

U.S. Senate Committee on Commerce, Science, and Transportation

**Subcommittee on Surface Transportation and Merchant Marine Infrastructure,
Safety, and Security**

Testimony of Hon. Robert Eckels

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Good afternoon Chairman, Good afternoon Ranking Member Hutchison. Good afternoon Senators. It is an honor to be here this afternoon speaking before this distinguished group on something that I believe can and will transform transportation and mobility in the United States – and I know that I am by no means alone in this belief. High Speed intercity passenger rail, defined as 185 mile per hour and higher, as evidenced by the numerous examples around the world, provides to us the real and significant potential to reduce congestion in our crowded skies and highways, reduce carbon emissions, reduce our demand for foreign oil, create hundreds or thousands of jobs and stimulate and orchestrate economic development and growth across the country right now.

I was not invited here, however to preach to the choir about high speed rail. You all are acutely aware of the enormous benefits that wise, prudent and progressive decision making today will allow us to realize when High Speed Passenger Rail is successfully developed across the country. I was invited here to discuss how close we are to seeing these benefits and what must be done to insure that we get to where we all want to be. The President and Secretary LaHood have made their vision clear: they want “world class” high speed rail in this country. To reap the kinds of tremendous benefits outlined above, and to justify the incredible amount of federal investment that has already begun

and, if increased as recommended by Chairman Oberstar and Ranking Member Mika last week, we must set the bar incredibly high. This Country is ready for and must have truly fast and efficient passenger travel – trains capable of 185 miles per hour or more. When President Kennedy declared that this country would put a man on the moon before the end of the 1960's, he knew that his bold, aggressive promise would require a new culture, a new mindset and ultimately a new administration, NASA, to become a reality. This is an example of which we must be mindful.

Now please do not misunderstand me. I have confidence in the United State Department of Transportation and Secretary LaHood, and his colleagues in the Federal Railroad Administration. I have no doubt that the President has assembled a team, including Deputy Administrator Karen Rae, whom I had the pleasure of visiting with a few weeks ago in Houston, that is more than capable of developing this system throughout the nation. In order for America's, in the broadest sense of the term, "moonshot" to become a reality, we – all of us - must work in concert with the same bold vision. We must consider this revolutionary initiative in the proper context, and recognize that the clear vision of this Administration and Congress, combined with the mounting public and private sector support for groups such as the Texas High Speed Rail and Transportation Corporation, the California High Speed Rail Authority and the Florida High Speed Rail Authority, among many others working closely with Rod Diridon and Bill Millar at APTA, represents a once in a century opportunity to make a real and positive impact on this country's transportation and economic development landscape. Let's be certain that

we all have our eyes set on the same prize – passenger trains traveling at least 185 miles per hour on new dedicated high speed rail infrastructure.

As we look to build this system, it is important to remember that we are breaking new ground in America. It would be wise to provide flexibility in the use of federal funds to provide market studies and route engineering and environmental studies.

Market and environmental studies are important if we are to attract private investment. And every discussion of high speed rail has included public private partnerships.

There are places in the world where high speed rail is at least covering its operational cost and making a profit for investors. There are places in America too, where high speed rail can also make sense for private investment. To attract these investors we must show that the routes are viable and that demand can cover costs.

To encourage private investment we could offer tax exempt private activity bonds to provide lower financing costs for private passenger rail service providers.

An additional challenge for interstate private investment in high speed rail is different tax treatments in multiple state and local jurisdictions. While taxes are not an issue on systems owned by state or local governments, Congress should consider the impact of local sales and property taxes on private high speed rail infrastructure development.

The federal funding proposals should recognize as well that each state is different. The plan that works for the Northeast Corridor may not be the same as the model in California or Illinois.

In Texas we have proposed a “linear airport” model. As you are all aware, other than military installations, every transit system, airport and seaport in this country is owned and operated by a city or county. Give local governments the opportunity to connect our airports, seaports, military reservations and transit systems. Do not allow federal policy to prevent us from creating collector-distributor systems that will, for the first time, breathe life into the vision of a truly interconnected mobility system.

We are grateful and supportive of the Administration’s vision for high speed rail and are encouraged by the size of the financial commitment under discussion for the next Surface Transportation Bill. We are not, however, working under the assumption that the Federal Government, or any of our State Governments are prepared to pay the entire cost for construction of high speed rail in this country. We believe that, just as they have always done in aviation, transit and seaports, the nation’s cities and counties must play a powerful role in this important work and that attracting private sector investment will be critical to the success of any high speed rail system.

In Texas that means a local government corporation, a creation of a coalition of cities and counties along the proposed high speed corridors, which in partnership with the Texas Department of Transportation, is working to increase grassroots support and secure funds

for market studies and right of way acquisition to construct the Texas “T-Bone,” a 440 mile corridor that will serve 16 million Texans and connect along the Gulf Coast Corridor to New Orleans, Atlanta and the East Coast and along the South Central Corridor to Oklahoma and Little Rock and Memphis.

The Texas project alone will require a unique partnership of Federal, State and local officials with the private sector.

To truly recognize America’s vision for high speed rail, I would encourage this body to set the bar high. Let us go fast, get there soon and get there together.

Thank you.