to us by a broad-based national formula and national operating changes that accrue additional costs are not generally made in conjunction or coordination with state sponsors. Despite California’s intent to enhance oversight and accountability of passenger rail services with the creation of the JPAs, this situation has left us with limited input into the decisions that impact our costs and required state subsidies.

In California, our yearly budget is our budget, as approved by the California Assembly, and we must live within those bounds. This is true in states across the nation. Working with Amtrak, we should make a strong effort to innovate and adapt to changing customer service demands to deliver service more efficiently. Further, until a comparable intercity rail service provider emerges to allow an apples-to-apples costs comparison, we must work together to ensure that costs are transparent and understandable to new and existing state funding partners.

All state-route stakeholders – SAIPRC, Amtrak, states, freight railroaders, and railway labor – must work together to address the deficiencies of the current cost model in a transparent and forthright manner, as envisioned by the IJIA. If we fail to correct the mistakes of the current model, unpredictable and unexpectedly high costs will negatively impact the local and state-level political support required to maintain and grow intercity rail service.

As the primary funders of intercity rail services under 750 miles, as required by PRIIA, states have maintained flexibility to choose the services they directly contract with Amtrak.¹² This has

⁹ H.R. 3684 – Infrastructure Investment and Jobs Act – Sec. 22211. State-Supported Route Committee.

¹⁰ United States Government Accountability Office (2016). *Amtrak: Better Reporting, Planning and Improved Financial Information Could Enhance Decision Making*. <https://www.gao.gov/assets/680/674520.pdf>.

¹¹ *Ibid.*

¹² 49 U.S.C. 24702 - Note.

allowed states to serve as innovation centers, developing unique passenger experiences that our 21st century customer base demands, and has allowed us to bring service decisions closer to the constituencies we serve. For example, the *Downeaster* state-supported route in Maine has utilized a third-party to provide their food and beverage service through the Downeaster Café. The food and beverage service provides riders unique regional items like lobsters rolls and local craft beers and has been extremely successful in its cost-recovery efforts, even successfully generating revenue for the route.¹³

In my state, thanks to Secretary Kim’s continued leadership, the state owns the majority of equipment utilized on the *Capitol Corridor* and the *San Joaquin* services. This allows my peer agencies direct influence over their equipment, allowing them to accommodate the desires of passengers – like adequate space for bicycles and modern bathroom and café facilities – and that the equipment is maintained to our high safety standards in California.

In addition to the flexibility to be innovative, it is also crucial that intercity rail services are brought closer to local stakeholders and the customer base. In California, the creation of the JPAs has led to more direct customer interactions with our state and stronger buy-in from local officials and the communities we serve by intercity rail.

During the COVID-19 pandemic, we worked in partnership with Amtrak, our customers, and local stakeholders to ensure the continued accessibility and reliability of our services during this difficult time. We have also been able to hear directly from customers and stakeholders to guide us during this difficult operating period and help us make informed decisions about our services. Using direct feedback from customers and stakeholders, our routes worked with Amtrak to be among the first corridors in the nation to reintroduce cash payments at stations and on-board, enabling riders that may lack reliable access to electronic payment systems to use the intercity services. Hearing directly from our customers and local interest helped us to balance the need to operate safely and keep our workers safe, while ensuring equitable access to our services during these trying financial times for many Californians.

Lastly, the IJA contains several new programs and policy changes designed to spur the development and identification of new intercity rail corridors. The programs allow for Amtrak, states, or other eligible entities to put forward applications and corridors for potential federal investment and development assistance. Broadly, the Federal Railroad Administration encourages states to prepare and maintain state rail plans in order to prioritize corridor and rail service enhancement investments that are in the public benefit and to serve as the basis for both state and federal investments decisions in railroad infrastructure.

While state rail plans are not explicitly required by law and do not prevent federal funding of non-state identified rail projects, they continue to serve as the primary mechanism for state rail

¹³ *Annual Report FY 2017*. Northern New England Passenger Rail Authority. https://www.nnepra.com/wp-content/uploads/2020/06/2017_Annual_Report_Web_0.pdf.

corridor planning and investment. The state rail plan planning process requires extensive public and stakeholder outreach, allowing states and their partners to coalesce around desirable projects and services that are feasible to implement. Thanks to Sec. Kim's leadership, California is currently working to update its state rail plan for 2022 and, already, the public and our stakeholders are putting forward exciting new projects and service enhancements that will benefit LOSSAN, our sister service agencies, California intercity rail passengers, and the environment. In addition to working on a master statewide rail plan, state rail planners have additionally held equity priority community workshops and published a specific short line rail improvement plan, ensuring that the voices of California rail riders and our small business rail operators are heard in the process.

As the Federal Railroad Administration embarks on implementing the historic passenger railroad funding contained in the IJJA, I strongly encourage the agency to carefully consider state rail plans during the federal funding process to ensure both corridors and projects already have the required stakeholder and public support required implement and maintain in the long-run. A state-led passenger rail planning model has served California well, even during times of minimal federal rail investment, and we hope to continue our success as the nation's leading state for intercity passenger rail services in the years and decades to come.

Closing

I greatly appreciate the opportunity to join you this morning and share my perspective leading the planning and oversight efforts of the nation's highest ridership state-supported route. Additionally, I appreciate this committee's continued interest in and support of passenger railroad services in the United States.

I look forward to answering any questions you may have. Thank you.