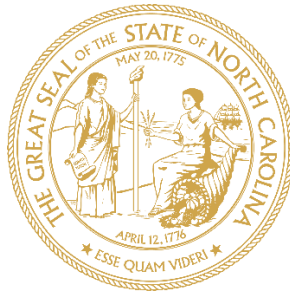


Testimony of

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before the

United States House of Representatives

House Committee on Transportation and Infrastructure

Subcommittee on Railroads, Pipelines, and Hazardous Materials

Amtrak and Intercity Passenger Rail Oversight:

Promoting Performance, Safety, and Accountability

Wednesday, June 12, 2024, 2:00 p.m.

North Carolina Department of Transportation

1 South Wilmington Street

Raleigh, North Carolina 27699-1553

Good afternoon, and thank you, Chairman Graves, Ranking Member Larsen, Chairman Nehls, Ranking Member Wilson, and all members of the Subcommittee for holding this hearing to discuss passenger rail as an integral part of our national transportation system.

My name is Julie White, and I am the Deputy Secretary for Multimodal Transportation at the North Carolina Department of Transportation. I oversee our rail, aviation, ferry, public transit, bicycle, and pedestrian transportation divisions. Additionally, I serve on the American Public Transportation Association Board of Directors and as co-chair of the APTA Commuter Rail and Intercity Legislative Subcommittee. I am also an active member of the American Association of State Highway and Transportation Officials Council on Rail Transportation.

I chair the Southeast Corridor Commission, a regional rail partnership that includes North Carolina, Washington, D.C., Virginia, South Carolina, Tennessee, Georgia, and Florida, whose cooperation is advancing the Southeast Rail Corridor for direct federal funding, progressing our shared vision for high-performance rail throughout the Southeast megaregion.

The SEC works in partnership with the Federal Railroad Administration, Amtrak, and our freight rail partners to plan regional rail initiatives, identify shared priorities, and secure consistent federal funding to improve rail services throughout the Southeast. We recognize the power of rail to connect our states and local communities and understand that consistent rail infrastructure investments create economic growth and opportunity.

A recent study of North Carolina's passenger and freight rail system identified over \$20 billion in economic activity annually, supporting over 88,000 jobs. Our rail system is crucial for serving the traveling public, providing cost-effective and sustainable transportation solutions, connecting urban and rural areas, and attracting new economic investment. The State of North Carolina, through the NCDOT, invests in Class I and short line rail infrastructure projects through our State Transportation Improvement Program and direct grants to short lines, fully understanding the benefits of a strong freight rail system to our state's economy.

I want to thank Congress for its support of the Bipartisan Infrastructure Law, which has significantly advanced our rail investments. Investing \$66 billion nationwide in rail provides the opportunity to bring much-needed rail investment across North Carolina and the southeast and further grow our more rural economies. North Carolina has received several CRISI grants, a \$1 billion Fed-State Partnership construction grant for the S-Line that aims to join rail systems across state lines, and short line grants supporting economic development in rural western and central North Carolina. We are grateful for the bipartisan support we have received for our federal competitive grant applications from state elected leaders and our Congressional delegation.

Rail is the only mode that does not enjoy formulaic federal funding, meaning projects often languish on shelves awaiting the right competitive federal grant opportunity to apply for, resulting in decades long waits for new service and expired environmental documents. The Bipartisan Infrastructure Law offers a once-in-a-generation opportunity to demonstrate how your substantial investment can change this trajectory and set a different course for the future.

Passenger ridership in North Carolina is at an all-time high, with 2023 state-supported service ridership thirty-eight percent higher than pre-pandemic levels in 2019. We continue to see an upward trajectory, with a twenty-four percent higher volume in the first quarter of 2024 compared to the same period in 2023. Our partner state, Virginia, has also reported record-setting ridership. This trend underscores the post covid changing travel patterns and the success of intercity rail in states like ours.

Intercity passenger rail riders seek productive, efficient ways to travel between municipal centers for work, recreation, healthcare, education, and other opportunities. Our ridership includes college students, business commuters, families, and individuals accessing healthcare and community services. As people shift away from peak commuter travel patterns and embrace virtual meeting options, train travel offers valuable work time, unlike driving.

Tomorrow, our "Open Express" train will depart Raleigh Union Station to travel for the first time all the way to Pinehurst bringing attendees to the United States Golf Association's U.S. Open.

We anticipate fully sold-out trains, which will help to demonstrate the unmet demand for service to new destinations across our state.

