

## **When Unlimited Potential Meets Limited Resources: The Benefits and Challenges of High-Speed Rail and Emerging Rail Technologies**

Testimony of John D. Porcari

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Chairman Payne, Ranking Member Crawford, members of the subcommittee:

Thank you for the opportunity to testify today on this important topic. My name is John Porcari and I have had the opportunity to serve in a number of transportation and economic development-related positions in the public and private sectors, including the honor of serving as Deputy Secretary of the United States Department of Transportation and twice serving as Secretary of the Maryland Department of Transportation.

You are all well aware of the external forces driving unprecedented change in our transportation system, including the existential threat of climate change, the imperative to build a more equitable transportation system for all Americans, the greater appreciation of how transportation projects are a foundational investment in a stronger economic future, and the growing recognition that a balanced transportation system with a variety of mobility choices is an integral component of our quality of life.

It is my strong belief that high speed rail systems, higher speed intercity rail city/town pairs, and emerging technologies must all play an important part in our future transportation system.

If you wonder why America's transportation system is configured the way it is today, I would urge you to follow the money. Allow me to illustrate the point from personal experience.

The Maryland Department of Transportation is uniquely organized as a multi-modal state transportation organization including highway, transit, aviation, passenger rail and other components under one roof and served by a unified,

flexible state transportation trust fund (TTF). That single TTF provides funds for every transportation mode, using revenues from every transportation source.

As I evaluated ways to increase capacity in the Baltimore-New York City corridor, these were my choices:

- Add air capacity between BWI Thurgood Marshall airport and New York, with 90% federal funding for runway and taxiway capacity improvements;
- Add highway capacity on I-95 to New York, with 80% federal funding;
- Add passenger rail capacity, with **zero** federal funding.

In other words, I had to find either 10%, 20% or 100% of the project funding from the state's transportation trust fund, depending on the transportation mode I chose. For that 215-mile segment, a passenger rail trip makes far more sense than driving or flying, yet passenger rail capacity was the least likely alternative to be selected.

If you wonder why we have the unbalanced transportation system we have today, follow the money.

Seen in that light, it is an extraordinary statement of state priorities that the California High Speed Rail Authority's 2030 business plan anticipates 85% of its funding from state sources, and only 15% federal funding (from one-time sources) for this project of national and regional significance. The state of California has designated a quarter of all of their statewide cap-and-trade revenues for the project. This is a remarkable state financial commitment, and a clear declaration of the state's project priorities. Yet there is no ongoing, sustained federal financial partnership for this multi-year program of projects, which also features significant economic development components such as local employment, skills training, support of US manufacturing, has immediate economic benefits for the Central Valley, and longer term economic benefits for the state and country.

California's carefully considered choice, endorsed by citizen referendum, to build high speed rail between the Los Angeles and San Francisco Bay regions makes eminent sense, yet has to move forward without the same kind of federal commitment that ultimately built an aviation system that is the envy of the world

and an interstate system that provided the foundation for a generation of economic prosperity.

According to the California High Speed Rail Authority's business plan, to match the people-carrying capacity of Phase 1 of the high speed rail system, California would need to invest \$122 to \$199 billion toward building 4,196 highway lane miles (the equivalent of a new, six lane highway), and the construction of 91 new airport gates and 2 new runways. The San Francisco-Los Angeles air route is already the 9<sup>th</sup> busiest in the world, and the busiest route in America. Doesn't it make sense to prioritize this finite (and expensive) airport capacity for transcontinental and international flights?

For California, the \$122-199 billion of required highway and airport capacity as an alternative is double the \$69-99 billion estimate for Phase 1 of the high speed rail system. Yet this clear state policy choice has to run against the headwinds of existing federal transportation funding. Other proposed high speed rail projects throughout the country face the same fundamental imbalance in transportation funding.

The genius of federalism as it applies to our transportation system is that states and local jurisdictions make the project choices that are best for their particular needs. These local project choices aggregate into a national transportation system. We fully expect Mississippi and Michigan, Colorado and Connecticut to choose project priorities that make the most sense for them. In practice, however, project choices by states and regions are limited to those that have a federal funding component. While states and local jurisdictions across the country have raised significant new revenues over the last decade, they still require a federal funding partner for any significant capital project.

Providing real transportation choices at the local and state levels requires the establishment of a **passenger rail trust fund** on par with our highway trust fund and airport & airway trust fund. For those of us who strongly believe that project choices should be made at the state and local level, the establishment of this third trust fund would for the first time enable local jurisdictions to advance projects that are truly their priorities for the future. A rail trust fund will solidify and

encourage **local**—not Washington-based—decision making and project choices for those jurisdictions that choose to prioritize passenger rail.

Decades of multi-year funding certainty gave America the world's best aviation system, with local, regional and state decision-makers able to plan, design and construct airport projects with the certainty of a continuing federal funding partner. Likewise, our interstate highway system grew from initially disconnected city pairs into today's national network only with the guaranteed financial contribution of the federal government. These two ongoing commitments have, in turn, built the airlines, air freight and trucking industries that have helped transform America's economy. The consistency and predictability of a passenger rail trust fund will do the same for community growth and development in towns and cities across the country, while building US manufacturing and technological leadership.

We should welcome and encourage passenger rail system growth at the local and regional level where it makes sense for those jurisdictions. States and the private sector are evaluating or moving to design and construction of projects like Cascadia high speed rail to serve Portland, Seattle and Vancouver, B.C.; Texas high speed rail between Dallas and Houston; high speed passenger service on the east coast of Florida; and additional city/town pairs for Amtrak's cross country network. A consistent, predictable federal funding partner will encourage new technologies, mutually beneficial collaboration with our freight railroads, and innovations in investment, construction and operations.

A high speed passenger rail network built on local choices requires a level playing field. We need to acknowledge this fundamental imbalance in our available transportation choices, and correct it for the benefit of our nation's continued growth and prosperity for generations to come.

Thank you for the opportunity to testify today. I will be happy to answer any questions.