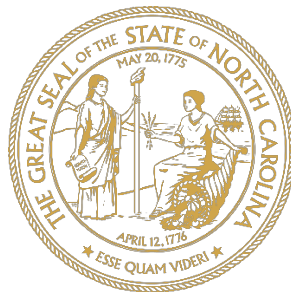


Testimony of

Jason T. Orthner

Rail Division Director

North Carolina Department of Transportation



before the

United States House of Representatives

House Committee on Appropriations

Subcommittee on Transportation, Housing and Urban Development

Stakeholder Perspectives: Passenger Rail Development

Tuesday March 12, 2019 11:00 a.m.

North Carolina Department of Transportation

1 South Wilmington Street

Raleigh, North Carolina 27699

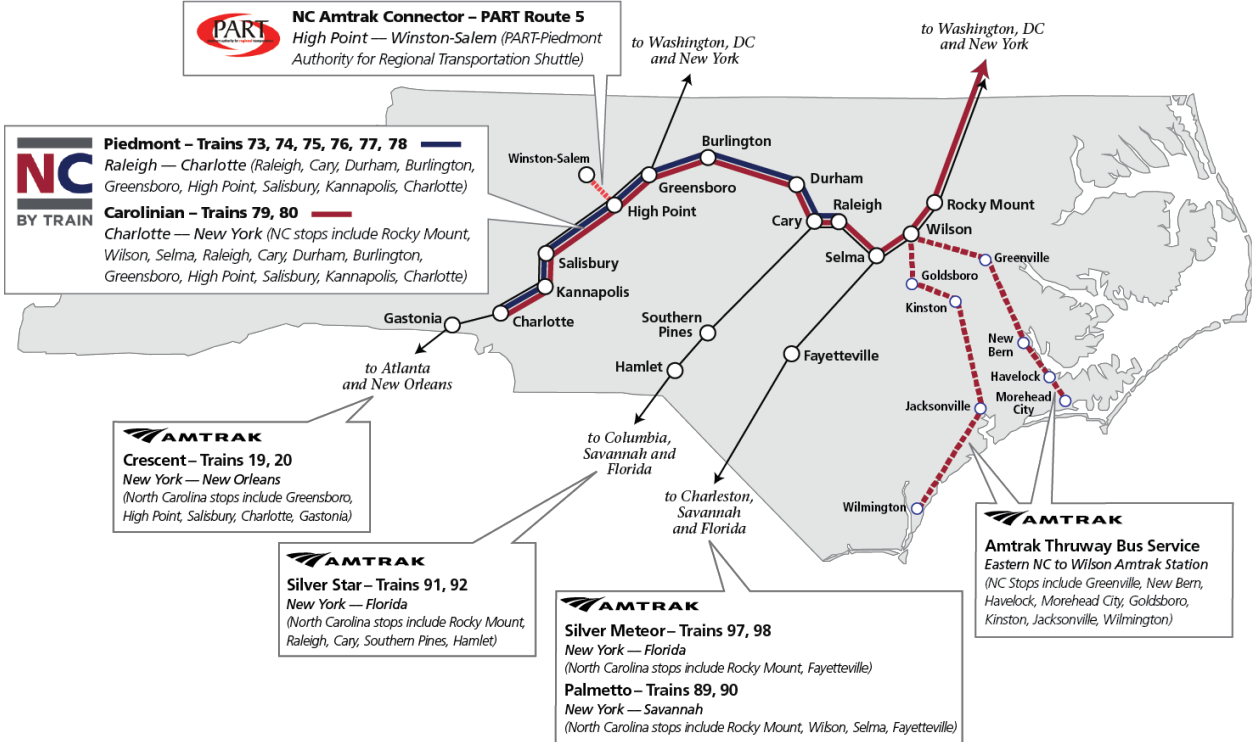
Good morning, and thank you Chairman Price, Ranking Member Diaz-Balart, and all of the members of this Committee for holding this hearing to discuss passenger rail as an important component of our national transportation system.