Our local municipal partners recognize the importance of intercity and urban-rural connections and have demonstrated their enthusiasm and continued commitment to enhancing and/or bringing passenger rail service back to their communities. Communities in North Carolina actively sought the submission of twelve existing rail corridors to the Federal Rail Administration's Corridor Identification and Development pipeline program and we are pleased to share that North Carolina received a record seven corridors into the program. This step unlocks planning funds so communities may begin the needed service development planning and identifying the needed infrastructure investments.

Another benefit of the Corridor ID program is that entering a pipeline for program delivery provides clear sightlines to state and local government on the needed non-federal match to advance projects. State and local governments have prescribed budget cycles which do not align well with discretionary competitive grant programs. For those corridors now in the Corridor ID program we can provide local government strong estimates of how much non-federal match will be needed and when, allowing the local governments to budget accordingly. Predictable pathways allow local communities to better communicate plans to citizens and galvanize and maintain the support needed to lift such large scale and decades long projects.

Through Corridor ID the prospect of connecting our current rail service to destinations like Asheville, Wilmington and cities in between keeps our staff busy coordinating with local, state, and federal partners to expedite service to these corridors. With consistent, robust, reliable, and sufficient federal rail funding and non-federal match, we could potentially see service across our state to Asheville and Wilmington by 2035.

The NCDOT has developed a highly successful partnership with small and rural communities to advance multimodal projects such as these. The NCDOT contributes our technical expertise to support the local communities' desire to grow rail, develops the federal grant applications and

administers the federal funds while the local community works to design their rail and transit future and provides the needed non-federal match for the competitive grant. Through these partnerships we have jointly secured a transit-oriented development planning grant and the funding to advance rail station mobility hubs through feasibility study, NEPA documentation and preliminary design.

The Raleigh to Richmond Project along the S-Line is a key initiative, reducing travel time between Raleigh and Richmond by one hour and providing a car-competitive trip between Raleigh and Washington, D.C. This project aims to connect urban and rural economies, expand workforce access for businesses in our state and grow our ridership at full build out to two and a half million annual riders. North Carolina and Virginia have completed the necessary environmental work and are currently finalizing federal grant documentation. We anticipate our first groundbreaking this summer, with future federal grants funding subsequent construction segments.

As we all know, planning and building infrastructure takes too long. As mentioned earlier, rail has a history of having to pursue federal funds only through federal discretionary grant opportunities. Through regular reliable rail formula funding we could significantly shorten the time it takes to put the investment in the ground as we would be able to program projects earlier and reduce the need for the month's long agreements phase. NCDOT has a strong history of obligating and spending billions of federal dollars through formula programs as do many other states. Streamlining the discretionary process to enable similar approvals would be beneficial to all stakeholders.

A key partnership between NCDOT and Amtrak occurs through our work on the State-Amtrak Intercity Passenger Rail Committee (SAIPRC), chaired by NCDOT Rail Division Director Jason Orthner. SAIPRC's 21 agencies in 17 states, Amtrak, and the FRA, have been directed by Congress to collaboratively implement a standard cost-sharing methodology for the state-supported intercity passenger rail services across the country.

We are grateful for the investments made possible by Congress and the FRA to replace our passenger rail fleet, among the oldest in the nation, with new trains that offer a modern, more comfortable ride with upgraded amenities. Siemens Mobility, the United States' largest passenger rolling stock manufacturer, broke ground in August 2023 on a \$220 million facility in Lexington, North Carolina that will create more than 500 jobs by 2028 and is estimated to grow the state's economy by \$1.6 billion over 12 years. Some of the most innovative and sustainable passenger trains in the North American market will be manufactured in our own backyard. Siemens plans to manufacture not only the trains currently on order from the BIL but also the future rolling stock that will be needed to serve the new passenger rail connections the Corridor Identification and Development program seeks to grow.

The Southeast Corridor Commission and the State of North Carolina remain committed to partnering with Congress, freight railroads, Amtrak, and others to expand freight and passenger rail in the Southeast. The Bipartisan Infrastructure Law is a historic opportunity to build upon our joint work to date, connect rural and urban communities, and provide our residents with access to jobs and the economy. Continued strong investment in rail in the next reauthorization will enable us to continue to meet the transportation needs of North Carolinians in all parts of our State, assist communities in growing their economic vitality, and provide more opportunities for the next generation to remain in the communities they grew up in. Thank you for the opportunity to address the subcommittee. We look forward to continuing our partnership to expand our nation's high-performance passenger rail systems.