

**TRANSCRIPT OF PROCEEDINGS**

- - - -

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES  
TRANSPORTATION COMMITTEE

POINT PARK UNIVERSITY  
JVH AUDITORIUM  
ACADEMIC HALL, SECOND FLOOR  
201 WOOD STREET  
PITTSBURGH, PA 15222

WEDNESDAY, MARCH 3, 2010  
PUBLIC HEARING ON FREIGHT AND PASSENGER RAIL IN  
PENNSYLVANIA

BEFORE:

- REPRESENTATIVE JOSEPH MARKOSEK, Majority Chairman
- REPRESENTATIVE RONALD MILLER
- REPRESENTATIVE MARK KELLER
- REPRESENTATIVE DICK HESS
- REPRESENTATIVE MICHAEL CARROLL
- REPRESENTATIVE MARK LONGIETTI
- REPRESENTATIVE JOHN EVANS
- REPRESENTATIVE PAUL COSTA

TRANSCRIPT OF PROCEEDINGS

- - - -

1 ALSO PRESENT:

2 DANIEL HEALY, Chief of Staff to Representative Bryan  
3 Lentz

4

5 STACIA RITTER, Executive Director of the Majority Staff

6 ERIC BUGAILE, Executive Director of the Minority Staff

7

8 Reported by Jean M. Bujdos, Court Reporter

9

10

INDEX

11

NAME:

12

TOBY FAUVER.....8

13

ERIC MADDEN.....5

14

RANDY CHEETHAM.....30

15

JERRY VEST.....36

16

MICHAEL FESEN.....51

17

BRIAN PITZER.....61

18

MATTHEW KELLY.....71

19

MATTHEW MEHALIK.....81

20

MEGAN DESMEDT.....88

21

MICHAEL LAMB.....101

22

23

24

25

**TRANSCRIPT OF PROCEEDINGS**

- - - -

P R O C E E D I N G S

(9:38 o'clock a.m.)

1  
2  
3 CHAIRMAN MARKOSEK: Good morning. Well,  
4 first of all, looking around for anybody that has an  
5 American flag lapel pin on. Why don't we just pretend  
6 there's a big American flag up here. Thank you.  
7 Those of you who have followed our committee around  
8 know that we always start with the pledge.

9 (Pledge of Allegiance recited.)

10 CHAIRMAN MARKOSEK: First of all, I want  
11 to thank Point Park College again today for allowing  
12 us to use their facilities. We were here yesterday  
13 for a hearing and they have wonderful facilities, and  
14 they've been very hospitable to us. We appreciate  
15 that very much.

16 Chairman Rick Geist had to go to a funeral  
17 last night and may be on his way back this morning  
18 from Altoona, so he may come in a little bit later,  
19 but I wanted folks to know that's why he wasn't here  
20 this morning. He had, I believe it was a local  
21 councilman from his district passed away.

22 I'd like to introduce for the record the  
23 members who are here, because we're not going to take  
24 formal roll, and there may be some that have to leave  
25 and some that will come a little bit later as well.

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 We have Representative Dick Hess from Bedford County,  
2 Representative Mark Keller from Perry County,  
3 Representative Ron Miller from York County,  
4 Representative Mike Carroll of Luzerne County,  
5 Representative John Evans from Erie County,  
6 Representative Mark Longietti from Mercer County,  
7 Representative Paul Costa, my neighbor, from Allegheny  
8 County, and that's all the members I see. We have our  
9 executive directors, Stacia Ritter and Eric Bugaile  
10 here as well. So welcome everybody.

11 I think the easiest thing to do, we'll have  
12 the testifiers come forward up here and hopefully the  
13 stenographer will be able to hear everybody today. It  
14 should be a -- we had a little trouble with the mics  
15 yesterday, so we want to make sure that she can hear  
16 all of the proceedings.

17 With that, we'll invite our first testifiers  
18 up here today and it's our friends from PennDOT,  
19 Mr. Toby Fauver, who's Deputy Secretary for Local and  
20 Area Transportation PennDOT, and also Mr. Eric Madden,  
21 Deputy Secretary for Aviation, Rail Freight, Ports and  
22 Waterways. Both are PennDOT employees and we would  
23 invite them to both come forward. We're doing this a  
24 little bit differently here where the testifiers are  
25 up now in the target area, the members get to sit down

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 here.

2 MR. MADDEN: Good morning. Thank you for  
3 the opportunity to be here. Again, I'm Eric Madden  
4 and this is Toby Fauver, from PennDOT. It's  
5 interesting, we're two different deputies, but our  
6 lives are so intertwined mainly because of the rail  
7 and I tend to think we're mostly the economic commerce  
8 of the department, the economic wing, because much of  
9 what we do outside of highways is pure economic  
10 development, jobs generator.

11 And what we do is actually provide  
12 investments, actually, provide not only crude  
13 infrastructure, but to generate jobs. One of the  
14 things we actually wanted to talk about, even prior to  
15 the Obama administration had come out with their  
16 high-speed rail initiative, Toby and I have talked  
17 many times, particularly in the areas of how we can  
18 get public transportation, Amtrak, and the freight  
19 railroads to co-exist together. It's something that  
20 we had seen coming down the pipe for quite some time  
21 and the two forces shall meet. So we thought it would  
22 be prudent for us to begin to think about the next  
23 steps. All right. How do we start moving this  
24 initiative forward? And that's when we came up with  
25 the genesis of the plan that you see before you. I

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 hope everyone had an opportunity to pick one up as  
2 they came in.

3 We had just finalized this as planned at the  
4 end of last month, March, we're still in winter,  
5 March. Pennsylvania Intercity Passenger and Freight  
6 Rail Plan, because we thought it would be necessary to  
7 start thinking about how do we start bringing our  
8 system together. As we look at so many of the issues  
9 regarding congestion, the answer in the past has  
10 usually been okay, just add capacity to the highway.  
11 Well, we do look at Transportation Systems Operations,  
12 ITS, or maybe we increase transit service and the  
13 answer to that, we have come to run across is the  
14 answer is D, all of the above. There is no one silver  
15 bullet. So I will say this with a caveat, this is a  
16 good plan, but it is not the silver bullet to all of  
17 our problems, this is only one phase of one  
18 multi-faceted plan, which we have to do here in  
19 Pennsylvania, not only in Pennsylvania, but also in  
20 the regions and the country to make our infrastructure  
21 work.

22 Do you have any opening remarks? We didn't  
23 want to go page by page in the plan, but we're really  
24 interested in having comments back and forth, but we  
25 have basically four handouts, which come from the

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 plan, but we thought it would be necessary just to use  
2 that as talking points, basically step off and have a  
3 conversation about transportation in Pennsylvania.

4 We have the freight rail corridors, the  
5 freight rail improvements, passenger rail corridors,  
6 passenger rail improvements.

7 One of the aspects we wanted to focus on was  
8 in the absence of a national rail plan or a national  
9 blueprint on how we can focus on a plan not state by  
10 state, but region by region. We wanted to take this  
11 at a 3,000-foot view and in the absence of the feds  
12 coming up with their own plan, which one is in  
13 development, we wanted to do that, I guess, within the  
14 borders of Pennsylvania. And one of the things, if  
15 you look at how the highway system is stratified in  
16 terms of we have the interstate system, we have a  
17 national highway system, we have a local road system.  
18 There is a certain way that things are prioritized  
19 with a certain way that things are funded and certain  
20 ways that the traffic flows.

21 We wanted to do the same on the rail aspect of  
22 life and to have one of those corridors that are of  
23 national regional significance and those are the  
24 economic drivers, which are the local feeder systems,  
25 and this plan as we've tried to do as well on the

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 public transportation side is to try to stratify  
2 those, look at those corridors, what are some of the  
3 benchmarks we want those corridors to have on a  
4 statewide level and then how can we start taking those  
5 benchmarks and applying to our grant program. It is  
6 important to know that we do not own any of this  
7 infrastructure. We own the highways. We do not own  
8 any freight rail systems, we don't own any transit  
9 systems. We have a grant program to help provide  
10 incentives to help get us there, but at the end of the  
11 day, it's the decision of the authorities and the  
12 legislators themselves to make these things happen.

13 With that, Toby, do you want to start?

14 MR. FAUVER: I'll get real close. When  
15 Congress passed the legislation, the acronym is PRIIA,  
16 it's Passenger Rail Safety and Investment Act (sic),  
17 several years ago, which also provided the  
18 reauthorization of funding for Amtrak, the overall  
19 guidelines for Amtrak to operate within, Congress also  
20 established a requirement in order to get or to be  
21 able to apply for intercity passenger rail funds for  
22 construction, in any grant program, you needed to have  
23 a statewide rail plan. A statewide rail plan needs to  
24 be integrated, you need to identify a vision for the  
25 future. It needed to identify what the corridors are



**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 and set your priorities for corridors and then also  
2 establish a framework for moving forward.

3 The Federal Railroad Administration still has  
4 not yet provided guidance on exactly what they're  
5 looking for in a statewide rail plan. So many states  
6 have advanced and developed statewide rail plans in  
7 the absence of having FRA guidelines, so the FRA is  
8 collecting those plans and I think we're going to  
9 build our guidance around the plans that they've  
10 actually received. But we took the approach that in  
11 developing this plan, that we weren't going to be able  
12 to analyze every corridor in detail. We weren't going  
13 to be able to calculate detailed operating costs,  
14 capital costs and detailed service plans for every  
15 corridor in here, so what we need to do is use this as  
16 an opportunity to have a vision for the future, lay  
17 out some corridors that need to have some further  
18 study done on for identifying opportunities for  
19 improvement and really then put together what the  
20 costs are going to be for those improvements, both  
21 capital and ongoing operating, and then identify what  
22 benefits the public would get from those corridors.

23 So if you look at the map, you'll see a series  
24 of priority corridors. Some of them are already in  
25 existence in terms of passenger service today. You'll

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 see service or connection between Pittsburgh and  
2 Philadelphia, significant service exists between  
3 Harrisburg and Philadelphia. There's part of the  
4 national system that Amtrak has, there's one train a  
5 day that operates between Harrisburg and Pittsburgh.  
6 You'll see connections coming up from Washington,  
7 D.C., which also is a part of Amtrak's national system  
8 and then connecting going through Erie. And then  
9 you'll see other major travel sheds, intercity travel  
10 sheds that exist that might go Harrisburg, to New  
11 York. Some of that is currently served through the  
12 Keystone Corridor connection that you can take across  
13 the state to New York. But there was a lot of  
14 interest in Allentown in particular, the growth in the  
15 Allentown area, Lehigh Valley to potentially look at  
16 future rail connections. And so as part of the  
17 vision, it made sense to make sure that that's  
18 included and then be able to analyze what the cost and  
19 benefits might be for including that within a  
20 statewide service. You'll also see the connection  
21 from Scranton to New York, and there's been a bigger  
22 study that's going on with Amtrak to also look at a  
23 connection up to Binghamton. So that's where the  
24 corridors came from.

25 So what are the next steps? We have a plan.

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 It's a pretty thin document, it was meant to be thin  
2 so people can digest it, go through it and read it,  
3 get the gist of it. There's balance of backup  
4 information that's also available on the website  
5 that -- on our website if people want more details on  
6 the data that was collected and all the controls and  
7 things like that that were done.

8 In terms of the next steps, what we're  
9 continuing, we're continuing the investment in the  
10 Harrisburg/Philadelphia line, but we did receive  
11 \$750,000 from the Federal Railroad Administration in  
12 the announcements that recently occurred, we put  
13 \$750,000 of state funding on top of that, it was a  
14 50/50 match to do a service development plan and  
15 alternative study between Harrisburg and Pittsburgh,  
16 really to look at all the alternatives, determine what  
17 service may be justified and warranted, what the cost  
18 will be, what the benefits will be for that line and  
19 then eventually, it will be -- that study result will  
20 end up coming back to you to eventually have to figure  
21 out whether we do something with it or not, to fund  
22 something. It will set us up to meet the requirement  
23 or to be able to apply for future Federal Railroad  
24 Administration funds. But those are the next steps  
25 for any of the corridors, this is the first one out of

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 the box, we already have the study. We're fortunate  
2 to have the FRA funding.

3 MR. MADDEN: When you look at the  
4 priority freight rail corridors and you take a picture  
5 of where the primary freight flow goes through  
6 Pennsylvania, you have, of course, the Class I  
7 railroads, Norfolk Southern, CSX, the Canadian Pacific  
8 and the Bessemer/Lake Erie, which is owned by the  
9 Canadian National. You have those major freight  
10 flows, and that's basically where primarily the bulk  
11 of the traffic that comes in and out and through  
12 Pennsylvania comes through. Next stratification --  
13 and those are our corridors, which we have identified  
14 as having true national significance.

15 The next tier would be those regional  
16 corridors, which are Buffalo and Pittsburgh, which  
17 we'll hear from Jerry Vest shortly after us, and Lake  
18 Erie mostly on the western part of the state, which we  
19 identify as those having regional significance, and  
20 then you have the main short lines of Pennsylvania,  
21 which if you look at Pennsylvania and the rail  
22 infrastructure here, we are the fifth largest  
23 infrastructure in the country in terms of rail, but  
24 also we are No. 1 in the country in the number of  
25 railroad companies that operate here in Pennsylvania.

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 So when you talk about rail, that's big business in  
2 Pennsylvania.

3 The stratifications of the national, regional  
4 and the global economic corridors is not to say that  
5 one is more or less important than the other, but has  
6 basically helped us target where we want to make those  
7 investments. When you look at the national, those  
8 corridors of national freight significance, things  
9 you'll want to focus on our investments are  
10 clearances, double-stack clearances, are they  
11 286,000-pound compliant, are we preserving the  
12 right-of-way. We have intermodal yard capacity along  
13 those corridors to make them viable, but also  
14 intermodal yards along those corridors equals jobs,  
15 they stop, they transfer traffic, they move cargo.  
16 That's jobs. That is the real economic benefit on the  
17 national system. And also, the things which are  
18 important, but not so sexy, are those true traffic  
19 retrogrades. We don't need a red ribbon for that, but  
20 the fact that the bridge is out, it has a major  
21 economic impact and a true impact on freight flow  
22 throughout the entire region.

23 The question somebody would ask is, if  
24 Pennsylvania had the opportunity to invest some money  
25 into the Baltimore Tunnel to make that double-stack

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 cleared, what would you think about doing that? If  
2 other states joined us, absolutely, because that is a  
3 bottleneck, which absolutely hinders economic growth  
4 throughout the entire northeast without question.

5 When you look at regional short line secondary  
6 feeder systems, we focus more on the 286,000  
7 compliant, not so much double-stack clearances,  
8 because the volume is high, but not as high as on  
9 those primary corridors on the national freight system  
10 and, of course, they have issues such as highway  
11 railroad rate crossings and the traffic and bridge  
12 upgrades as well, same problems, just on a slightly  
13 smaller scale than you see on Class I and the smaller  
14 short line railroads.

15 What we want to do is get them connected to  
16 business, get them connected to intermodal yards, get  
17 them connected to industrial parks, get them right  
18 into the business itself, because they are the feeder  
19 system, they are that last model, if you will, to get  
20 that final product there.