My name is Jason Orthner, and I serve as the Rail Division Director for the North Carolina Department of Transportation. Our department actively supports the health of the rail system in our state through a number of freight, passenger and rail safety programs. These include programs to reduce conflicts between highways and rail, modernize and improve tracks and signals, facilitate rail access for new and expanding industries, and educate the public and law enforcement on rail safety. We have been a leader through our Sealed Corridor program in driving down crashes between vehicles and trains, reducing crossing crashes in our state by 82% since 1988. We have closed over 300 grade crossings since 1993 and are utilizing federal Section 130 funding to improve crossings statewide and state funding to advance dozens of additional closures and grade separations. We are also actively engaged in the nationwide issue of reducing pedestrian trespassing incidents on rail corridors through education, engineering solutions, and supporting enforcement efforts.

Our state also supports a successful intercity passenger rail system, with service extending into neighboring states and beyond. We have 16 passenger stations located in large cities and small towns from populations of 6,000 to over 800,000. These stations serve as access points to a national transportation system and are also centers of economic growth in the communities they serve.

North Carolina currently supports two train services. The *Piedmont* service provides three daily roundtrips between Raleigh and Charlotte. For this service, NCDOT owns the equipment and contracts in the open market for maintenance and overhaul. We also support the *Carolinian* service which serves the Piedmont Corridor but also extends through Virginia to New York. In addition, Amtrak operates four daily long-distance trains on three corridors in our state which provide important national network connectivity to our regional services. Without these trains, rail options for travel to other destinations along the east coast, midwest and beyond would not be possible.

Passenger Train Service in North Carolina



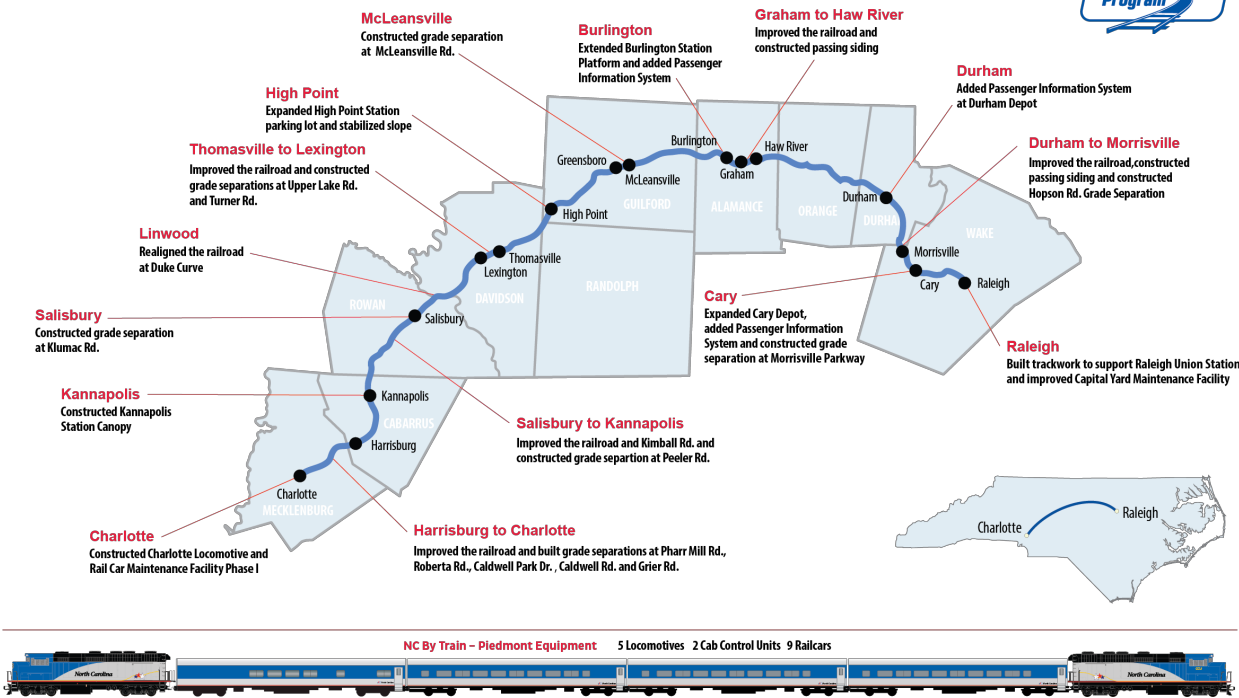
Our state is one of the fastest growing in the nation and is anticipated to add 2.4 million residents by 2038. Much of this growth is anticipated to occur along rail corridors near stations. As highways and airports become more congested and more difficult and costly to expand, investing in effective and productive transportation along a separate network will increase mobility between rural and urban centers, maintain highway capacity, and allow for economic expansion.

