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COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

HOUSE TRANSPORTATION COMMITTEE

RAILROADERS MUSEUM MEMORIAL HALL
1300 NORTH 9TH AVENUE
ALTOONA, PA 16602

WEDNESDAY, AUGUST 28, 2019
3:00 P.M.

PUBLIC HEARING

BEFORE: REPRESENTATIVE TIM HENNESSEY
MAJORITY CHAIRMAN
REPRESENTATIVE MARTINA A. WHITE
REPRESENTATIVE LOUIS SCHMITT
REPRESENTATIVE JIM GREGORY
REPRESENTATIVE MIKE CARROLL
MINORITY CHAIRMAN
REPRESENTATIVE JENNIFER O'MARA
REPRESENTATIVE ED NEILSON
REPRESENTATIVE PERRY S. WARREN
REPRESENTATIVE SARA INNAMORATO

ALSO PRESENT:
REPRESENTATIVE RICH IRVIN
REPRESENTATIVE JIM RIGBY
SENATOR JUDY WARD
COMMISSIONER BRUCE ERB
HELEN SCHMITT
MAYOR MATT PACIFICO
MARK ICKES

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COMMITTEE STAFF PRESENT:
 JOSIAH SHELLY
 REPUBLICAN EXECUTIVE DIRECTOR

 KYLE WAGONSELLER
 DEMOCRATIC RESEARCH ANALYST

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CHAIRMAN HENNESSEY: My name is Tim Hennessey. I'm joined by Mike Carroll. We're both Chairmen, Republican Chair and Democratic Chair of the House Transportation Committee in Harrisburg.

We have a number of legislators in the room. We will not take responsibility for the hot air in the room. Please make public notice of the fact that the hot air was here before we got here. We might add to it a little bit.

But at any rate, since it is sort of a cramped quarters here and the air might not be working to its full efficiency, if anybody wants to get rid of their suit coats and stuff, you're perfectly willing - perfectly welcome to do that. I'll shed mine in a few moments. But thank you for the invitation. I want to thank Louie Schmitt for inviting us to come down to the - I guess he always tells me it's the home of the railroad industry in Pennsylvania. The Pennsylvania Railroad -.

REPRESENTATIVE SCHMITT: Founded Altoona.

CHAIRMAN HENNESSEY: I'm sorry?

REPRESENTATIVE SCHMITT: The Pennsylvania Railroad founded Altoona in 1849.

1 CHAIRMAN HENNESSEY: Okay.

2 We'll call you on a little bit later to
3 give a brief history. But anyway, I know how
4 substantial a part of Altoona's history the railroad
5 industry has been. And that's why we decided to bring
6 the committee here to help have you guys educate us in
7 terms of what the railroad industry means to Altoona,
8 what it means to Pennsylvania. And just basically to
9 give, you know, a better sense to all of our members
10 who come from all over the Commonwealth of
11 Pennsylvania.

12 Some of the areas that we come from have
13 train service. A lot of them don't or it's minimal.
14 So it's important, I think, for all of our members
15 across the state to get a good sense of what the
16 railroad industry means to Pennsylvania today and how
17 it contributes to the various parts of our society and
18 the benefit of the Commonwealth.

19 And we have a number of testifiers who
20 are here to present their perspective on the rail
21 industry today. We have a rather limited time frame
22 here. We're supposed to be done by five o'clock, so
23 we'll try and - try to keep things moving as briskly as
24 we can.

25 Let me just start, so we'll do it

1 formally by asking for a roll call.

2 Martina, would you announce yourself,
3 please.

4 REPRESENTATIVE WHITE: Sure. I'm State
5 Representative Martina White from Philadelphia.

6 REPRESENTATIVE SCHMITT: State
7 Representative Lou Schmitt from Dutch Hill here in
8 Altoona.

9 MR. SHELLY: Josiah Shelly, Executive
10 Director of the Transportation Committee.

11 CHAIRMAN HENNESSEY: And again, my name
12 is Tim Hennessey. I'm from Pottstown, the northern
13 part of Chester County, in the southeastern part of the
14 state, just about an hour outside of Philadelphia.

15 REPRESENTATIVE O'MARA: Good afternoon.
16 I'm State Representative Jennifer O'Mara from Delaware
17 County, right outside of Philadelphia.

18 REPRESENTATIVE NEILSON: I'm
19 Representative Ed Neilson. I am from Philadelphia.

20 REPRESENTATIVE WARREN: Hi. I'm Perry
21 Warren, District 31, in Bucks County, which is near
22 Philadelphia.

23 REPRESENTATIVE INNAMORATO: State
24 Representative Sara Innamorato. I represent the 21st
25 District, which is not near Philadelphia. It is in

1 Pittsburgh and Northern Allegheny County.

2 MR. WAGONSELLER: Kyle Wagonseller,
3 Research Analyst, Transportation Committee.

4 CHAIRMAN CARROLL: And I'm Mike Carroll.
5 I'm the Democratic Chair of the Transportation
6 Committee. And I come from Lackawanna and Luzerne
7 Counties.