21 So this helps us make our investments at where  
22 we would want to place our investments to make us  
23 competitive. When you look at double-stack  
24 clearances, primarily on the national freight system,  
25 we have been very fortunate to receive \$35 million,

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 and I believe it's a \$1.5 million discretionary as  
2 part of the stimulus to double-stack clear the CSX  
3 line, the western portion, basically going from  
4 Somerset County through Pittsburgh and on to Ohio.  
5 With this final investment, Pennsylvania will be  
6 double-stack cleared, north, south, east, west for  
7 three Class I railroads. So the question is, if you  
8 had a chance to essentially double the capacity of the  
9 interstate for \$70 million, will you do it?

10 Absolutely. Double-stack does that, it doubles the  
11 capacity. It is a great investment, it's a great  
12 benefit to the public.

13 Essentially, looking at this, the next steps  
14 for us are how do we take some of these initiatives  
15 and apply them to our grant program and then we're not  
16 done here. The next phase of this is, how do we bring  
17 in our partners in the trucking industry, because they  
18 are part of the freight as well, and how do we tie  
19 them into this plan and start building upon this great  
20 foundation of how do we move the people throughout the  
21 state and throughout our region.

22 So essentially, that's kind of the crux of the  
23 plan, how we got here. This was a very long  
24 collaborative process. We've had a very strong  
25 outreach with several stakeholders in the public and

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 private sector, this is a culmination of many of their  
2 comments and many of the initiatives of the Department  
3 of Transportation.

4 So this is where we are today. Hopefully this  
5 will be a very good step of where we plan to be over  
6 the next ten years and hopefully you'll all join us,  
7 help us, of course, to get there. With that, we'll be  
8 happy to answer any questions anyone has.

9 CHAIRMAN MARKOSEK: Thank you. Before we  
10 move on, I failed to mention that Representative Bryan  
11 Lentz, who's on our committee, he is from Delaware  
12 County, he could not make it. His staff person, Dan  
13 Healy is here and so welcome, Dan, took the train in  
14 from Philadelphia all the way here.

15 MR. HEALY: I drove.

16 CHAIRMAN MARKOSEK: Okay. But maybe some  
17 day you'll be able to come up on the train and get  
18 here. But feel free to ask questions as well. I have  
19 one brief question and then we do have some questions  
20 from the other members.

21 You mentioned the Baltimore Tunnel, where  
22 is -- should I assume that's in Baltimore, or is that  
23 in Pennsylvania?

24 MR. MADDEN: Actually, the Baltimore,  
25 which is actually the Howard Street Tunnel, which is



## TRANSCRIPT OF PROCEEDINGS

- - - -

1 actually in Baltimore, it's in Baltimore city. If  
2 anyone recalls the Howard Street Tunnel actually  
3 caught on fire about eight or ten years ago and when  
4 that tunnel actually caught on fire, commerce stopped,  
5 it literally stopped. That is a tunnel that goes  
6 under the city of Baltimore, it's about a mile long,  
7 it's single track, it's single-stacked, it is a true  
8 bottleneck.

9 The question is, is it important to the region  
10 to open that up to double track it, double stack it at  
11 a cost of probably about \$2 billion, which that's  
12 probably about a ten-year old figure right about now,  
13 but everyone has identified it at least in the mid  
14 Atlantic region as the No. 1 bullseye.

15 CHAIRMAN MARKOSEK: That's owned by a  
16 railroad?

17 MR. MADDEN: It's owned by CSX.

18 CHAIRMAN MARKOSEK: We have a question  
19 from Representative Mike Carroll.

20 REPRESENTATIVE CARROLL: Thank you,  
21 Mr. Chairman. Thank you both for your testimony.

22 I'm wondering and hoping that the Marcellus  
23 shale and the movement of freight is considered in  
24 this plan. I especially think about the Susquehanna  
25 line from Reading Northern that heads up towards -- up

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 in Susquehanna County, that region, you must know  
2 there's quite a lot of activity with respect to  
3 Marcellus shale and some real challenges with respect  
4 to movement of water in particular, so I'm hopeful  
5 that that was factored into the equation here with  
6 this plan, because rail could be a real asset for the  
7 solutions to some of the problems that exist for  
8 transportation in that region.

9 MR. MADDEN: Absolutely. It wasn't  
10 particularly focused on Marcellus shale, which we have  
11 seen a large interest in railroads in getting to that.  
12 This is about economic development for business,  
13 Marcellus shale obviously falls into that category.  
14 The question is, how do we use our money to get  
15 railroad service to those areas where they have  
16 Marcellus shale, it's better than bringing the water  
17 in, better bringing in rail rather than congesting our  
18 highways.

19 CHAIRMAN MARKOSEK: Representative Ron  
20 Miller.

21 REPRESENTATIVE MILLER: Thank you, Mr.  
22 Chairman.

23 Gentlemen, when you put together the  
24 background data for this, as you said, and you talk  
25 about spending \$70 million to remedy the double-stack

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 issue, it's obvious to me that you're right, that's a  
2 great investment for the residents of Pennsylvania,  
3 we'd move a lot more freight. Has there been an  
4 effort to quantify the amount of truck traffic that  
5 that might remove from our highway system, because,  
6 you know, that's one of the figures that if we can  
7 show to our constituents, the residents of  
8 Pennsylvania, we're removing X number of lane miles,  
9 truck miles, increasing the safety of their travel on  
10 our highway system and reducing the congestion, that's  
11 a great factor to use to explain why this is so  
12 important. I was just wondering what kind of data you  
13 developed.

14 MR. MADDEN: If you look, actually,  
15 there's a couple blurbs in the bubbles of this plan,  
16 which have some statistics, which are provided by  
17 railroad themselves and the American Association of  
18 Railroads, which is the national advocacy group for  
19 rail investment. But yes, if you look at the pure  
20 statistics and the numbers and the railroads, Norfolk  
21 Southern, CSX have done an excellent job of  
22 advertising this and getting this out. One unit train  
23 can carry essentially 280 trucks, that's one unit  
24 train, you double-stack it, which in terms of  
25 container capacity, you're talking about large volumes

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 right now.

2 Just as an example, the initiative that we  
3 have been trying to do with Norfolk Southern, I spoke  
4 of CSX, I have to give Norfolk Southern equal play  
5 here as well. Norfolk Southern in the Crescent  
6 Corridor project where we would build an intermodal  
7 yard in Franklin County and upgrade the Harrisburg  
8 yard and upgrade the Philadelphia yard. Once that  
9 goes into full effect, the Crescent Corridor, which  
10 goes from New York, New Jersey, all the way down to  
11 New Orleans, we would remove essentially about 780,000  
12 trucks off of the road, off of I-81 initially and it  
13 will create up to 25,000 jobs. And when you take  
14 those trucks off the road, it's also an environmental  
15 benefit.

16 So making an investment, it does, it does have  
17 an impact on the public benefit, which is taking  
18 trucks off the road, especially for people on  
19 interstate I-81, that is heavily traveled by truck  
20 traffic. Again, this is not the silver bullet, but it  
21 helps us answer some of the questions. It is part of  
22 the D, all of the above, get some of the trucks off  
23 the road, have an environmental impact, and if I'm a  
24 business, if I'm a shipper, I want that choice. I  
25 don't want to always have to -- be forced to use

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 truck, if I can have another alternative to use, rail,  
2 that's a great aspect for me for my business, and if I  
3 have the option, I'm going to locate my business where  
4 I have that choice.

5 REPRESENTATIVE MILLER: Just as a quick  
6 follow-up. The remedy to the double-stack, the  
7 raising of the tunnels, what is the target date, what  
8 are we looking at?

9 MR. MADDEN: There are two issues that we  
10 have right now. In Philadelphia, the west track line,  
11 which is the port of Philadelphia north and to New  
12 Jersey, that will be completed by 2012, which we are  
13 actually undercutting rather than raising. One bridge  
14 will be raised, others will be undercut. That will  
15 add 17 bridges. And there's also 17 bridges in that  
16 west portion of the CSX line, that will be done as  
17 part of the Recovery Act, has to be done by  
18 February 2012 as well. So we will be cleared by 2012.

19 REPRESENTATIVE MILLER: Thank you,  
20 Mr. Chairman.

21 CHAIRMAN MARKOSEK: Thank you.  
22 Representative Mark Keller.

23 REPRESENTATIVE KELLER: Thank you,  
24 Mr. Chairman.

25 As you have discussed the rail and the upgrade

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 areas in Franklin County, the city of Harrisburg and  
2 Philadelphia, is the department working with those  
3 companies in looking at the infrastructure around  
4 those facilities? Sure, you're going to take truck  
5 traffic off of that 81 corridor, but it is going to  
6 enhance more traffic, truck traffic, in the local  
7 area. The locals, I don't believe, are prepared for  
8 that kind of activity. So I'm hoping that the  
9 department is keeping their eye on that and working  
10 with that.

11 MR. MADDEN: That is a very good point  
12 and yes, we are. It had come to our realization at  
13 one point, if you look at the area, particularly in  
14 Chambersburg, in Franklin County where CSX has a major  
15 investment in an intermodal yard there, and if you  
16 look at Norfolk Southern, once that is constructed,  
17 you have an intermodal yard there, you have an impact  
18 of roughly about 30,000 potential jobs in that area  
19 and the truck traffic that goes with it. While you  
20 initially look at the jobs and the potential, you take  
21 a step back, you begin to wonder, wow, is Franklin  
22 County really prepared for that.

23 So, yes, we have reached out with our  
24 partners, worked with the local planners there to say  
25 this is coming, this is going to be a reality, how are

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 we going to deal with it. So we are trying to take a  
2 very holistic approach to that as well. We've done  
3 the same with the City of Harrisburg, particularly at  
4 the time of the Lein administration and Joe Lein  
5 (phonetic), who is with the city engineer as well, to  
6 look at the impacts of Cambridge Street and the  
7 connections on I-81, so yes, we have taken a holistic  
8 approach to this.

9 REPRESENTATIVE KELLER: Okay. Thank you.  
10 Thank you, Mr. Chairman.

11 CHAIRMAN MARKOSEK: Representative  
12 Longietti.

13 REPRESENTATIVE LONGIETTI: My question  
14 relates to passenger rail. You indicated in your  
15 testimony that the commonwealth doesn't own any of the  
16 rail lines. Could you comment just a little bit on,  
17 as I understand it, and every rail line has its own  
18 needs, but there would need to be significant upgrades  
19 to accommodate, particularly high-speed rail and  
20 different definitions of high-speed rail. How do we  
21 get there and then also how do we not make the mistake  
22 of doing upgrades and then as soon as those are  
23 completed, it's not the next generation of rail travel  
24 that needs a further upgrade.

25 MR. FAUVER: I think the first step, I

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 think we're trying to do, especially for the  
2 Pittsburgh line, the first step out of the box is to  
3 look at alternatives and really study what the options  
4 are. Currently, it takes about five to five and a  
5 half hours on train to go between Harrisburg and  
6 Pittsburgh. Obviously you can drive it much faster  
7 than that.

8 We saw a real ridership growth in the Keystone  
9 Corridor between Harrisburg and Philadelphia when we  
10 were able to get the track upgraded and get the  
11 service improved to the point where the train could  
12 compete with the automobile time lines. In fact, our  
13 express trains now go between Harrisburg and  
14 Philadelphia in an hour and 35 minutes. Ridership  
15 grew by 30 percent, 40 percent certainly in a couple  
16 years, largely due to people who want reliability,  
17 want on-time performance and want to be able to get  
18 there as quickly as they can to go to meetings,  
19 because everybody's time is tight. And I think people  
20 that have a choice or were making the choice just to  
21 take a train, again, make a choice to use the train  
22 separately.

23 So I think the first thing we have to target  
24 out of the box to really look at Harrisburg and  
25 Pittsburgh is how can we make it competitive with the



## TRANSCRIPT OF PROCEEDINGS

- - - -

1 automobile. And that may or may not mean getting a  
2 real high maximum speed, but the overall average speed  
3 of what we got targeted dealing with, and there's a  
4 lot of challenges with geography between Harrisburg  
5 and Pittsburgh, and some of that you have to be  
6 looking at right-of-way, looking at capacity in that  
7 line and working closely with Norfolk Southern on  
8 capacity issues, because they own the existing  
9 right-of-way and line, develop freight traffic out  
10 there in order to dispatch the service obviously, and  
11 then also have to think about what the cost benefit is  
12 for going to something higher than that.

13 I know there's a lot of excitement around 200  
14 mile an hour trains and there's a lot of enthusiasm  
15 around that. Keystone Corridor between Harrisburg and  
16 Philadelphia, the maximum speed is 110 now. But the  
17 average speed is what's critical, you know, to get  
18 there, so that means reduced stall time at stations,  
19 meaning you have stations with idle platforms where  
20 people can get on and off the trains very quickly,  
21 having good customer information available, then  
22 having a smooth track, an electrified service so the  
23 trains can operate, accelerate quickly and decelerate  
24 quickly and things like that.

25 Every corridor is going to be different, I

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 think, and one of the -- when we look at the  
2 alternatives analysis with this funding that we have,  
3 we're going to look at, No. 1, how can we achieve a  
4 time equivalent to the automobile or better, hopefully  
5 better than the automobile, and then do a cost of what  
6 it would take to do, more or less, true high-speed  
7 rail, which means we're probably going to be looking  
8 at significant bypasses to parts of the line or you  
9 need right-of-way, because it's a big challenge to  
10 operate something over 80, 90 miles per hour in the  
11 same corridor, the freight is going to drop, there's a  
12 lot of risk there with safety and things like that.

13 So there isn't necessarily an easy answer to  
14 the question you're asking, but I'm just kind of  
15 describing the situation that we're going to try to  
16 look at and then put the best information out there,  
17 the facts out there that we can and see what the  
18 capital costs. If there's something that we're  
19 willing to buy, what is it that we want to buy. You  
20 can do things incrementally, make improvements  
21 incrementally, begin to see service improvements.

22 So you start to have an incremental path and  
23 you have investment wasted because you'll end up  
24 wanting to do something differently and so you got to  
25 think about ultimately what we want that corridor to

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 be, what we want any of these corridors to be.

2 I know Brian Pitzer is here to talk about  
3 Erie. Their goal is to make a connection to Ohio and  
4 New York and having Erie become part of that  
5 high-speed rail network. We've got to think about  
6 that even with other states, because it's bigger than  
7 just Pennsylvania for intercity service.

8 REPRESENTATIVE LONGIETTI: Yesterday we  
9 had a presentation on DMUs, it's something new to me,  
10 but it doesn't require a locomotive, it's a  
11 self-contained unit, I guess. Where do you see that  
12 fitting in or not fitting in?

13 MR. FAUVER: That's going to have to be  
14 looked, certainly all technology will have to be  
15 looked at one way, DMUs could play a role in helping  
16 to build a corridor service. The difficulty with  
17 doing something with DMUs is that we've got to  
18 identify the money that's going to be needed to  
19 operate the service. I'm sure that to get a few to  
20 demonstrate service or from a capital cost point of  
21 view is something that can be dealt with, but then  
22 there's a whole other issue about what Norfolk  
23 Southern may want or may need to have take place from  
24 an upgrade point of view on the line, to begin to  
25 operate that service, integrate it and then what their

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 costs are going to be to maintain the track, what  
2 their charges are going to be and what it's going to  
3 cost to operate the service, whether the fares might  
4 cover it or not cover it. That hasn't really been --  
5 the service idea really hasn't been examined as far as  
6 I know in a lot of detail to determine whether it  
7 would break even or not or what kind of cost would be  
8 required. It's something that would have to be looked  
9 at.

