



News from the
**House Committee on Transportation
and Infrastructure**

Rep. Nick J. Rahall, II — Ranking Member

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**Opening Remarks of
U.S. Rep. Nick J. Rahall, II
Democratic Ranking Member
Hearing on “Opening the Northeast Corridor
to Private Competition for the Development of High-Speed Rail”
May 26, 2011**

I am pleased to be here this morning to discuss developing high-speed rail service in the Northeast Corridor. Despite wide recognition that high-speed rail creates jobs, reduces congestion on highways and airways, and decreases our dependence on foreign oil, the United States offers no high-speed passenger rail service unlike other major industrialized nations.

In 2008, Congress charted a new a new course for passenger rail in America. The bipartisan “Passenger Rail Investment and Improve Act” created two national programs for the development of high-speed and intercity passenger rail in the U.S.

That legislation laid the tracks for President Obama’s Vision for High-Speed Rail, which called for historic investment in the development of high-speed rail, and the \$9.3 billion that was included for that purpose in the American Recovery and Reinvestment Act of 2009 – the most significant investment in passenger rail since the creation of Amtrak in the 1970s.

I think it is worth reminding my colleagues that we created Amtrak because the private sector did not want to operate unprofitable passenger rail service. Private companies did not want to run passenger rail service then and I am not convinced they want to do it now. But here we are again. This time we are told that the private sector is begging to take it over.

Today we will learn about a proposal to privatize high-speed rail in the Northeast Corridor. While we have not yet been provided the details of this proposal, I fear this is just another veiled attempt at derailing Amtrak under the guise of better service and cost savings.

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Just two years ago, DOT issued a request for proposals for private companies to develop high-speed rail in the United States. Guess how many private companies were chomping at the bit to get their hands on these projects? Not a one. Not one single proposal was submitted by the private sector for development of high-speed rail in the Northeast Corridor.

We also heard at the Committee roundtable in New York in January from several private investors who clearly stated that they would need to see substantial Federal funding in order to consider investing.

The fact is it is easy to criticize Amtrak and its development of the Northeast Corridor when for decades we have deprived Amtrak of consistent and adequate funding. Despite repeated efforts to derail Amtrak through starvation budgets, Congressional efforts to eliminate routes, and a Bush Administration budget proposal to destroy Amtrak through bankruptcy, Amtrak has survived. Ridership is up 200%, and Amtrak is turning a profit in the Northeast Corridor.

Amtrak is making great efforts toward building high-speed rail in the Northeast. The Acela, although it may only average 83 miles per hour from Washington to New York, has made significant improvements over the past several years. It now boasts 3 million riders annually in the Northeast Corridor, and has captured 69% of the air-rail market.

In September 2010, Amtrak unveiled a plan for development of “true high-speed rail” in the Northeast Corridor to reach speeds of 220 miles per hour. Their bold vision would cost \$117 billion over 30 years, or \$3.9 billion annually. Some on the other side of the aisle have criticized these estimates but that investment pales in comparison to what other countries are spending on high-speed rail and the \$1.8 trillion this country has spent on our world-class highway and aviation systems.

Amtrak estimates construction of the system would support 44,000 jobs annually over the 25-year construction period and approximately 120,000 permanent jobs.

We ought to be looking at ways to help Amtrak achieve this goal; not looking at ways to dismantle it. We should be celebrating Amtrak’s 40th birthday; not trying to kick it in the caboose by selling off its assets to private companies.

Thank you and I look forward to hearing from today’s panelists.