

**TESTIMONY BEFORE THE
SUBCOMMITTEE ON RAILROADS, PIPELINES
AND HAZARDOUS MATERIALS
OF THE
COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE**

“STATUS OF THE RAIL CAPACITY”

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**SUBMITTED BY
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Chairwoman Brown, Ranking member Shuster and members of the Subcommittee, thank you for calling this hearing to address one of the most critical issues facing the rail industry today, “capacity”. While it is often a secondary issue when transportation officials speak of growth, it is actually one of the most important factors to consider when discussing the future.

My name is Dale Zehner, Chief Executive Officer of the Virginia Railway Express (VRE) in Alexandria, Virginia. VRE operates throughout Northern Virginia and the District of Columbia and provides over 4 million passenger trips per year. VRE’s ridership is comprised of residents from 37 jurisdictions and 8 cities in Virginia. On behalf of these passengers and our local jurisdictional owners, I appreciate the opportunity to appear before you today to discuss capacity and how it affects the operations and future of the VRE.

The Importance of Transportation Infrastructure Investment

From a national and state perspective, investment in the transportation system is critical to future economic growth, international competitiveness, quality of life and national security. Unfortunately, numerous studies have shown that our transportation infrastructure is not prepared to handle projected higher volumes of freight and passengers. In the Washington-Richmond corridor, which I’m most familiar with, the lack of capacity was identified as the root cause of railroad delays in the 1999 Federal Railroad Administration Report to Congress and subsequent 2000 CANAC Line Capacity Study for Virginia, VRE and CSX.

Currently, this corridor is shared by 18 Amtrak trains, 30 VRE trains and approximately 30 freight trains on a daily basis. And, until recently, these trains used a single track bridge across Quantico Creek, which was known to cause significant delays. VRE was able to partner with CSX, FTA and the Commonwealth to fund a second bridge crossing and on-time performance skyrocketed.

Growth and the Need for Funding

These types of partnerships are key to the future of both freight and passenger rail. The Commonwealth of Virginia has taken an active role in funding railroad infrastructure that benefits both freight and passenger carriers through the Rail Enhancement Fund. This program invests nearly \$26 million per year for

essential freight and passenger capacity improvements such as a third track in the VRE service area and the expansion of VRE service to Gainesville-Haymarket, which could double the size of the Manassas line, bringing with it nearly 6,000 more daily riders.

VRE is a prime example of the success of passenger rail given that the system was initially designed to carry 10,000 passenger trips a day and now carries close to 15,500. Moreover, demand for service reaches as far as Richmond, Charlottesville, and deep into the Shenandoah. On the freight side, volumes have increased by 50 percent since deregulation of the industry in 1980 and are expected to grow by at least another billion tons in the next 20 years. Couple this demand and the need for investment in capacity is unarguable.

Freight Railroads Willingness to Partner

When you consider capital expenditures as a percentage of revenue, freight railroads are the most capital intensive industry in America, and the demand for capital is greater than available funds. However, despite funding challenges, between 2005 and 2007, CSX invested approximately \$30 million in the Washington to Fredericksburg, VA corridor track structure by replacing nearly 225,000 ties and 175,000 feet of rail.

This willingness to cooperatively invest in the infrastructure is also seen in CSX's commitment to providing match for grants being provided to VRE for infrastructure projects which are beneficial to both the railroad and the public. This is particularly important to VRE as local funding needed for match is extremely scarce and these projects would not progress without this private funding.

VRE continues to actively work with CSX and Norfolk Southern to find funding for additional improvements that will increase the capacity of the railroad and permit more fluid operations. Without this increased capacity, expansion of both passenger and freight rail in the DC area will be stagnate.

Conclusion

The demand for transportation services is at record levels and strong growth is projected to continue into the future. Both freight and passenger rail are essential to the Washington, DC area as they remove cars and trucks from the

road in this heavily congested region. Without an investment of public funding in our railroads, we will fall further behind in advancing both the passenger and freight rail network.

Thank you once again for allowing me to speak before you. I would be happy to answer your questions about VRE or rail service in the National Capitol region.