10 REPRESENTATIVE LONGIETTI: Thank you.

11 CHAIRMAN MARKOSEK: Thanks. Just one  
12 last question I have relative to passenger, and this  
13 would be in the area of stations, because when you  
14 have passenger trains, then you have to have passenger  
15 stations, ordinance stops. If we would spend, you  
16 know, a lot of extra money to upgrade Harrisburg to  
17 Pittsburgh, for example, and currently you're talking  
18 a five-hour trip, let's say get it down to three  
19 hours, which would make it competitive with a vehicle,  
20 auto vehicle, is there -- do you see a history of  
21 folks, okay, it's an efficient system now, all these  
22 little towns now want a stop and the more towns you  
23 have that want a stop, the less efficient the system  
24 gets. I mean, what's the history of that, I guess,  
25 and if we would spend a lot of money to bring it down

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 to say a three-hour trip, but then add a lot of stops,  
2 it might negate the expenditure.

3 MR. FAUVER: That's a challenge, and I  
4 can talk about the example of the service between  
5 Harrisburg and Philadelphia, it's a challenge there.  
6 The express service, what we're calling express  
7 service, stops at five stations, including Harrisburg  
8 and Philadelphia, so there's Elizabethtown, Lancaster  
9 and then Paoli, the five stations it stops at. It  
10 achieves the express time, because it doesn't stop and  
11 have to load or unload passengers at the other  
12 stations and slow traffic down and speed it up.

13 There has been interest in at least two other  
14 stations on the line from local communities, one to  
15 build another station here and build another station  
16 there. One of them, I think, was Paradise in  
17 Lancaster County and there's a lot of merit to  
18 potentially having stations there, but it's a  
19 balancing act between adding stations and then having  
20 a service degradation that might occur because of  
21 that, a trade-off between getting more passengers and  
22 the service then slowing the trains down and impacting  
23 everybody.

24 I think that's something, it's a tough  
25 balance. So I think that ultimately, every community

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 can't have a station. We've got to focus on the big  
2 target points to have stations, hopefully provide  
3 parking, good accessible stations that people can get  
4 in and out of easily to make the train accessible, but  
5 keeping travel time pretty fast, so that you don't  
6 lose what you've invested.

7 CHAIRMAN MARKOSEK: Okay. Gentlemen,  
8 thank you very much. We appreciate your testimony, it  
9 was very good.

10 Next, I'd like to introduce our rail freight  
11 folks who are here. Mr. Randy Cheetham from CSX;  
12 Jerry Vest, who is vice president of government and  
13 industry affairs Genesee & Wyoming. And of course,  
14 Mr. Mike Fesen, who's director of government relations  
15 with Norfolk Southern.

16 Gentlemen, you want to get comfortable there  
17 and whoever wants to grab the mic first and just start  
18 may do so.

19 MR. CHEETHAM: Good morning. My name is  
20 Randy Cheetham and I am with CSX Transportation and I  
21 would like to start off by thanking the committee for  
22 inviting us to participate in this hearing and give us  
23 the opportunity to let you know a little bit about  
24 what we're doing. I'd like to start out by thanking  
25 Chairman Markosek and Chairman Geist for their support

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 in the past of CSX's TIGER grant on our National  
2 Gateway Program. That's what I'm going to be talking  
3 about today, bringing you up to speed on where we are  
4 with what we feel is a very important initiative for  
5 the commonwealth. Let's see if I can work this. All  
6 right.

7 I'll go through these slides fairly quickly.  
8 This is who we are, CSX, we are a major eastern United  
9 States railroad. We're east of the Mississippi, we're  
10 in 22 states and two providences of Canada.

11 Here's who we are in Pennsylvania, we employ  
12 about 800 Pennsylvanians and have about \$60 million in  
13 annual payroll. We operate 2,000 miles of track and  
14 last year we invested \$50 million in our network here.  
15 We have major yards and facilities in Philadelphia.  
16 In Chambersburg and Philly, we've got intermodal  
17 facilities and as I'll discuss later, we're looking to  
18 locate a new intermodal facility here in Pittsburgh.  
19 We've got an automotive distribution center in Ashton.  
20 And we have transfer facilities and what these are are  
21 bulk commodity transfer stations where we bring things  
22 in on rail and then it's transferred to truck, those  
23 are in Butler, Chester, we've got two in Philly and  
24 one here in Pittsburgh.

25 As you all know, the transportation demand is

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 on the rise and congestion is getting worse. 2020,  
2 you'll look at our territory right there, and you can  
3 see the eastern part of the United States, our  
4 highways are severely over capacity and CSX is working  
5 to try and meet some of these challenges. We see an  
6 increased need for a supply chain, flexibility due to  
7 the shifting global supply chains. The Panama Canal  
8 was scheduled to -- that expansion will be completed  
9 in 2014, so we're expecting to see a lot more influx  
10 of international traffic coming to the east coast  
11 rather than just coming out on the west coast.  
12 Intermodal freight transportation is becoming  
13 increasingly critical to meeting our needs as I just  
14 showed you on the last slide. Our highways are at  
15 capacity and that situation just continues to get  
16 worse.

17 Here's our National Gateway. If you'll look  
18 at the map, these routes here in blue, that's our  
19 existing double-stack clearance, so we've got pretty  
20 much most of our system is already double-stack  
21 cleared, except you'll look right here, from the  
22 midwest down into the east coast ports. And so that's  
23 what our National Gateway project does, it opens up  
24 the ports of Baltimore, Hampden Roads and Wilmington  
25 to the midwest and also, it opens it up to the western



## TRANSCRIPT OF PROCEEDINGS

- - - -

1 ports, because a lot of freight comes in there and  
2 then comes into Chicago, St. Louis, Memphis and New  
3 Orleans and then this will allow us to bring it in  
4 from, say, Long Beach in California into Chicago and  
5 shoot it right into Pittsburgh.

6 How do we achieve this? There are three ways  
7 that we do it. The first one is, we undercut the  
8 bridges and we go in and actually lower our track.  
9 The second picture here is a bridge raise where we go  
10 in and raise the structure to achieve the clearance  
11 and then the bottom picture is a tunnel, and how we do  
12 that, we go in and we notch out the sides so that the  
13 containers will go through, rather than have a rounded  
14 top, it's notched out. And the National Gateway has  
15 got 61 clearance projects in the six states and in  
16 Pennsylvania, we have 17.

17 As I mentioned before, we recently opened up a  
18 new intermodal facility in Chambersburg at a cost of  
19 \$48 million. This is part of our National Gateway  
20 project. Right now, it's -- until we get all the  
21 clearances done, it's single-stack served, but with  
22 National Gateway, it will be double-stacked, we're  
23 already starting to see an influx of business and jobs  
24 in that area located around our facility. Right now,  
25 we're working with the economic development folks here

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 in Pittsburgh to identify a site for a new \$50 million  
2 facility here in Pittsburgh.

3 Here's the cost. This is a big ticket item.  
4 It's an \$842 million project. We're looking, CSX is  
5 going to come up with about half of that and then  
6 we're looking at the states and the federal government  
7 to partner with us and, you know, you all get a lot of  
8 comments, why are my tax dollars going to support a  
9 private company and so, you know, you're getting \$22  
10 in public benefits for every dollar that the  
11 commonwealth invests, and I'll go through some of  
12 those numbers here in a minute.

13 Okay. Here's where we are on the funding. We  
14 recently got \$98 million from the TIGER program, we've  
15 lined up 191 billion in state funding, which includes  
16 35 million from Pennsylvania. Pennsylvania was the  
17 first state to sign on. You've been a great partner  
18 and have been there from the beginning. And I'd also  
19 like to compliment Eric Madden for the work that he  
20 did coordinating with the other state DOTs on this  
21 project, he was really pretty much our quarterback  
22 going through this, because I know you all know how  
23 hard it is sometimes to deal between the two parties  
24 in Harrisburg. If you can imagine six state DOTs,  
25 plus the District of Columbia all working on one

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 project, it was a lot like herding cats. Eric did a  
2 great job for us. Our money is in place and we are  
3 continuing to pursue the additional \$160 million that  
4 we need from the federal government.

5 Talk about the benefits. What are the  
6 benefits? We think that this will provide about  
7 25,000 jobs -- let's see, 50,000 jobs, including more  
8 than 25,000 jobs in 14 economically-distressed areas.  
9 It increases the U.S. competitiveness, it provides a  
10 sustainable transportation solution by reducing CO2.  
11 As you've probably seen our commercials, we think that  
12 railroads are the most environmentally friendly form  
13 of transportation. We like to say that we can haul a  
14 ton of freight 436 miles on one gallon of diesel. So  
15 we are a very fuel efficient way to transport goods.

16 In Pennsylvania specifically, we see about  
17 \$1.7 billion in benefits with 10,000 jobs.  
18 Representative Miller, you talked about taking trucks  
19 off the road. Our project will take about 2.5 million  
20 off of the road, which will reduce about  
21 2.7 million tons of CO2 from Pennsylvania's air. It  
22 also saves PennDOT about \$90 million in highway  
23 maintenance cost, but the real big winners in  
24 Pennsylvania are your shippers. We believe that this  
25 will save Pennsylvania shippers about \$500 million in

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 logistics costs.

2 As you can see from this list, we have a lot  
3 of supporters signed on and this is a summary of the  
4 projects here. In Pennsylvania, it's got the cost,  
5 where they are and what we're doing. There's going to  
6 be a public meeting in Pittsburgh tomorrow evening to  
7 talk about all the projects, the public can come out  
8 and get information and find out about it.

9 I'll be happy to take any questions you have  
10 at the end.

11 MR. VEST: Thank you very much, it's a  
12 pleasure to be here, I'm Jerry Vest with Genesee &  
13 Wyoming.

14 We have four railroads in the state. What I'd  
15 like to do is give you all a brief introduction to our  
16 presence in the state, but talk more globally about  
17 short line regional freight railroads. In that  
18 capacity, representing short line regional freight  
19 railroads, it's quite appropriate that I'm between CSX  
20 and Norfolk Southern in this meeting, it's typically  
21 where short line regionals are.

22 If I could this morning, briefly, and you all  
23 largely know this, so I won't spend a lot of time on  
24 explaining what Class II or III railroads are. Class  
25 II are regionals, Class III are short lines. Provide

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 an update to you all on Genesee & Wyoming in  
2 Pennsylvania, talk briefly about the successes that  
3 are facilitated by PennDOT and the programs that are  
4 now in place in the commonwealth in public-private  
5 partnerships for rail freight infrastructure  
6 investments, touch on an area of unfulfilled need that  
7 we see at Genesee & Wyoming right now and then touch  
8 on the next possible steps.

9 Class II and III railroads are really the  
10 first and last mile of much of freight transportation.  
11 As Eric Madden of PennDOT said, a lot of our traffic  
12 is merchandise based, so it's the non double-stack,  
13 non highway container intermodal type traffic,  
14 however, there are some exceptions to that. When  
15 Randy was presenting National Gateway's route map,  
16 another set of -- or another two Genesee & Wyoming  
17 railroads serve the port of Wilmington and the new  
18 Mercer terminal, which is the largest container port  
19 outside Norfolk on the eastern seaboard. So there are  
20 a few examples where short lines do handle  
21 double-stack traffic, container traffic, but most of  
22 our business is tied to merchandise. The strength in  
23 that, specifically, when you look within a state or a  
24 commonwealth like Pennsylvania is the job impact.  
25 Because the industrial sector jobs that are the family

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 sustaining, meaningful income jobs, provide health  
2 care benefits, they're typically tied to these  
3 industrial sector customers that depend upon our  
4 services and we see that across our industrial base of  
5 customers. I mean, without any shot at Walmart, these  
6 are not the Walmart greeter jobs we're talking about,  
7 but the steel mill, like we serve in Butler,  
8 Pennsylvania at A.K. Steel or the chemical plants that  
9 I'm going to talk about in Butler County or the paper  
10 mill that depends on us in York County. But these  
11 types of jobs are the jobs that we've lost a lot of in  
12 the commonwealth and the United States that we need to  
13 do whatever we can to keep.

14           The classification of short line, Class I, II  
15 and III railroads are generally based on operating  
16 annual revenues. The Class I as of last year are  
17 based on a threshold of a little over \$401 million a  
18 year in annual revenues; however, that's an almost  
19 artificial barrier or a threshold because the seven  
20 Class I railroads in Canada and United States, the  
21 smallest one had 1.8 billion in annual revenue last  
22 year. So there's a massive segmentation on the top  
23 end of that scale for Class I.

24           Class II regional railroads. Eric mentioned  
25 earlier, there are two of them in the Commonwealth,

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 our Buffalo and Pittsburgh, Wheeling and Lake Erie,  
2 they're the mid-sized railroads, anything below 401  
3 million revenue down to 32 million annually. Most of  
4 them are grouped down in the lower end of that  
5 spectrum. There are a few regionals that are over a  
6 hundred million, but most of them are less. And then  
7 the vast bulk of railroads, and there's 33 of those  
8 nationally, the vast bulk of freight railroads in the  
9 United States and in the Commonwealth of Pennsylvania  
10 are Class III short lines, which are revenues from \$1  
11 up to 32 million. Most of them, again, are on the  
12 lower end of that spectrum. In Pennsylvania, we have  
13 54 Class III short line freight railroads. That is  
14 the most of any state in the nation. Next is Texas  
15 with 45.

16 Genesee & Wyoming has four separate freight  
17 railroads in Pennsylvania. The regional railroad I  
18 mentioned, Buffalo and Pittsburgh, which connects  
19 Buffalo, Rochester and Pittsburgh. York Railway in  
20 York County, and Pittsburgh and Ohio Central, which is  
21 just across the river here based in McKees Rocks and  
22 runs down to Washington County, and then the Aliquippa  
23 and Ohio River railroad, which is in Aliquippa.

24 These railroads all have been spinoffs or made  
25 up of spinoffs of the large railroads, and the

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 challenge that presents to us is that the further  
2 they're spun off, oftentimes they just weren't  
3 invested in. It's like you think about if you're  
4 selling a car or your home, typically, you're not  
5 going out and rebuilding the home or putting a new  
6 engine in the car right before you sell it and these  
7 rail lines we have kind of represent that. It's  
8 through no fault of the Class I's, we all try to  
9 maximize where we invest our money, but these lines,  
10 because of their lighter density, they have not had  
11 the investment of the main trunk lines that Eric  
12 talked about as his principal corridors the  
13 commonwealth has seen and each one -- let me back up.  
14 Forgive me.

15 Each one of our four railroads in the  
16 commonwealth are managed independently. This is  
17 critical. It represents the typical short line in  
18 that each one of our kids, each of these railroads,  
19 have their own income statements, their own base of  
20 customers, they are held accountable for their  
21 customer service, to grow their revenue, spin off  
22 enough cash out of their operations to be able to  
23 reinvest in the railroads. This is one reason why  
24 public-private partnerships are so important to us.

