

**Testimony to the
U.S. House Subcommittee on Railroads, Pipelines and Hazardous
Materials
Wednesday, April 17, 2024 at 10 a.m.**

- Good morning, **Chair Nehls, Ranking Member Payne, Vice Ranking Member Foushee (pronounced FOO – Shee)**, and members of the Committee.
- Thank you for inviting me to discuss the Infrastructure Investment and Jobs Act, or IIJA, and its impact not only on the Northeast Corridor – which serves more than 800,000 rail passengers every day – but on commuter railroads across the nation.
- I'll be speaking today both as co-chair of the Northeast Corridor Commission, where I serve alongside my fellow co-chair, FRA Administrator **Amit Bose**, in addition to my role as President & CEO of NJ TRANSIT – the largest statewide transit system in the country, and the third largest overall.
- I am also a co-founder of the Commuter Rail Coalition – an association of 25 commuter rail agencies acting together to engage and educate stakeholders on the value commuter railroads bring to the communities they serve.

PTC

- As some of you may remember, I testified before this Committee in both 2021 and 2020, where I largely covered NJ TRANSIT's experience implementing Positive Train Control.
- We at NJ TRANSIT remain extremely proud our herculean effort to successfully achieve PTC certification before the December 2020 deadline, although to be clear, significant challenges with PTC still persist.

- For example, there are currently more than five variations of PTC systems nationwide, which can create significant interoperability challenges.
- And, of course, there are significant and ongoing costs for the continuing maintenance and upgrades associated with PTC – NJ TRANSIT alone has spent more than half a billion dollars on this unfunded mandate, and this figure continues to grow.
- We continue to advocate for the creation of a more cost-effective, unified, standardized national system across railroads throughout the country – call it PTC 2.0.

History/”Natural Conflict”

- While the implementation of PTC represents a significant step forward in our commitment to safety and operational efficiency, it also highlights the broader context of the challenges we face in rail transportation, stemming from historical underinvestment and the inherent complexities of balancing the needs of commuter and inter-city rail services.
- For decades prior to the public takeover of rail transit, our country disinvested in railroad infrastructure, which left Amtrak and commuter railroads with a huge hill to climb – a burden we still bear today.
- Further exacerbating capital funding challenges, many agencies continue to face operating budget challenges, as well.
- When there’s a hole in the operating budget, many transit agencies are forced to use capital budget dollars to fill the gap – a practice that ultimately undermines long-term infrastructure resilience and growth.

- Whether our railroad network is in the hands of the private or public sector, there is no magic wand – we cannot improve efficiency, reliability, and safety for our customers without adequate funding for both operating and capital.
- As such, I am a strong advocate for commuter rail systems to have access to the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program, just as inter-city rail does now – or a similar source of funding.
- While the markets we serve may be different, both inter-city and commuter rail systems have significant operating and capital needs.
- To be certain, NJ TRANSIT supports Amtrak, and we have a good working relationship with them – although there is always a natural conflict that exists, which should not be seen as an insurmountable barrier, but rather a challenge to be managed with strategic collaboration and open dialogue.

IIJA

- Speaking more broadly about funding, the IIJA has been transformational for both commuter and inter-city rail.
- Thanks to the work of Congress and the Biden Administration on the IIJA, the NEC has its first-ever source of dedicated, multi-year funding, providing the predictability needed to efficiently deliver a major capital program.
- This historic investment weans us off what I call the “Transit Hunger Games” – where agencies routinely compete against each other for constrained funding that’s never enough to maintain even a state-of-good-repair – much less the ability for modernization or expansion.
- In addition to an increase in formula funding for commuter railroads through the IIJA, the FRA and FTA are awarding billions of

additional dollars through various discretionary competitive grants.

- These grants are vitally important as we, and other transit agencies, pursue sweeping projects that are beyond the scope of traditional capital budgets.
- Projects such as AI-powered safety systems on light rail vehicles at grade crossings to significantly enhance safety, while reducing accidents at light rail grade crossings and on rights-of-way and other new investments in safety, modernization, and state-of-good-repair – to ensure your constituents get safety and service improvements out of every dollar they spend.
- A perfect example of what transit agencies can do when given the necessary federal resources is NJ TRANSIT's \$2 billion-dollar Portal Bridge Replacement Project, which is on time, on budget, and 50% complete, with the first track scheduled to open in 2026.
- Portal North Bridge, as many of you know, is a critical single point of failure on the Northeast Corridor between New Jersey and New York, which is also a critical link between D.C. and Boston.

Amtrak's Impact/C37

- Switching hats for a moment to my role as co-chair of the NECC, it's important to note that the IIJA provides a significant down payment on Connect NEC 2037, or C37 – a 15-year plan covering 300 projects, along with a comprehensive renewal program for state of good repair work, including track, signal, and power systems.
- With the substantial funding from the IIJA, we now have the opportunity to utilize the FRA's Northeast Corridor Project Inventory effectively.
- This inventory is crucial as it allows us to strategically prioritize projects across the NEC, ensuring that investments are made where

they are most needed to enhance safety, efficiency, and reliability along the corridor.

Reauthorization

- As we approach reauthorization, it's vital to recognize that NJ TRANSIT – like commuter rail agencies nationwide – continues to operate with substantial unfunded capital needs.
- For example, while we are incredibly grateful for the passage of the IIJA, this funding will not be sufficient to bridge the nearly \$5 billion dollar gap between funded and unfunded projects in our unconstrained \$17 billion dollar capital plan.
- Reauthorization presents a critical opportunity to secure the necessary funding to bridge this gap.
- For this funding to be effective, it must be guaranteed like the funding provided in IIJA.
- The guaranteed advance appropriations that IIJA provided was a game-changer for the Northeast Corridor and allowed agencies to more effectively plan their hiring, purchase equipment, and sign contracts.
- It's also essential to streamline funding mechanisms to reduce the complexity and increase the efficiency of how federal funds are allocated.
- This would boost confidence among manufacturers and other stakeholders crucial to our projects.
- Infrastructure has historically been a bipartisan issue in this country, and I am hopeful that this spirit of cooperation will continue through the reauthorization process, enabling us to tackle our significant capital needs head-on.

Conclusion

- In the interests of time, I'll close with this: Multi-year, predictable funding beyond FY26 is essential to address not just the Northeast Corridor's state-of-good repair and improvement needs, but the needs of commuter railroads across the nation – this includes significant investments in fleet vehicles as well as facilities and infrastructure.
- Let me once again thank you, **Chair Nehls, Ranking Member Payne, Vice Ranking Member Foushee**, and all the committee members for giving me the opportunity to testify before you today.
- I invite members of the committee to visit New Jersey to see firsthand federal dollars at work on our Portal North Bridge project.
- Now, I'd be happy to answer any questions you may have.