North Carolina is one of eighteen states across the nation that support passenger rail services, with a focus on providing safe, efficient, and frequent service for business, leisure and other travel needs. Nationwide, state supported services represented an important 48% of Amtrak ridership in FY 2018, carrying 15 million passengers and contributing over \$800 million in support to Amtrak's bottom line. As the established partner of the Class 1 railroads, Amtrak has certain unique rights and access privileges to the freight rail network at the federal level. In the Passenger Rail Investment and Improvement Act of 2008, Congress asked the states to assume a greater role in funding, sponsorship and oversight of Amtrak. Our relationship with Amtrak is important to us for ensuring individual corridor development projects may continue to rely on them to operate the states' sponsored passenger services. Also important, Amtrak's long distance services provide critical national rail network connections to our regional state supported services.

Our relationships with our freight railroad partners, including Class I and short lines, are very important to us. Having a healthy freight railroad system is critical to providing cost

effective transportation, as well as the growth and development of manufacturing, agriculture, and international trade. Federal funding opportunities that increase both freight and passenger network capacity, including the development of separate high-volume freight and passenger corridors in certain regions, will also help to address the critical issue of on time performance.

Piedmont Improvement Program Projects



Until 2010, our state had limited access to significant federal funding to support the growth of the rail system. That year we received \$545 million in American Recovery and Reinvestment Act grant funds for the Piedmont Improvement Program, as well as congestion mitigation for existing services. This funding significantly accelerated planned improvements to our tracks, signals, stations and trains. The program also improved the freight rail system through elimination of forty at-grade crossings and modernized signals and tracks. The funding created a revolutionary change to our rail infrastructure and has

resulted in increased ridership through multiple additional train frequencies. North Carolina completed this program on time and within budget and stands ready to begin the next large phase of system expansion, the Southeast Corridor.

North Carolina is partnering with other southeast states to develop the Southeast Corridor stretching from Washington, DC through Virginia and North Carolina to South Carolina, Georgia, Tennessee and Florida. Several other corridors are identified across the nation that need to be developed to serve the significant transportation needs of rapidly growing regions. On the North Carolina/Virginia portion of the Southeast Corridor, a Federal Record of Decision was completed in 2017 to create a critical new link from Raleigh to Richmond, which will allow additional train frequencies, significantly reduce travel times, and enhance connectivity and reliability of the service.



As an incremental step towards developing the Southeast Corridor, North Carolina is leveraging state transportation dollars for current federal discretionary grant opportunities. These proposals involve construction of safety and freight projects with immediate benefits such as grade separations, crossing closures and sidings. However, the full project, like many across the country, cannot be constructed at current federal funding levels.

Existing discretionary grant programs are very helpful for maintaining and enhancing current services. Our state has been very fortunate to have received TIGER grants towards the Raleigh Union Station project (\$38 million) and the Charlotte Gateway Station project (\$30 million). We have also received \$1.35 million in recent funding to assist in defraying the cost of installing positive train control on the state-owned equipment fleet, and a \$10 million CRISI grant to advance a grade separation at Millbrook Road in Raleigh which will provide a stepping stone to development of the Southeast Corridor. A \$19.9 million TIGER grant to complete a grade separation at Blue Ridge Road in Raleigh will address one of the most complex at-grade crossings in North Carolina.

Going forward, however, a consistent federal funding program without evolving criteria for project eligibility will allow new interstate rail infrastructure programs to be established for continued growth. State-supported services need federal funding capital to support expansion of critical infrastructure and increase and modernize equipment fleets. In addition, there are opportunities to acquire strategic corridors as railroads shed lower volume lines. A clear federal funding opportunity is needed to preserve these corridors, as

assembling new rail corridors is often infeasible. New federal funding opportunities should allow corridor and right of way acquisition to be a satisfactory project outcome as a significant phased step towards a larger project. Acquisition of select corridors will be important to ensure growth and operation of passenger services while also allowing for growth of economical rail freight access.

In summary, North Carolina and many other states are making significant investments in passenger rail to create an efficient and effective transportation system, but the current level of investment cannot match the opportunity for growth without consistent and widespread federal funding.