25 The other thing that they're held responsible



## TRANSCRIPT OF PROCEEDINGS

- - - -

1 for is safety and we are coming off a record year for  
2 Genesee & Wyoming. The industry and safety -- the  
3 industry evaluates safety, it's done by the Federal  
4 Railroad Administration, the number of reportable  
5 injuries per 200,000 manhours worked on the railroad.  
6 The ratio is, typically if it's at one, if a railroad  
7 hits one in that ratio, it's considered very good.  
8 The class I's historically have led that ratio. The  
9 two railroads at the table here are leaders in the  
10 industry in terms of injury performance, in terms of  
11 minimizing those. Historically, the regional and  
12 short lines have had higher ratios. And this is in  
13 part due to the intensive local switching that is  
14 inherent in short line and regional railroad  
15 operations. We go out and switch those customers one  
16 or two times a day and that physical activity of  
17 switching cars is more prone to injury than getting on  
18 the train and going from Harrisburg to Pittsburgh, for  
19 instance. We finished last year with an injury ratio  
20 for our railroads .74 percent and I don't mean to come  
21 in and brag, but we're quite proud of this. It takes  
22 a lot of effort for any railroad to have an  
23 improvement of that nature.

24 Looking at the public-private partnerships in  
25 the commonwealth, Pennsylvania truly does have a

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 leadership role in looking across other states in the  
2 United States in terms of taking aggressive investment  
3 opportunities for public-private partnerships in  
4 freight railroad. You all are well aware of the two  
5 primary vehicles for that, the Rail Transportation  
6 Assistance Program and the Rail Freight Assistance  
7 Program. And I don't need to belabor what those  
8 programs are, you all on the committee are well aware  
9 of those, but they've generated tremendous benefits  
10 for the commonwealth in terms of targeting  
11 infrastructure investments on any size of freight  
12 railroad and generating tremendous public benefits.

13 There are benefits, first and foremost, I  
14 believe are job growth and retention. Again, these  
15 are the industrial sector jobs we're talking about,  
16 but some of the things that Randy touched on in terms  
17 of reduced highway congestion, less highway wear and  
18 tear, better safety, better air quality, all these  
19 things have been facilitated by these public-private  
20 partnerships funded by the commonwealth.

21 Beyond those two programs, the commonwealth  
22 has made significant commitments. As Randy touched  
23 on, and I'm sure Mike will in a moment here, for the  
24 National Gateway Corridor project, the Crescent  
25 Corridor project, these have been national significant

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 projects. We're all part of a network, so  
2 improvements to the CSX's, in essence, national  
3 corridors will help the entire industry, will also  
4 help the economy of the state.

5 But there's an area that I wanted to touch on  
6 this morning that kind of falls between the gaps. I  
7 mean, if you look at rail freight assistance or the  
8 RTAP and the significant investments the commonwealth  
9 is making in the CSX in its corridor projects, there's  
10 an area that is not fully addressed, and what it  
11 really represents on short line regional freight  
12 railroads, a lot of our railroads in the commonwealth,  
13 beyond G&W, but certainly including ours, we have been  
14 working very hard to upgrade our railroads. There are  
15 long-life assets on these railroads that they're  
16 coming to the end of their natural life expectancy and  
17 because they are 80-or 100-year-old investments,  
18 replacement of those assets will have that type of  
19 duration, is beyond the cash flow that we can tolerate  
20 naturally or financially on these properties to make  
21 the reinvestments. And this is something, and as you  
22 look at how the railroads were built and then rebuilt  
23 in the 18- and 1900s, these investments are starting  
24 to come in as a wave now, and they're going to be a  
25 significant challenge. Oftentimes these investments

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 are bridge-related. And a bridge on a freight  
2 railroad, much like I think a highway, is the biggest  
3 single asset, stand-alone asset that's out there.  
4 Beyond that, we have our property, our ties, our  
5 rails, our rolling stock and locomotives and certainly  
6 our facilities, but the bridges are these long-life  
7 assets on a lot of short line railroads. We have been  
8 working to upgrade them where we can, but really  
9 upgrading in kind is extremely difficult. Some of  
10 these bridges are just going to have to be replaced.

11 This issue of bridges is also generally tied  
12 to the fact that a lot of short line regional freight  
13 railroads, as Eric mentioned this morning, cannot  
14 handle a modern-loaded rail freight car, which is  
15 286,000-pound limit. 99 percent, I would guess, of  
16 CSX's Manassas network can handle a 286,000 pound  
17 freight car, but that ratio is much, much lower for  
18 short line regional railroads, both in the  
19 commonwealth and in other states.

20 The case study of this, I wanted to touch on  
21 just briefly, is our Buffalo and Pittsburgh Northern  
22 Sub Division. The Northern Sub runs just north of  
23 Butler up into northeast Butler County, 15 miles long.  
24 It's a branch line on a regional railroad. So this  
25 kind of real light density, we run up there five or

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 six days a week, serve three customers. While this is  
2 a light density spun-off line that is kind of just a  
3 little finger on the state rail map, it is of critical  
4 nature to the people living in this part of Butler  
5 County. The reason of that, this current recession,  
6 but before this current recession, polling these three  
7 customers we served, there's over a thousand jobs tied  
8 to these three companies and those jobs are  
9 significant. A thousand industrial sector and  
10 supporting industrial sector jobs is a major piece of  
11 payroll for any county in the commonwealth.

12 Without our freight service, these customers  
13 would be seriously impaired in their ability to  
14 compete, serve in their marketplaces. The line itself  
15 has 14 bridges, including four major wood trestles  
16 that are the reason this line is a case study here.  
17 The three companies are all petrochemical. I  
18 mentioned a thousand jobs, two of them are actually  
19 competitors against each other and they make highly  
20 refined petroleum-based jellies that go into things  
21 like cosmetics. The third company is an unique niche  
22 making a really highly -- the inputs into it are  
23 highly Hazmat or highly toxic, but it's an industrial  
24 bonding adhesive used in radial tires among other  
25 things. All three of these companies absolutely

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 depend on our rail service. Without it, they'll be  
2 seriously compromised.

3 The problem with these four bridges I  
4 mentioned on the line, they're 80 to 100 years old.  
5 They are significant structures. The largest one, I  
6 have a picture of here in a moment -- actually, if I  
7 could, forgive me for jumping around, let me back up.  
8 This is in Chicora, this is the largest structure, it  
9 goes over state highway 68, I believe, a park is on  
10 the other side of it, a wetlands. I took this  
11 photograph standing in a cemetery, and on the far  
12 right side of the photograph is the neighborhood of  
13 Chicora with residential housing. These are  
14 significant structures, certainly by far the biggest  
15 structures on the line. These bridges, these four  
16 bridges, will cost up to \$5 million apiece to repair  
17 or replace. The problem is they cannot carry  
18 286,000-pound weight limit cars, so all three of these  
19 companies will have to light load either inbound or  
20 outbound shipments and that puts them, too, at an  
21 economic disadvantage.

22 I say economic disadvantage. This is  
23 significant, all three of these companies face  
24 significant competition from the Pacific Rim. I think  
25 we'd all agree in this room, the last thing we want is

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 for more U.S. industrial jobs to end up in China. So  
2 we at Buffalo and Pittsburgh, take great -- we direct  
3 our involvement in this in terms of not only  
4 maintaining the freight and revenues for our railroad  
5 but helping these three companies.

6 There are actually more of these bridges.  
7 There were six of them that needed to be replaced.  
8 Back in May of '06, an act of arson burnt one of the  
9 six down. This was a significant bridge, too, but we  
10 were lucky in this case, because it didn't cross a  
11 waterway that we couldn't mitigate the impact of  
12 replacing the bridge with fill, and it didn't cross a  
13 roadway or public property where we'd have to maintain  
14 a wood trestle, a steel trestle structure. When this  
15 bridge burned, the three companies lost rail traffic  
16 for about six weeks, and it was only through the  
17 aggressive support of PennDOT, DEP and the Corps of  
18 the Engineers were we able to get the permitting to  
19 build this trestle to replace it. If it wasn't for  
20 being able to fill it and getting the cooperation of  
21 the federal and state agencies so promptly, we think  
22 there would have been dire consequences for the  
23 companies. All three of them ended up either having  
24 to transload their products at a significant  
25 additional expense, and a couple of the highly Hazmat

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 products ended up having to be trucked direct from the  
2 source of origin, because they're too dangerous to  
3 transfer from that terminal. If nothing else, this  
4 near catastrophe experience demonstrated to us how  
5 critical our rail service is for these three  
6 companies.

7           What is the solution? And the fifth bridge  
8 that needed replacement was part of what's on this  
9 slide, and I'll touch on that in a moment. We think  
10 the solution for this is a multi-faceted,  
11 multi-pronged funding approach of public-private  
12 partnerships. We don't think we can go to PennDOT and  
13 say rebuild these bridges with us. It's just too much  
14 for the RTAP program. And Eric, since he's become  
15 deputy secretary, has focused the program on what can  
16 we get done without bridging commitments beyond the  
17 current year, which makes a lot of sense. I mean, I  
18 think what we have to do is not bank on future years  
19 always being there and so we don't want to end up in a  
20 situation, and a bridge is kind of the most critical  
21 example of this, where we have part of the funding one  
22 year, but we can do nothing with it, and dependent  
23 upon whether or not we're going to get funding the  
24 next year. But we've actually been aggressively  
25 pursuing the public-private partnership and the



## TRANSCRIPT OF PROCEEDINGS

- - - -

1 multi-pronged approach to fine point the program for  
2 the bridges.

3 One effort that we undertook was going after  
4 CMAQ funding and that was unsuccessful for kind of an  
5 ironic reason. The metrics that CMAQ projects are  
6 evaluated against are how many trucks can come off the  
7 roadway to improve air quality. That's logical. The  
8 only way that we would qualify this project as a  
9 successful candidate for CMAQ was if the line was  
10 actually shut down and all this traffic actually ended  
11 up on the highway and then we can justify taking them  
12 back off the highway for CMAQ funding. Of course,  
13 that might actually force, you know, significant  
14 long-term problems for any of the three customers, so  
15 we don't want to go down that path.

16 We have talked with the federal delegation  
17 about this problem and we secured one transportation  
18 appropriation to help us with it, it was \$245,000 back  
19 in '08 appropriation cycle, that allowed us to replace  
20 the bridge you see on the right, which was the  
21 smallest of the six bridges that needed replacement,  
22 but we think we need to take an aggressive look with  
23 the commonwealth and with the federal delegation on  
24 what we can do to improve this situation. That leads  
25 to my final slide of suggestions.

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 First, the opportunity for big investments are  
2 few and far between. Randy mentioned TIGER and both  
3 CSX and Norfolk Southern significant benefits to the  
4 TIGER grant program, that program was hyper committed.  
5 It's unrealistic to think all the projects out there  
6 like for Norfolk Southern would be funded through a  
7 program like that; however, there will probably be  
8 more federal jobs coming down the pipe and making  
9 funds available for the state's discretionary funds.

10 In ARRA, which passed earlier in 2009, which  
11 was enacted then, Pennsylvania got slightly over a  
12 billion dollars of funds and those funds were -- that  
13 came with the flexibility that the state could spend  
14 them on non-highway service transportation projects.  
15 The decision was made within the commonwealth not to  
16 do that, not to take those funds away from the  
17 highways, primarily because of our extraordinarily  
18 deficit highway bridge situation. And as a resident  
19 of the commonwealth, I can appreciate and understand  
20 that, but going forward, it would be wonderful if the  
21 commonwealth would aggressively look at these type of  
22 surface funds that come from things like jobs bills as  
23 an opportunity to start to address some of these  
24 issues.

25 And Eric heard this from me a year ago, you

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 know, if you take the most needed rail project, and in  
2 terms of public benefits, it's hard to believe that  
3 isn't better in public benefits than the lowest  
4 scoring highway project that got ARRA funding. So all  
5 we ask is an open door and an open mind to allow us on  
6 the public merits to meet with those funds.

7 The second point is, and I hate to end with  
8 recommendations asking for a study or a task force,  
9 but I think this situation is unique enough that it  
10 would be very helpful for a Transportation Committee,  
11 PennDOT, industry, task force to take a quick look, to  
12 get together and develop some proposals that the state  
13 legislature could possibly consider in how to address  
14 this issue.

15 That's my presentation. Thank you very much  
16 and after we're done, I'd be happy to field questions.

17 CHAIRMAN MARKOSEK: Thank you. Mike  
18 Fesen.

19 MR. FESEN: Thank you. My name is Mike  
20 Fesen. I handle the government relations for Norfolk  
21 Southern for both Pennsylvania and New York. And just  
22 very quickly, we are the successor to the old  
23 Pennsylvania Railroad. As you see on the map there,  
24 where it says priority freight rail corridors, we're  
25 the large blue line that goes east/west across the

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 commonwealth. We have more track than that, but  
2 that's where the main volume is, over a hundred  
3 million tons a year. We handle the vast majority of  
4 the freight going from Chicago to New York. By way of  
5 analogy, for our track, if you consider ours the spine  
6 of a lot of the short lines, kind of the ribs coming  
7 off of it, we unite and bring together a lot of the  
8 traffic across Pennsylvania, so we are the largest  
9 railroad here in Pennsylvania. Our main project is  
10 called the Crescent Corridor. The commonwealths of  
11 both Virginia and Pennsylvania noticed that I-81 was  
12 becoming inundated with truck traffic. I-81  
13 essentially goes from Tennessee up to the Canadian  
14 border. Back in the '60s, it was anticipated that  
15 truck traffic on I-81 was going to be about ten  
16 percent. In 2020, it's going to be approaching 35 to  
17 40 percent of the traffic on I-81 is truck. What's  
18 driving that is manufacturing has migrated, not all of  
19 it, but part of that has migrated to the south. To  
20 bring those manufactured products and also raw  
21 materials from the south, the Alabamas, the Louisianas,  
22 the Tennessees up to those retail markets up here in  
23 the northeast, Long Island, northern New Jersey,  
24 Connecticut, eastern Pennsylvania, I-81 is one of the  
25 major highways that does that. I-95 brings some of

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 it, but a lot of the truck traffic is now taking I-81.

2           Though the commonwealths, as I said, of  
3 Virginia and Pennsylvania saw this coming, they  
4 approached, at least Norfolk Southern, as to some  
5 ideas about how some of the truck traffic could be  
6 diverted to railroads. We worked with them, we went  
7 to the shipping companies or the trucking companies  
8 and said what would it take for you to divert truck  
9 traffic off of I-81 to the railroads? They said meet  
10 the following speeds and the following prices and  
11 you'll get our traffic. So we went directly to the  
12 market, which is largely the trucking companies, we  
13 brought those speeds and those prices to our engineers  
14 and they formed the project known as the Crescent  
15 Corridor.

16           The Crescent Corridor is about a 2500-mile  
17 system of rail redevelopment going from the south. It  
18 consists of new terminals, redesigned terminals,  
19 expanded terminals and speedier track that essentially  
20 goes from the south up here to Pennsylvania. In  
21 Pennsylvania, there's three nodes, n-o-d-e-s, or spots  
22 where that truck traffic will be vacated, Franklin  
23 County, Green Castle, a new terminal there,  
24 redevelopment of our Harrisburg terminal, which is in  
25 downtown Harrisburg, and also the Philadelphia area.

## TRANSCRIPT OF PROCEEDINGS

- - - -

1           What are we doing? We're diverting truck  
2 traffic off of I-81, which it's already heading on up  
3 to Pennsylvania on to rail. As my two predecessors  
4 here have said, you know, about the vast improvements  
5 in that rail. Now, to finance this, we went to just  
6 about every source we could, including ourselves, and  
7 we asked for grants from both the federal government  
8 and the state government. The state government, very  
9 thankfully, provided us some funding. Most of the  
10 funding was going to be coming through this TIGER  
11 grant program through the federal government. We  
12 received about \$105 million. Unfortunately, none of  
13 that came to Pennsylvania. It did go to Alabama and  
14 it came to Memphis, Tennessee, which means at this  
15 point, we're looking for additional funding.

16           I got a statement here that I wanted to read  
17 about that additional funding, but as my two  
18 predecessors have talked about here, the heavy stuff,  
19 essentially, those massive tons of volume of whatever  
20 it is, coal, intermodal goods and everything else,  
21 there's a vast majority of efficiencies going on  
22 there. You save your highways, the PennDOT highways,  
23 the local highways from that pounding by putting it on  
24 rail.

25           As you may be aware, Norfolk Southern's

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 Crescent Corridor Intermodal Freight Program of  
2 Projects on Wednesday, February 17th was awarded \$105  
3 million from the U.S. Department of Transportation  
4 under the American Recovery and Reinvestment Act of  
5 2009, Transportation Investment Generating Economic  
6 Recovery, TIGER Program. From that grant, 52.5  
7 million will go towards construction of the new  
8 Birmingham Regional Intermodal Facility, while the  
9 remaining 52.5 million will go towards construction of  
10 the new Memphis Regional Intermodal Facility.

11 In September 2009, lead state Pennsylvania,  
12 joined by Alabama, Mississippi, Tennessee, and  
13 Virginia, submitted an application to USDOT for a \$300  
14 million TIGER grant to help improve Norfolk Southern's  
15 rail lines and facilities between the midsouth and the  
16 northeast. Although the award represents a shortfall  
17 from the original TIGER grant request, it will  
18 nevertheless enable NS and its partners to begin  
19 construction of several previously announced Crescent  
20 Corridor projects, while delaying other elements for  
21 later public-private partnerships. Most notably, U.S.  
22 DOT's award of \$105 million towards Crescent, the  
23 largest grant awarded amongst the 1,400 applications  
24 and more than \$56 billion in requests, is further  
25 proof of the Crescent Corridor's nationally

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 significant merits.

2           Ultimately, for the Crescent Corridor to  
3 reach its full public benefit potential, improvements  
4 will need to occur throughout the entire 2,500 mile  
5 intermodal network. In that light, it is not simply  
6 enough to have an intermodal facility capacity on one  
7 end of the network, without similar capacity on the  
8 other end up here in Pennsylvania. Construction of  
9 the Birmingham and Memphis intermodal facilities is an  
10 important first step, but far from the only one. As  
11 Norfolk Southern and its partners have long said, the  
12 Crescent Corridor is a program of projects that will  
13 need to be completed through a series of  
14 public-private partnerships.

15           Despite the disappointment that Pennsylvania  
16 did not receive any federal grant money for Crescent  
17 projects within the Commonwealth, both NS and Governor  
18 Rendell remain as committed as ever to the cause.  
19 Both are determined to pursue every available funding  
20 avenue to accelerate the significant economic,  
21 environmental and transportation benefits these rail  
22 capacity and line of road improvements will deliver to  
23 the Commonwealth.

24           In the immediate future, one such federal  
25 funding opportunity is the National Infrastructure



**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 Investments Program created in the fiscal year 2010  
2 Consolidated Appropriations Act, also known as TIGER  
3 II. The program's \$600 million, like its predecessor,  
4 the TIGER grant program, is discretionary and to be  
5 awarded on a competitive basis for projects that will  
6 have a significant impact on the nation, a  
7 metropolitan area, or a region. Funding eligibility  
8 includes but is not limited to highway and bridge  
9 projects, public transportation projects, passenger  
10 and freight rail transportation projects, and port  
11 infrastructure investments. Grants funded under this  
12 program cannot receive less than \$10 million and not  
13 greater than \$200 million; not more than 25 percent of  
14 the funds will be awarded to projects in a single  
15 state; and the federal share of project costs cannot  
16 exceed 80 percent.

17 Another federal funding opportunity a little  
18 down the horizon is the next surface transportation  
19 reauthorization bill. The current highway bill was  
20 set to expire at the end of fiscal year 2009, on  
21 September 30, 2009. Congress, however, has extended  
22 the current law on several occasions, unwilling to  
23 pass a new law. Whenever a new authorization bill is  
24 passed, the popular Projects of National and Regional  
25 Significant Program, Section 1301 of Public Law

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 109-59, is expected to continue. If you recall,  
2 Norfolk Southern's Heartland Corridor Double-Stack  
3 Project, the nation's first multi-state intermodal  
4 rail public-private partnership, was awarded \$90  
5 million through that program. We anticipate making  
6 application for that money toward Pennsylvania.  
7 That's it.

8 CHAIRMAN MARKOSEK: Thank you, gentlemen.  
9 Question? Representative Paul Costa.

10 REPRESENTATIVE COSTA: Thank you,  
11 Mr. Chairman.

12 Mr. Cheetham, on your presentation on slide 6,  
13 you talked about the ports of Wilmington and  
14 Baltimore. Philadelphia is not there, is it not  
15 affected by you guys?

16 MR. CHEETHAM: Not by the National  
17 Gateway project. Philadelphia is a board that's very  
18 important for CSX and as Secretary Madden talked about  
19 in his remarks, he talked about our western clearance  
20 program and that is a separate project that will  
21 double-stack clear the port of Philadelphia on the CSX  
22 north into New Jersey. So Philly is very important,  
23 it's just not part of the National Gateway project.

24 REPRESENTATIVE COSTA: And the second  
25 question, you said you're looking at a site in

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 Pittsburgh?

2 MR. CHEETHAM: Yes.

3 REPRESENTATIVE COSTA: I would welcome  
4 that, because in my district, I have a lot of space  
5 for you. When you do pick out a site, how long will  
6 it take to get it up and running?

7 MR. CHEETHAM: We anticipate, we would  
8 like to have it up and running by the opening of the  
9 expanded Panama Canal, which is 2014.

10 CHAIRMAN MARKOSEK: Representative John  
11 Evans.

12 REPRESENTATIVE EVANS: Thank you, Mr.  
13 Chairman.

14 A question for all three gentlemen. Have you  
15 heard any discussions or have you been involved with  
16 any discussions with folks from Erie County regarding  
17 an intermodal plan for using a port in Ohio and the  
18 spur in western Erie County, the north, south, east,  
19 west spur for a possible intermodal operation in the  
20 future? Is that something that's been brought to your  
21 attention?

22 MR. CHEETHAM: I don't know if our folks  
23 have been involved in that. I'm not familiar with it.  
24 I'll be happy to get with our CSX intermodal folks and  
25 respond directly back to you.

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 MR. VEST: I have not heard anything  
2 specific to that, so I'll be happy to, because we do  
3 serve Erie, I'll be happy to go back and ask.

4 MR. FESEN: If there's a market out  
5 there, we're game.

6 REPRESENTATIVE EVANS: Thank you. The  
7 thought is this could be a tremendous savings for the  
8 congestion at the port of Canada being able to take  
9 freight up across the lake and avoid the bottlenecks  
10 and also serve to eliminate some of the congested  
11 truck traffic we have in Pennsylvania. So thank you.

12 CHAIRMAN MARKOSEK: Thank you.

13 I'll just add one thing, Mr. Fesen did not  
14 mention that the ultimate and perhaps, the greatest,  
15 rail freight center in the world is located in  
16 Pitcairn, which just happens to be in my legislative  
17 district past Norfolk Southern.

18 Gentlemen, thank you very much. We appreciate  
19 your testimony and it's very educational and we'll  
20 take what you said back with us.

21 Next, I'd like to introduce our local  
22 passenger rail folks to come up. And while they're  
23 coming up, I thought we'd take maybe a five-minute  
24 break. So Mr. Brian Pitzer, Mr. Matthew Kelly, Mr.  
25 Matthew Mehalik, Ms. Megan DeSmedt and Mr. Michael

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 Lamb.

2 (Recess.)

3 CHAIRMAN MARKOSEK: Okay. Thank you. We  
4 are ready to begin our last segment here, last but not  
5 least, and we're going to passenger rail. We'll start  
6 with Brian Pitzer, who's the director of All Aboard  
7 Erie, who was nice enough to travel down here today  
8 with us. Mr. Pitzer.

9 MR. PITZER: Thank you, Chairman  
10 Markosek.

11 CHAIRMAN MARKOSEK: You really need to  
12 remember to get that mic up close and personal there.  
13 Thank you.

14 MR. PITZER: I'll try to do my best here.  
15 I don't have a PowerPoint presentation, I'm going to  
16 read from my script here. Hopefully -- I know that's  
17 not the most conducive form of communication in this  
18 setting, but I'll do my best.

19 Mr. Markosek, members of the Transportation  
20 Committee, my name is Brian Pitzer, I'm executive  
21 director of All Aboard Erie. I also want to give a  
22 special hello to my former neighbor, Representative  
23 John Evans, it's been a long, long time. It's good to  
24 see you, John.

25 Please accept my heart-felt thanks for the

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 opportunity to testify before you today on a topic  
2 that is near and dear to me. I am deeply honored to  
3 be invited to represent the people of Erie County and  
4 Northwestern Pennsylvania.

5 All Aboard Erie is a small but passionate  
6 organization that has been in existence for less than  
7 a year. We model ourselves after All Aboard Ohio, a  
8 rail and transit advocacy group that has been around  
9 since the 1970s. And while our organization also  
10 advocates for a variety of transportation issues, our  
11 overriding raison d'etre is one burning issue, and  
12 that is high-speed rail. One need only look at the  
13 map of the Federal Railroad Administration's  
14 High-Speed Rail Corridor Designations to understand  
15 our cause with crystal clarity. Most of you who have  
16 the document, there's a couple of those pages here  
17 that will help illustrate what I'm talking about.

18 You will note that the Empire Corridor in New  
19 York state runs from New England, Boston, and New York  
20 City in the east as far west as Buffalo and there it  
21 ends. Likewise, as I'm sure you are well aware, the  
22 Keystone Corridor connects Philadelphia to Pittsburgh  
23 but goes no farther. Similarly, the extensive Chicago  
24 Hub network ties Minneapolis/St. Paul and Kansas City  
25 in the west through Chicago eastward to Cleveland

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 where it comes to an abrupt halt. Now, I recognize  
2 that Erie, Pennsylvania may not be the first  
3 destination for millions of Americans and yes,  
4 Canadians, but our friends in Boston, New York and  
5 Toronto will be in for a rude awakening when their  
6 high-speed rail lines are built and they will be  
7 unable to travel to the aforementioned cities in the  
8 midwest for the lack of a less than 200-mile stretch  
9 of track along the shores of Lake Erie. The same, of  
10 course, could be said for passengers in Philadelphia,  
11 Baltimore and Washington, D.C. attempting to travel  
12 west of the Ohio River. Did our nation's rail  
13 planners somehow confuse the Gateway Center in  
14 Pittsburgh with the Gateway Arch in St. Louis?

15 We refer to that stretch of rail corridor  
16 between Buffalo and Cleveland as the missing link.  
17 Because the FRA does not officially recognize that  
18 corridor, they don't even have a name for it. We have  
19 taken the liberty of unofficially naming it simply and  
20 appropriately enough the Lake Erie Corridor. The map  
21 below on your documents clearly represents a picture  
22 of the critical link it serves in connecting the  
23 northeast to the midwest. In other words, if you  
24 wanted to get from the east coast to the midwest,  
25 you'd almost have to go through Erie, Pennsylvania.

## TRANSCRIPT OF PROCEEDINGS

- - - -

1           The route was level and straight, through that  
2 corridor, exactly the type of terrain that is most  
3 conducive to high-speed rail. And that is especially  
4 true of the 198-mile stretch between Buffalo to  
5 Cleveland. That same arrow-straight right-of-way that  
6 allowed America's streamliners to lead this nation  
7 into its industrial might of the 20th century is still  
8 intact, patiently waiting for the full-fledged promise  
9 of high-speed rail to be fulfilled.

10           Now, what will that high-speed future look  
11 like? Thanks to our colleagues in Ohio, who began  
12 planning for high-speed rail in the 1970s, we have a  
13 very good sense of what high-speed rail will offer,  
14 where it will run, and what it will cost, not only in  
15 the Buckeye state, but also along the Lake Erie  
16 Corridor all the way to Niagara Falls, and along the  
17 corridor that connects Cleveland to Pittsburgh through  
18 the Mahoning and Beaver Valleys. The Ohio Hub Report  
19 is a 300-page plan that was originally written in 2004  
20 and updated in 2007. Its primary focus is what  
21 Ohioans call the 3C Corridor connecting Cleveland to  
22 Columbus and Cincinnati. But it also devotes equal  
23 resources to corridors connecting Cleveland to Toledo  
24 and Detroit, and to Chicago, as well as the  
25 connections to Buffalo and Pittsburgh. And I've



## TRANSCRIPT OF PROCEEDINGS

- - - -

1 posted that link on the documents.

2 Why is high-speed rail important to  
3 northwestern Pennsylvania and the Lake Erie region?  
4 While I am very proud of Erie and excited by the  
5 region's potential to become one of the great  
6 transportation crossroads of America, I'd also  
7 reference Representative Evans' comments on the inland  
8 port that's now under development in Erie. I also  
9 want to report that Erie is the poorest city in the  
10 Commonwealth. The poverty rate for the city of Erie  
11 is more than 24 percent; 14.5 percent for the county.  
12 The homeless population of the city has doubled in  
13 just the past 18 months, and the county now has the  
14 highest percentage of food stamp recipients in its  
15 history.

16 Unfortunately, Erie is not alone. Forbes  
17 magazine recently published a list of the "20 most  
18 miserable cities in America." Nearly half of them are  
19 on or near America's north coast. Topping the list is  
20 our neighbor to the west, Cleveland. Buffalo fares  
21 little better at number eight; Detroit ranks fourth  
22 most miserable with Chicago at number 10, Toledo at  
23 number 15, and Gary, Indiana at number 19. Also in  
24 the bottom 20 are Akron, Canton and Youngstown, Ohio.  
25 One could make the argument that this population

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 corridor from Buffalo to Erie to Cleveland and beyond  
2 has the highest misery index in the nation.

3 So, what does all of this misery have to do  
4 with high-speed rail? In a word, everything. If  
5 poverty and economic decline is the disease, I believe  
6 high-speed rail is the cure.

7 High-speed rail is an investment in America's  
8 future that will pay dividends for decades to come.  
9 It was referenced earlier the bridges that need  
10 replaced on some of the short line railroads, the  
11 bridges have been around for 80 and 100 years, that's  
12 the kind of investment that railroads make in a  
13 community. Railroads last a long, long time. It has  
14 been estimated that for every \$1 billion spent on  
15 high-speed rail creates about 15,000 jobs. By the  
16 way, the Ohio Hub Report estimates that the cost to  
17 build the Lake Erie Corridor to be around \$800  
18 million, which translates into roughly 12,000 jobs.  
19 And these are the kind of jobs that cannot be exported  
20 overseas.

21 Those jobs are especially important to Erie  
22 because it is the home of General Electric's  
23 locomotive plant, the only locomotive factory in the  
24 United States. G.E. is the region's largest employer  
25 and when it announced the layoff of 1,500 workers a

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 few months ago because of slow business, its impact  
2 was felt throughout the region. I can assure you that  
3 the people of Erie, and especially G.E.'s employed and  
4 unemployed workers, are keenly supportive of  
5 high-speed rail not only in the Lake Erie Corridor,  
6 but all across the nation.

7 In addition to job creation, high-speed rail  
8 brings myriad other benefits, including reducing air  
9 pollution, curbing oil dependence, and revitalizing  
10 urban areas and center cities, not to mention simply  
11 providing another transportation option, especially  
12 for those who do not have a car or perhaps who are too  
13 old or physically unable to drive.

14 So the obvious question remains: If  
15 high-speed rail is so wonderful, why isn't  
16 northwestern Pennsylvania building high-speed rail  
17 right now? The answer to that question would seem to  
18 lie at the state level.

19 When President Obama announced the first round  
20 of funding for high-speed rail projects in January,  
21 the big winners were California, Florida, Illinois and  
22 Wisconsin. Pennsylvania received only \$27 million, a  
23 lesser amount than even Maine and Vermont. While New  
24 York received \$142 million to upgrade the Empire  
25 Corridor between Albany and Buffalo, and Ohio received

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 \$400 million to begin work on its 3C Corridor from  
2 Cincinnati to Cleveland, Pennsylvania received nothing  
3 for the Lake Erie Corridor. Why? Because no one  
4 asked for any money. In fact, a year ago the Lake  
5 Erie Corridor wasn't even on the State Rail Plan map.

6 The states receiving the most money had the  
7 best combination of factors, including need, planning  
8 and financing. The states receiving little or nothing  
9 had the least need or were the least prepared. U.S.  
10 Secretary of Transportation Ray LaHood scolded some  
11 states for not having their acts together.

12 I am happy to report that Pennsylvania appears  
13 to be getting its act together. The corridor along  
14 Lake Erie is now part of the State Rail Plan for both  
15 passenger and freight. But there is much more that  
16 needs to be done. We cannot expect to receive federal  
17 funding for high-speed rail until several more steps  
18 are taken. To that end, I will conclude my remarks  
19 with the following recommendations:

20 Based on our conversations with PennDOT Deputy  
21 Secretary Toby Fauver, it is our understanding that  
22 the next step in bringing high-speed rail to the Lake  
23 Erie Corridor must be the drafting of a service  
24 development plan, followed by environmental and  
25 engineering studies. We recommend that those studies

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 be funded and undertaken as quickly as possible.

2 Second, we recommend that Pennsylvania's  
3 elected officials and transportation executives begin  
4 immediately to work with their counterparts in Ohio  
5 and New York to develop a coordinated and  
6 comprehensive plan for high-speed rail along the Lake  
7 Erie Corridor.

8 Third, we recommend that Pennsylvania's state  
9 and federal elected officials work with their  
10 counterparts in Ohio and New York to draft a letter to  
11 Secretary LaHood requesting federal high-speed rail  
12 designation for the Lake Erie Corridor. A similar  
13 request has already been made for the Cleveland to  
14 Pittsburgh corridor.

15 Fourth, we recommend that any rail plan or  
16 rail expenditure that is made by Pennsylvania take  
17 into consideration the G.E. locomotive plant in Erie.  
18 The state of Wisconsin has already signed a no-bid  
19 contract with a Spanish company to build its  
20 high-speed train sets. This is a shameful and  
21 unconscionable act by Wisconsin that must not be  
22 allowed to be repeated by other states, especially  
23 Pennsylvania.

24 Mr. Chairman, I have one last request. I have  
25 with me a petition signed by thousands of residents of

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 northwestern Pennsylvania and beyond, asking Secretary  
2 LaHood for high-speed rail. Mr. Chairman, with your  
3 permission, I would like to present to you and your  
4 committee with this copy of the petition as a sincere  
5 and earnest representation of the desires of these  
6 people. The original copy of the petition will be  
7 delivered to Secretary LaHood.

8 CHAIRMAN MARKOSEK: Okay. Thank you,  
9 yes, we'll be happy to get a copy of that. Thank you.

10 Any questions? Representative Ron Miller.

11 REPRESENTATIVE MILLER: I think I  
12 understood your presentation, but just to be clear, if  
13 the Pennsylvania part around Erie is not completed,  
14 basically anything done east or west of that doesn't  
15 do any good as far as connecting the whole corridor?

16 MR. PITZER: That's absolutely correct.

17 REPRESENTATIVE MILLER: So failure to do  
18 that, I mean, I think Pennsylvania has a part to play  
19 in this, but for the federal government to fund a part  
20 of it and not have a plan to do all of it, that is  
21 real, that just makes absolutely no sense whatsoever,  
22 and I think that's part of the message we have to send  
23 to our congressional delegation is, we got to start  
24 working together, folks, we can't waste money by doing  
25 parts of things and not providing for the whole

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 completion. But that was a correct analysis, without  
2 that link in between, basically New York can't get to  
3 Chicago?

4 MR. PITZER: That's absolutely true. You  
5 sound just like a member of All Aboard Erie.

6 CHAIRMAN MARKOSEK: Okay. Thank you very  
7 much.

8 The next person to testify is Mr. Matthew  
9 Kelly, principal officer, legislative and regulatory  
10 policy, Department of Policy and Development with  
11 Amtrak.

12 MR. KELLY: Sorry, that was kind of a  
13 mouthful of a title.

14 Good morning, Chairman Markosek, members of  
15 the committee. Thank you for the invitation to  
16 testify today and for your interest in the future of  
17 intercity passenger rail in Pennsylvania.

18 I want to begin by saying that these are  
19 exciting times for Amtrak. While some of the other  
20 intercity transportation modes are seeing declines in  
21 their overall ridership, we have just posted a record  
22 first quarter ridership figure. There is a strong and  
23 growing demand for intercity passenger rail service,  
24 and at the federal level, Congress and the  
25 Administration have wisely acknowledged that public

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 demand by passing several pieces of landmark  
2 legislation designed to promote and further develop  
3 intercity passenger rail service. The Passenger Rail  
4 Investment and Improvement Act of 2008, PRIIA, and the  
5 American Recovery and Reinvestment Act of 2009, ARRA,  
6 represent positive steps toward a more balanced  
7 national transportation policy that recognizes the  
8 value of intercity passenger rail, and we at Amtrak  
9 regard this as an important development, because there  
10 are certainly circumstances and markets in which  
11 intercity passenger rail is not only a good  
12 transportation choice, but the best transportation  
13 choice. Pennsylvania is one such marketplace.

14 Amtrak operates 120 daily trains in  
15 Pennsylvania. This represents the second-highest  
16 number of daily Amtrak services offered in the  
17 country, exceeded only by New York, and encompasses  
18 almost every type of equipment and service we offer.  
19 The fastest and most frequent services are, however,  
20 overwhelmingly concentrated on the Northeast Corridor,  
21 which links Philadelphia with New York, Boston, and  
22 Washington, and the Keystone Corridor, which currently  
23 links Harrisburg with Philadelphia. Other services  
24 link Philadelphia and New York with Pittsburgh;  
25 Philadelphia with Florida, the Carolinas and New



**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 Orleans; and connect Western Pennsylvania with Chicago  
2 and Washington, DC. Our services in Pennsylvania have  
3 significant capital requirements and our engineering  
4 department will be investing approximately \$41 million  
5 in the state in federal fiscal year 2010.

6 Additionally, ARRA, which funds a \$1.3 billion  
7 investment in the Amtrak system nationwide, will  
8 supply another \$143 million which is targeted for  
9 investment in Pennsylvania through February 2011.

10 These investments will help support and sustain the  
11 nearly 2,648 Pennsylvania residents that were employed  
12 by Amtrak at the end of fiscal year 2009 and have the  
13 potential to create even more jobs as the projects get  
14 underway.

15           These investments support a longstanding  
16 partnership between Amtrak and the Commonwealth to  
17 sustain and improve our services. Pennsylvania has  
18 made significant capital investments in the Amtrak  
19 infrastructure, and since 1980 has also provided some  
20 level of funding to support operations west of  
21 Philadelphia. The most notable capital investment was  
22 the recent and highly successful joint investment with  
23 Amtrak to improve the Keystone Corridor. In 2004 and  
24 2005, Amtrak and the Commonwealth jointly invested  
25 more than \$145 million into the corridor to improve

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 track and signaling and restore electrified service.  
2 As a result of the Keystone Corridor Improvement  
3 Project, Amtrak introduced 110 mph electrified service  
4 on October 30, 2006. We were able to reduce the trip  
5 time by 15 or in some cases, up to 30 minutes, and  
6 that allowed us to expand the number of daily trips  
7 from 11 to 14. Ridership subsequently grew by 20  
8 percent in fiscal year 2007, and another 19.8 percent  
9 in fiscal year 2008. This is a major achievement, and  
10 represents the type of collaboration we would like to  
11 replicate not only in Pennsylvania, but around the  
12 country. It is, therefore, important that we discuss  
13 the recent federal legislation that will make similar  
14 partnerships possible.

15 The most important piece of legislation is  
16 PRIIA, which sets national intercity passenger rail  
17 policy. PRIIA establishes a framework for partnership  
18 between states, the federal government and Amtrak for  
19 the development and operation of intercity passenger  
20 rail. It authorizes both direct federal funding for  
21 Amtrak as well as a capital matching program designed  
22 to support state investment. Under the PRIIA  
23 framework, the states plan and provide both operating  
24 funds as well as at least 20 percent of the capital  
25 costs associated with the grant; the federal

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 government provides up to 80 percent of such capital  
2 funding; and Amtrak operates the national network and  
3 helps design and operate new corridor services. This  
4 new vision for a federal-state partnership in  
5 intercity passenger rail development was given a  
6 jump-start by ARRA, which combined with prior-year  
7 pilot program appropriations to make over \$8 billion  
8 available to states for an initial round of grants  
9 under the FRA's High-Speed Intercity Passenger Rail  
10 program, HSIPR, and an additional \$2.5 billion was  
11 appropriated in fiscal year 2010 to support future  
12 grant rounds.

13 A total of \$7.92 billion in grant  
14 announcements for the initial round of this program  
15 were made on January 28, 2009, including \$3.5 billion  
16 for greenfield high-speed rail projects in California  
17 and Florida and roughly \$4.5 billion for improvements  
18 to conventional services across the nation. It is  
19 important to note that these awards are being offered  
20 to states and are separate and distinct from both the  
21 \$1.3 billion provided directly to Amtrak as a result  
22 of ARRA as well as the capital grant we receive  
23 through the annual federal appropriations process.  
24 Nevertheless, at least 13 Amtrak routes across the  
25 nation stand to benefit from the announced HSIPR

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 grants to states.

2 With respect to Pennsylvania, PennDOT received  
3 a \$27 million capital grant in the initial round to  
4 eliminate the remaining three grade crossings on the  
5 Keystone Corridor, which is an important preliminary  
6 step to raising speeds on this route from 110 mph to  
7 125 miles per hour. Another \$750,000 grant for  
8 PennDOT will provide the federal share of a planning  
9 study related to service from Harrisburg to  
10 Pittsburgh, which will build on a feasibility study  
11 recently completed by Amtrak.

12 Section 224 of PRIIA required Amtrak to study,  
13 among other things, the feasibility of increased  
14 frequencies between Harrisburg and Pittsburgh. It  
15 also required Amtrak to furnish feasibility studies on  
16 increasing frequencies between Cornwells Heights and  
17 New York or reducing commuter ticket prices along that  
18 route, expanding service between Philadelphia in  
19 Princeton Junction, New Jersey, and reinstating a  
20 station stop at Rockwood for the Capitol Limited  
21 route. Amtrak did so and provided that report to  
22 Congress on October 16, 2009, as required by the  
23 legislation. The report, which is available on  
24 Amtrak's website, concluded that it would not be  
25 desirable to stop additional trains on the Northeast

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 Corridor at Cornwells Heights nor Princeton Junction,  
2 given the operating constraints, relatively small  
3 ridership gains, negative impacts on existing  
4 ridership and equipment needs associated with those  
5 scenarios. However, additional frequencies along the  
6 route or segments of the route from Harrisburg to  
7 Pittsburgh were deemed worthy of further  
8 consideration, as was stopping the Capitol Limited at  
9 Rockwood.

10 The Rockwood portion of the report concluded  
11 that adding a station stop is operationally feasible  
12 and has the potential to both increase ridership and  
13 benefit the local community. However, it would also  
14 involve an estimated capital investment of \$2.2  
15 million to construct a platform as well as parking and  
16 station waiting areas in addition to ongoing  
17 maintenance costs of the station. Adding a station at  
18 Rockwood would also require that Amtrak reach an  
19 agreement with CSX Transportation on station plans,  
20 construction and train operations.

21 The chapter of the report dealing with service  
22 along the route from Harrisburg to Pittsburgh  
23 identified two options for expanded service: Adding a  
24 second daily Pennsylvanian from Pittsburgh to New  
25 York; and adding a round trip frequency between

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 Harrisburg and Altoona. Norfolk Southern, which owns  
2 the track extending from Harrisburg to Pittsburgh,  
3 will be central to any discussion on adding passenger  
4 service along this route. The report includes the  
5 estimated operating and capital costs associated with  
6 the service improvement along with ridership and  
7 revenue projections and potential schedules for each.  
8 Finally, the report notes that any additional service  
9 in the Harrisburg-Pittsburgh corridor would have to be  
10 state-supported, in accordance with PRIIA and in light  
11 of constraints on Amtrak's federal appropriation.

12 This underscores an important aspect of the  
13 new federal-state partnership established by PRIIA.  
14 While the federal government makes funding available  
15 for capital costs, PRIIA and the HSIPR program  
16 guidance from the FRA require state applicants to  
17 commit to funding the operating and maintenance costs  
18 of projects receiving capital funds. Specifically,  
19 PRIIA requires that funding recipients have the legal,  
20 financial and technical capacity to carry out the  
21 projects, satisfactorily continuing control over the  
22 use of the equipment or facilities, and the capability  
23 and willingness to maintain the equipment and  
24 facilities associated with a federal grant. The FRA  
25 guidance for the initial round of funding further

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 specified that applicants must develop a financial  
2 plan that details the sources and uses of both capital  
3 and operating funding, and specifically prohibits the  
4 use of federal funds for operating expenses.

5 Pennsylvania currently contributes roughly \$8 million  
6 toward the operating costs of the Keystone Corridor  
7 service, but does not provide support for the  
8 once-daily Pennsylvanian. Additionally, the guidance  
9 stipulates that grant recipients will be required to  
10 ensure the maintenance of assets receiving funding for  
11 a period of at least 20 years from the date the asset  
12 was placed into service.

13           These requirements place significant demands  
14 on states and will be an important consideration in  
15 coming years, not only for the sustainment of new and  
16 improved services, but for the availability of capital  
17 funding, as any evaluation of the potential for  
18 success of a proposed capital grant will depend on a  
19 state's willingness to fund the required operating and  
20 maintenance support. Any program of capital  
21 investment will require an ongoing state commitment to  
22 funding support for operating and maintenance costs  
23 beyond merely the non-federal capital match for the  
24 initial grant. This is an important point, and I  
25 would recommend that any assessment of transportation

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 investment funding needs take these expenses into  
2 account.

3 That being said, I think the opportunities  
4 before the Commonwealth are particularly bright.  
5 Pennsylvania has played a leadership role by investing  
6 in the 110 mile per hour Keystone Corridor, and the  
7 route's resulting ridership growth illustrates the  
8 wisdom of that decision. There are enormous  
9 opportunities for the expansion or improvement of what  
10 is already a considerably high level of service in  
11 Pennsylvania, and Amtrak is very interested in  
12 continuing and building on our successful partnership.  
13 We enjoy an excellent relationship, and the passage of  
14 PRIIA and subsequent appropriations have provided  
15 states with a new and historic opportunity to access  
16 federal capital funding for intercity passenger rail  
17 development in a manner that is similar to what is  
18 available for other modes. These are important  
19 advantages and incentives, and we look forward to  
20 leveraging them in the coming years as we work to  
21 build a relationship and a railroad that will provide  
22 the people of Pennsylvania with the service they  
23 desire and need.

24 Thank you and I would be glad to take any  
25 questions you might have.



**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 CHAIRMAN MARKOSEK: Thank you, Mr. Kelly.  
2 Any questions? Thank you.

3 The next speaker is Mr. Matthew Mehalik,  
4 Program Manager, Sustainable Pittsburgh.

5 MR. MEHALIK: Thank you, Chairman  
6 Markosek, it's a pleasure to be here.

7 Distinguished gentlemen of the committee, my  
8 name is Matt Mehalik, I'm the program manager of  
9 Sustainable Pittsburgh. Sustainable Pittsburgh is a  
10 501(c)(3) organization, whose mission is to accelerate  
11 policies and practices of sustainability in the  
12 ten-county region of southwestern Pennsylvania. We're  
13 a small staff, but our mission is to build key  
14 networks that bring together resources where  
15 government and community is connected as well as  
16 businesses. We have a region sustainable business  
17 network called Champions for Sustainability, and we  
18 also do a lot of promotion of the outdoor recreation  
19 activities that occur here in southwestern  
20 Pennsylvania. My comments today address passenger  
21 rail as it relates to livability and sustainability in  
22 our region and our state.

23 At the heart of livability and sustainability  
24 are capacities within communities that enhance  
25 economic opportunities, that promote healthier living

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 standards, that reduce environmental impacts, and that  
2 include all members of that community as participants.  
3 Without well-functioning rail transit systems,  
4 economic opportunities become more limited, people  
5 become more disconnected, and the potential dynamism  
6 of a community suffers.

7           It's my understanding that the current vision  
8 for the Pennsylvania Passenger and Freight Rail Plan  
9 will improve the performance of our state's passenger  
10 and freight rail systems so that people and goods will  
11 be able to travel seamlessly between cities and to  
12 other points in a national rail network by the year  
13 2035. Over the next 25 years, the state will work to  
14 make rail travel competitive with other modes of  
15 transportation by making it reliable, convenient,  
16 frequent, time competitive, cost effective and  
17 conveniently connected. Key to making this happen is  
18 the creation of a stable and predictable relationship  
19 through public-private partnerships so that funding,  
20 rail schedule coordination, safety and security issues  
21 can be managed effectively.

22           The vision expressed in this plan must be put  
23 into practice in the Keystone West Corridor, that's  
24 the part of the passenger rail network that connects  
25 Pittsburgh to Harrisburg. The \$750,000 federal grant

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 to complete a detailed study of the feasibility of  
2 high-speed rail between Pittsburgh and Harrisburg is a  
3 hopeful start on extending what has been a large  
4 success in the Keystone East Corridor between  
5 Philadelphia and Harrisburg. Electrified trains  
6 traveling at 110 miles per hour on passenger rails  
7 rebuilt on previously dismantled but existing  
8 rights-of-way would certainly improve the  
9 sustainability of southwestern Pennsylvania. We in  
10 the Pittsburgh area recognize the business and quality  
11 of life opportunities that would come with completion  
12 of this segment in the national rail network. That  
13 would mean being able to get to Harrisburg in under  
14 three hours. Philadelphia in under five hours. New  
15 York in less than seven hours. All at costs less than  
16 driving an automobile. That would mean having the  
17 ability to be productive by being able to meet with  
18 other people during your trip, that makes this type of  
19 transport better than air travel for trips under 400  
20 miles. This happens to be standard operating  
21 procedure in European cities and I would add  
22 increasingly so in Asia.

23 Several key points provide the foundation of a  
24 sustainable community's rail transit system. First,  
25 the rail system needs to be corridor-focused.

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 Corridors provide the level of service demand in terms  
2 of density and complexity to keep trains running at  
3 capacity. They are the places that people want to  
4 visit. This is the case for Pittsburgh, Harrisburg,  
5 Philadelphia, New York and Cleveland.

6 Second, the system needs to be integrated with  
7 other modes of public transit at the points of  
8 departure and arrival. This is advantageous from the  
9 passenger's point of view because the passenger can  
10 plan a trip without having to figure out where to park  
11 an automobile, if he has one, or how to get to the  
12 train station at all, if he does not have a car.

13 From the community's point of view, it is advantageous  
14 because land use at the point of access to transit can  
15 be directed to more productive economic uses than  
16 parking lots, which tend to cut off business districts  
17 and community activity by creating wide-open spaces of  
18 considerable distance. Just a few blocks from here,  
19 Pittsburgh's Amtrak station resides at such an  
20 intermodal transit stop at Penn Station, where the  
21 Martin Luther King Busway has a major connection, and  
22 with a future connection to light rail. This stop  
23 resides one block from the David Lawrence Convention  
24 Center, a notable first among green buildings, as well  
25 as the cultural district and a myriad of businesses,

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 restaurants and hotels.

2 Third, rail transit improves air quality  
3 through reduced emissions than other forms of  
4 transportation per passenger mile. Electrified train  
5 reduce reliance on imported resources from  
6 increasingly unfriendly parts of the world. They  
7 eliminate traffic congestion on increasingly crowded  
8 roads and highways as we've heard several times this  
9 morning.

10 Fourth, having a high-speed rail network  
11 enhances the reputation of a community. The presence  
12 of such a system sends a signal that that community  
13 understands the importance of well-connected corridors  
14 as part of being on the leading edge. Regions that  
15 have received the lion's share of federal rail money  
16 are regions that have been working at these concepts  
17 for some time and have recognized the importance of  
18 rail and integrated public transit as key to getting  
19 their act together.

20 Sustainability is really an emergent property.  
21 And the slide that I have displayed here shows some  
22 dimensions of the complex nature of what it takes to  
23 create a truly sustainable community. It's something  
24 that occurs in complex systems, such as cities and  
25 corridors, when that region has multiple modes of

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 adapting as the price of natural resources increases,  
2 as business demands require flexibility, as  
3 communication and access become increasingly  
4 important, and as residents demand a higher quality of  
5 life through convenience, proximity to key services,  
6 and environmental quality. Lack of a high-speed rail  
7 places a limit on the adaptive potential for a region.

8           So in reference to this slide, if you refer to  
9 some of the bubbles that will make you a vibrant  
10 community, you see at the very top left, access to  
11 opportunity and diversity and mixed income, all of  
12 those things give way to the availability of a transit  
13 system. On the right-hand side of vibrant community,  
14 there is public transportation is key to creating a  
15 vibrant community, having the transit system be  
16 walkable and bikeable and having minimum carbon  
17 footprint. In terms of smart land use, the rail  
18 systems would like to build in conservation of land  
19 and natural resources, to help bolster communities  
20 existing, that are already existing and have an  
21 infrastructure. It relates to transit-oriented  
22 development, to regional planning and mixed use.

23           In terms of sustainable business, high-speed  
24 rail and local rail are important in terms of the  
25 efficiency of how things work, in terms of the

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1 profitability of those businesses, in terms of social  
2 responsibility, waste minimization and pollution  
3 prevention.

4 In terms of having a resilient economy in the  
5 sense of meaningful market signals, this type of rail  
6 is key to having a balance among local and outside  
7 commerce, which is essential for the long-term  
8 sustainability of the community. And then in terms of  
9 innovation, the presence of this rail system allows  
10 the region to have access to new innovation  
11 opportunities. It allows greater achievement of  
12 energy independence and I already mentioned about  
13 outside commerce and then it also helps foster, which  
14 is in some ways the most important thing, a cultural  
15 innovation for that region.

16 Pittsburgh's remarkable transition continues  
17 as was reflected by the spotlight of the G-20 on our  
18 region in September 2009 and by the United Nation's  
19 selection of Pittsburgh for being the North American  
20 host city for World Environment Day for June 5, 2010.  
21 We are increasingly recognized as a leading region in  
22 terms of green and sustainability dimensions. This  
23 success needs to be integrated with our region's rail  
24 transit system. Pittsburgh is ready to be reconnected  
25 through effective rail transit so that others can see

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 what has been accomplished here and so that we can  
2 continue to improve upon our record of having  
3 sustainable practices emerge here.

4 Thank you very much for allowing me to speak  
5 today.

6 CHAIRMAN MARKOSEK: Thank you very much.  
7 Questions? Thank you.

8 Ms. Megan DeSmedt, state director of PennPIRG  
9 and she was nice enough to travel all the way from  
10 Philadelphia for us here today. Thank you.

11 MS. DESMEDT: Thank you for having me,  
12 Chairman and Members of the Committee. My name is  
13 Megan DeSmedt and I am the state director for  
14 PennPIRG. PennPIRG stands for the Pennsylvania Public  
15 Interest Referred Group, we're a statewide non-profit  
16 non-partisan consumer advocacy program. We work on a  
17 pretty broad range of issues, public transit and  
18 transportation issues being one of our top areas. And  
19 I'm very happy to come out from Philadelphia, we have  
20 members all across the state, but I'm based in  
21 Philadelphia. Unfortunately, I was not able to take  
22 the train out here, because -- well, I'll get into  
23 that in a little bit, but I look forward very much to  
24 being able to take the train out to Pittsburgh  
25 sometime soon.



**TRANSCRIPT OF PROCEEDINGS**

- - - -

1           My testimony is going to focus primarily on  
2 the contents of a report we released a few weeks ago  
3 called the Right Track, Building a 21st Century  
4 High-Speed Rail System for America. And this is a  
5 report that PennPIRG released in partnership with our  
6 sister organization. So the report is national in  
7 content and I'm going to focus my testimony on what I  
8 think is relevant for us here in Pennsylvania.

9           First of all, I just want to take a minute and  
10 talk a little bit more about how we kind of see the  
11 problem with our current transportation system. We  
12 have three main modes of intercity transportation in  
13 the United States and that includes car travel,  
14 airplane and then passenger rail and, over the last  
15 century or so, we have invested a lot in terms of the  
16 non-passenger methods of transportation, so there's a  
17 little more in the history of the report that I found  
18 to be really interesting.

19           Back in 1919, Dwight Eisenhower took a  
20 cross-country trip to test our road system and see how  
21 it would actually serve our needs in terms of being  
22 able to travel across the country. We all know it  
23 didn't work very well, average speed was about  
24 six miles per hour, it took over two months to travel  
25 across the country, and that then launched a huge

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 investment and national focus on improving our  
2 interstate highway system, and it took a while, it  
3 took over three decades, it took about \$425 billion,  
4 but it had a huge impact on the interstate highway  
5 system and our ability to travel across the country  
6 and between cities all across the country.

7           There's a similar story in terms of how  
8 nationally we decided, just after World War II, to  
9 really invest and prioritize in our airports and  
10 specifically, in airport construction and air traffic  
11 control systems, so that people could fly efficiently  
12 and safely in between cities all across our country.  
13 And as a result, we have not perfect, but pretty good  
14 highway and air travel systems in this country to get  
15 between cities. Unfortunately, the U.S. Highway  
16 Administration has not invested up to this point in  
17 our intercity passenger rail in the same way that  
18 we've invested in our highways and our airports and so  
19 that's really what we need to do in order to get our  
20 intercity passenger rail systems up to speed and up to  
21 where it needs to be for a 21st century  
22 transportation.

23           Between 1956 and the creation of Amtrak in  
24 1971, we spent about \$2.4 billion on rail, that is 33  
25 times less than our aviation system and 150 times less

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 than our highways. Since the creation of Amtrak, we  
2 have seen an increase in investment in our rail  
3 system, but not nearly enough in terms of the  
4 proportions and also just not nearly enough in terms  
5 of the pretty severe needs to have our passenger rail  
6 system updated as a result of that neglect for the  
7 better part of the last century.

8 The good news is that our high-speed rail  
9 system and improved passenger rail in general  
10 definitely can address a lot of the key problems that  
11 we're currently facing with our intercity  
12 transportation system. So congestion is one of the  
13 biggest ones. In the last 30 years, we've seen almost  
14 a doubling of the number of miles driven and more than  
15 three times an increase in terms of airplane flights  
16 taken and high-speed rail could reduce that congestion  
17 in cars by 29 million trips, could reduce our air  
18 travel by about half a million trips and that would  
19 have a huge impact on the congestion problems that  
20 people are experiencing, as well as billions of hours  
21 lost every year in terms of sitting in traffic and  
22 delays in air travel and that sort of thing.

23 The second key problem that increased  
24 passenger rail could address is our dependence on oil,  
25 so in terms of just over reliance on foreign oil and

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 finite resources, but then also just protecting  
2 consumers from price spikes like we've seen over the  
3 last several years. There's just a lot of benefits of  
4 improving our passenger rail system. Amtrak  
5 passengers, on average, use 23 percent less energy  
6 than the air travel, 40 percent less energy than car  
7 travel and 57 percent less energy than SUV and truck  
8 travel, and if you focus in on trips between 100 and  
9 500 miles, then improvements of energy or, I guess,  
10 the improvement in terms of energy efficiencies for  
11 passenger rail travel are even greater because the  
12 majority of energy used for airplane trips is actually  
13 in take off and conveniently, it's also where they're  
14 most competitive.

15 I flew out here from Philadelphia last night,  
16 it took me four and a half hours to get from 30th  
17 Street station in downtown Philadelphia to downtown  
18 Pittsburgh between the regional rail out to the  
19 Philadelphia airport, going through security, waiting  
20 for my plane and the flight, taking a bus into  
21 Pittsburgh. I actually had a great experience on the  
22 bus, I was a little nervous about that, but that  
23 worked out fantastically, but it took me four and a  
24 half hours, and it's not a very efficient four and a  
25 half hours, because you got to get on one mode of

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 transportation, go through security, you can't open  
2 your laptop on the plane until you get to a certain  
3 height, we all know that experience. I would have  
4 loved to have been able to get on the train in Philly  
5 last night and gotten to Pittsburgh. In terms of the  
6 amount of time it takes to make that trip, it just  
7 doesn't necessarily work. I had meetings in Philly  
8 yesterday and tomorrow, but then the number of trips  
9 and that sort of thing, but I think, you know, there's  
10 a huge potential, not that this is just all about me  
11 and making my life easier, but you're right, I  
12 couldn't help but think about that last night as I was  
13 prepping for the hearing and making that trip.

14 Another big problem that increased passenger  
15 rail can solve is just boosting the economy. We have  
16 the potential to create 1.6 million jobs, in terms of  
17 construction jobs across our country by creating a  
18 high-speed rail system across the United States, as  
19 well as revitalizing the downtown areas and regional  
20 business coordination, making it more easy for people  
21 to do business between Philadelphia and Pittsburgh and  
22 that sort of thing. I actually thought of this, the  
23 convenience and ease of travel on passenger rail, I  
24 would argue is far superior to either air travel or  
25 driving.

## TRANSCRIPT OF PROCEEDINGS

- - - -

1           And then also just in terms of environmental  
2 benefits in terms of reducing our global warming and  
3 pollution and other air pollution. So our vision for  
4 high-speed rail is really to create a 21st century  
5 transportation system. We see that we need to take  
6 two steps in order to get there. We have a vision for  
7 what kind of high-speed rail network that we should  
8 and need to ultimately have in our country, in the  
9 United States, but it's not going to happen overnight.

10           The first step is, we just need to restore our  
11 passenger rail travel to a level of adequacy. We  
12 actually have some train track in the country, I'm not  
13 sure if this is actually the case in Pennsylvania,  
14 that have been in operation since before the Civil  
15 War, and on the one hand, I think that's pretty  
16 awesome in terms of the durability of our train tracks  
17 and our rail system. On the other hand, I think that  
18 really goes to show how much there is a need for an  
19 investment and improvement in operating on our rail  
20 system, and really incremental improvements.

21           Philadelphia and Harrisburg have showed huge  
22 benefits in terms of things like fixing bridges,  
23 improving signaling system, increasing frequency of  
24 trains, had a tremendous impact on the convenience and  
25 use of that operating system ridership on the

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 passenger rail system.

2 And so the first step is going to be just  
3 bringing our current rail system up to that basic  
4 standard and then the second step in this, and this is  
5 actually going to be to create true high-speed rail,  
6 speeds of 150 or more miles per hour between our  
7 cities. It's going to take a few decades to get  
8 there, but it's definitely possible, it's definitely  
9 where we need to be headed. Unfortunately, right now,  
10 we are a little bit behind the times in terms of a lot  
11 of the countries in Europe, Japan and China have just  
12 made a much bigger investment in this and are  
13 currently ahead of us in terms of heading towards a  
14 high-speed rail system, but I think that we have the  
15 ability to get there.

16 And in terms of just some of the impacts or  
17 potential for Pennsylvania specifically, we've talked  
18 a little bit about them already, so I won't go into  
19 too much of the details, but I think in terms of  
20 looking at the northeast corridor, that is an area of  
21 our country that is really primely suited for  
22 passenger rail. Large cities close together, a lot of  
23 midsize cities as well and horrible traffic, if you've  
24 ever driven up and down the east coast, there's  
25 definitely a huge potential there.

## TRANSCRIPT OF PROCEEDINGS

- - - -

1           In 2000, the high-speed rail was introduced  
2 between Washington DC and Boston. In 1990 -- just to  
3 show you how much this affected its ridership, in  
4 1999, 18 percent of travel between Boston and New York  
5 City was happening on the train and the rest of it was  
6 mostly happening through flights and also driving. By  
7 2008, that had risen to 45 percent. So clearly there  
8 is an interest and a demand once these fast trains are  
9 going and the rail service is available, there's  
10 definitely the interest and people will start using  
11 that.

12           Another success story from the northeast  
13 corridor that I think shows the potential for  
14 improving not only our passenger rail system, but then  
15 also creating more economic growth is the down eastern  
16 service that was extended from Boston to Maine, that  
17 that was extended and showed just in a couple years, a  
18 31 percent increase in ridership, especially around  
19 2008 when there was a big spike in gas prices. But  
20 then also it shows huge development along that line,  
21 so Saco, Maine is an old mill town, and as a result of  
22 the train service being introduced in addition to the  
23 train station, they are converting old abandoned mills  
24 into condos and shops and restaurants and conference  
25 spaces. There is an estimate that just by extending



## TRANSCRIPT OF PROCEEDINGS

- - - -

1 this line from Boston to Portland, Maine, it's going  
2 to bring \$982 million in construction investment by  
3 the year 2030, create 2400 new jobs, save over \$21  
4 million in transportation costs and generate \$60  
5 million in initial tax revenue for the community. So  
6 the ability to -- like we've been talking about, not  
7 only to create jobs, but also encourage economic  
8 growth and revitalize downtown areas. There's a huge  
9 potential there as well.

10 We've talked about our Keystone Corridor, so I  
11 won't go into that, but I think the upgrades that  
12 we've seen in service from Philly to Harrisburg in the  
13 last couple of years have showed huge increases in  
14 ridership and I would never do anything but,  
15 personally, never do anything but take the train from  
16 Philly to Harrisburg. The ridership has increased,  
17 has tripled over the last decade and build on that  
18 success in keeping that west of Harrisburg, so that  
19 you can actually get all the way across the state with  
20 ease and convenience, back and forth would be, I  
21 think, a huge, huge benefit to the people of  
22 Pennsylvania.

23 And then also the cutoff as well connecting  
24 northeastern Pennsylvania to New York City and really  
25 just connecting Scranton and Wilkes-Barre area to

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 Hoboken, New Jersey and New York that would have a  
2 huge benefit in terms of economic growth. There's a  
3 lot of, obviously, access to jobs in New York City, in  
4 that region of the country, and then also most  
5 definitely eastern Pennsylvania is one of the fastest  
6 growing and developed areas in the country. So with  
7 our plans, there's the potential to continue to see  
8 growth in that area as well.

9 I just want to close really quickly by talking  
10 about the key recommendations and development that  
11 we're talking about here. And this is all laid out in  
12 the executive summary that's in the packet that was  
13 handed out, but as a country, we need to build an  
14 efficient passenger rail network that will connect all  
15 our cities across the country and there's 11 key steps  
16 to achieving this. So No. 1 is just investing the  
17 necessary resources. We talked a lot about this, it's  
18 certainly something that, to some extent, we can  
19 address at the state, but this is really a national  
20 issue and something that PennPIRG is also working on.  
21 We need to continue to focus on taking steps here in  
22 Pennsylvania, but also continuing to focus on that at  
23 the federal level as well.

24 The second key thing is just maximizing bang  
25 for the buck by investing in lines with the greatest

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 ridership potential and making short-term improvements  
2 that will have the biggest impact, both in the short  
3 term and in the long term.

4 The third key thing is balancing private  
5 investment with public safeguards. We've heard a lot  
6 today about the need for public-private partnerships,  
7 a lot of these railroads are privately owned and this  
8 will continue to come up and be an issue as we move  
9 forward and certainly there's a lot of potential for  
10 the public-private partnership in this area, so we  
11 need to continue to make sure that the public retains  
12 control over its infrastructure and decision making  
13 and that the public interest is protected through all  
14 these decisions.

15 The fourth step is investing to achieve full  
16 benefits, not cutting corners, especially with regard  
17 to things that will improve our energy efficiency and  
18 safety.

19 No. 5 is build stations in the right places,  
20 which just means making sure that we're thinking about  
21 the right places and making sure we're working  
22 smoothly, encouraging the revitalization of the  
23 out-of-town areas, and the economic growth in the  
24 areas that are already developed and that sort of  
25 thing.

**TRANSCRIPT OF PROCEEDINGS**

- - - -

1           No. 6 is just assure transparency in all the  
2 decision making on the passenger rail and then this  
3 kind of relates to the next couple of things in terms  
4 of the seventh step is actually managing performance,  
5 making sure that we are collectively on that  
6 performance and setting clear benchmarks and concrete  
7 goals for the performance and other aspects for the  
8 expanding of passenger rail.

9           The eighth thing is making sure that we're  
10 encouraging domestic manufacturing and creating more  
11 jobs here in Pennsylvania, in the United States.

12           And then the ninth step is just setting clear  
13 standards in terms of high-speed rail equipment and  
14 that will create the economy and make it efficient and  
15 viable.

16           The tenth step is encouraging cooperation  
17 among states. Obviously high-speed rail is not  
18 something that we're only in Pennsylvania, but we need  
19 to be working with states all across the country.

20           And then the 11th step, and I think this is  
21 really the key thing that our report is getting at,  
22 and I would like to redefine it at some point here, we  
23 need to measure our progress against a vision. Like I  
24 started out by saying, we are not going to create a  
25 high-speed rail network in our country overnight.

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 This is going to take decades. We believe that we  
2 should have a goal linking all intercities between 100  
3 and 500 miles of one another with true high-speed rail  
4 by the year 2050. I think that is a good achievable,  
5 but ambitious goal, and I think the key thing as seen  
6 in our country, we really need to have a clear goal  
7 that we're working towards. It's going to take that  
8 long to get there, but we need to be clear on where  
9 we're going and then we need to move forward towards  
10 that.

11 Thank you for having me and I'd be happy to  
12 answer any questions.

13 CHAIRMAN MARKOSEK: Thank you. Okay.  
14 Questions? Thank you very much, Megan.

15 And we have an elected official, so we can all  
16 relate to Michael, the controller of the City of  
17 Pittsburgh, Mr. Michael Lamb.

18 MR. LAMB: Thank you very much. Thanks  
19 for the opportunity to speak to you today on the  
20 subject of intercity passenger rail here in  
21 Pittsburgh.

22 I actually called the chairman last night,  
23 because I was worried I wasn't going to get here, I  
24 had another hearing outside the city this morning, and  
25 coming in, I was rushing to get here on time, so I

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 figured I'd try to park somewhere close by, and given  
2 some of the comments I made about the parking garage,  
3 I didn't want to park in a garage today. So I was  
4 looking for a place on the street and couldn't find a  
5 place. Finally I got exasperated, I said God, help me  
6 find a place to park and I'll quit drinking for the  
7 rest of Lent. And right then in front of me, a guy  
8 pulls out of a metered spot and I said never mind, I  
9 found a spot.

10 But I did want to talk you about some  
11 communication I've had over the last couple years with  
12 Amtrak and some of the leadership on the federal level  
13 with respect to intercity passenger rail here in  
14 Pittsburgh. I'm just going to start by reading a  
15 portion of the letter. This is a letter that I sent  
16 back in June of 2008 to Alex Kummant, K-u-m-m-a-n-t,  
17 who was president at the time of Amtrak, and I'll just  
18 read this portion.

19 As I'm sure you are aware, Pittsburgh is a  
20 vital link in the nation's rail network. Our central  
21 location, roughly midway between Chicago and the mega  
22 cities of the northeast corridor, will require that  
23 Pittsburgh be a key player in the future of rail  
24 improvements in our national system. I know that you  
25 are also aware that the Commonwealth of Pennsylvania

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 has been a leader in partnering with Amtrak to improve  
2 rail service in our state. Amtrak statistics indicate  
3 that residents of the Pittsburgh region have failed to  
4 embrace rail as a viable travel option. Pittsburgh is  
5 served by two eastbound routes, Chicago to Washington,  
6 D.C. and Chicago to New York City via Philadelphia and  
7 two westbound routes, the return trips of the above.  
8 Unfortunately, these trains are not the greatest  
9 convenience for potential Pittsburgh riders. For  
10 instance, to travel by car to Cleveland, a two-hour  
11 drive, a Pittsburgh passenger must board at midnight  
12 for arrival in Cleveland at 2:00 a.m. This is a  
13 terrible option for potential passengers. This  
14 Pittsburgh to Cleveland connection has the potential  
15 to sustain significant ridership and it could be made  
16 more convenient with more routes at faster speeds.  
17 This could also be said about the  
18 Pittsburgh-Harrisburg connection and the Pittsburgh to  
19 Washington, D.C. connection.

20 In the midst from a letter that I sent to  
21 Secretary of Transportation, Ray LaHood, in September  
22 of '09 continuing on that line, this link also serves  
23 to bring together two designated high-speed rail  
24 corridors, the Keystone Corridor and the Midwest  
25 Corridor. This is why it is so important that

## TRANSCRIPT OF PROCEEDINGS

- - - -

1 consideration be given to designate a Pittsburgh to  
2 Cleveland route as a high-speed rail corridor. This  
3 designation has the support of our congressional  
4 representatives, along with support of both Governor  
5 Rendell and Governor Strickland. Your support of this  
6 effort is critical to providing viable passenger rail  
7 transportation to the people of Pittsburgh and  
8 Cleveland.

9 Now, aside from being that vital link between  
10 these two areas, linking Pittsburgh and Cleveland with  
11 frequent reliable and hopefully high-speed rail  
12 service will attract significant origination and  
13 destination traffic as well. Let me just consider a  
14 couple of these factors. Thousands of Pittsburgh area  
15 students attend Cleveland area colleges and thousands  
16 of Cleveland area students attend Pittsburgh area  
17 colleges and universities. This is natural ridership  
18 for that link.

19 Third, PNC and Nat City merged. This merger  
20 has required on a daily basis hundreds of employees  
21 from Pittsburgh going to Cleveland, hundreds of  
22 employees from Cleveland coming to Pittsburgh, again,  
23 on a daily basis. And also, the work that's being  
24 done in both our digital and biomedical greenhouses,  
25 our organizations here in Pittsburgh and in Cleveland,



## TRANSCRIPT OF PROCEEDINGS

- - - -

1 and in the work that they're working together.

2 So I raise these points and I'll quickly  
3 close, you know, we have -- the federal government, as  
4 we know, recently approved a \$750,000 grant for a  
5 study of the Keystone Corridor west of Harrisburg.  
6 What I'd ask and what I'd ask our Pennsylvania  
7 Department of Transportation to consider is that we  
8 work with our partners in Ohio to include in that  
9 study a review of the Pittsburgh to Cleveland link and  
10 hopefully high-speed designation of that link.

11 Thank you very much.

12 CHAIRMAN MARKOSEK: Thank you,  
13 Controller. Any questions? No. Thank you.

14 I want to thank the panel, thank all of our  
15 panelists and testifiers today and also, again, thank  
16 Point Park University for their assistance with this.

17 Without any further ado, the meeting is  
18 adjourned. Thank you.

19 (Hearing adjourned at 12:06 o'clock p.m.)

- - -

TRANSCRIPT OF PROCEEDINGS

- - - -

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

C E R T I F I C A T I O N

I hereby certify that the foregoing transcript  
is a true record of the testimony of the witnesses.

-----

Jean M. Bujdos  
Court Reporter