8 CHAIRMAN HENNESSEY: And there are a
9 number of House members who are here who are not part
10 of the Transportation Committee, but I'd like to
11 recognize them.

12 Representative Jim Rigby. Senator Judy
13 Ward is here. I think we expect - who else do we have?
14 Representative Rich Irvin is expected to be here. We
15 have - we are joined by Blair County Commissioner Bruce
16 Erb.

17 Bruce, welcome. Thank you for being
18 here. We're also joined by Blair County Clerk, Helen
19 Schmitt. That last name rings a bell to me. Altoona
20 Mayor Matt Pacifico is here. There you are. And Mark
21 Ickes, who is here from Explore Altoona, the body
22 involved with Capitol - or county tourism here in Blair
23 County.

24 Let me just - on a personal note, I'll
25 introduce my wife, Carol, who's here in the center of

1 the room. My son, Tim is next to her. He has an avid
2 and keen interest in the railroad industry. So he
3 rearranged his schedule to be able to be here.

4 Here's Jim Gregory. Aren't you glad I
5 didn't introduce you as the late Jim Gregory? I
6 wouldn't want you to have to read anything bad in the
7 newspaper tomorrow, like an obituary or something. So
8 I didn't say the late Jim Gregory.

9 REPRESENTATIVE GREGORY: Thank you.
10 Welcome to Blair County.

11 CHAIRMAN HENNESSEY: Actually, returning
12 to Altoona for me is interesting, because we were -
13 last year, aside from passing through, 12 years ago our
14 oldest daughter was married in the cathedral here back
15 in 2007. And that was really my last substantial
16 chance to be in Altoona.

17 We have ridden through Horseshoe Curve,
18 courtesy of Bennett Levin, who's here who has his -
19 he's part of an association of railroad car
20 enthusiasts, private owners, who have taken the
21 Committee to Pittsburgh - from Philadelphia to
22 Pittsburgh and back several times in the past. So
23 we've been through the city on those occasions.

24 But it's just - and like I said, he's
25 also allowed us to enjoy the scenic beauty of Horseshoe

1 Curve while he explains all the engineering feats that
2 were involved in the creation of the curve and the fact
3 that it managed to be a tremendous boost to the
4 railroad industry in Pennsylvania.

5 Is there anyone else from the House or
6 the Senate who is here that I've overlooked? Not
7 seeing anyone, why don't we just get into our
8 testifiers.

9 Our first is Jennie Granger, who's
10 Deputy Secretary for Multimodal Transportation from the
11 Pennsylvania Department of Transportation.

12 Jennie, you're going to testify on your
13 own, not as part of a panel.

14 Right?

15 MS. GRANGER: Correct.

16 CHAIRMAN HENNESSEY: Okay.

17 So why don't we just kick it off? You
18 can begin any time you're ready. And you can testify
19 from the luxury of your armchair right there in the
20 front row.

21 MS. GRANGER: It feels like I'm back in
22 high school again.

23 CHAIRMAN HENNESSEY: Well, it wasn't all
24 that long ago for you; was it?

25 MS. GRANGER: Well, longer than you

1 would think.

2 So good afternoon, Chairman Hennessey,
3 Chairman Carroll, members of the Committee and staff.
4 On behalf of the Secretary, Leslie Richards, thank you
5 for the opportunity to testify before all of you today
6 to discuss some ongoing efforts to improve passenger
7 rail service in Western Pennsylvania.

8 So specifically I'd like to report out
9 on three key items. One, a study of the feasibility of
10 passenger rail service that we studied from Altoona to
11 Pittsburgh. Two, an ongoing effort to identify funding
12 and capital improvements required to add additional
13 service on the Pennsylvania and Amtrak service between
14 Pittsburgh and New York. And third, the addition of
15 baggage cars to the Pennsylvanian Amtrak service, which
16 not only accommodates baggage but also bicycles.

17 So let's talk about the first one, the
18 study about the feasibility of passenger rail service
19 between Altoona and Pittsburgh. So over the last 15
20 years I'm sure you're all aware we've had several
21 studies examining the potential for increased service,
22 passenger rail service, west of Harrisburg. So these
23 studies have varied in scope, extending from the
24 existing Keystone service to Pittsburgh to implementing
25 commuter rail service between Pittsburgh and Latrobe,

1 to adding another daily Pennsylvania train. There's
2 been a varied group of studies.

3 The previous studies along the Altoona
4 to Pittsburgh corridor indicate that there's been a
5 continued interest in expanding that passenger rail
6 service. So we did initiate, in September 2018, the
7 Altoona to Pittsburgh passenger rail study to analyze
8 potential service levels and associated ridership
9 estimates, as well as infrastructure needs and
10 estimated capital costs to support rail, slash,
11 commuter service on this 117-mile corridor between
12 Altoona and Pittsburgh.

13 So it's important to note this rail
14 corridor is owned by Norfolk Southern. And currently
15 Amtrak operates Pennsylvanian service through this
16 corridor, connecting Pittsburgh to Harrisburg,
17 Philadelphia and ultimately on to New York City.

18 So the study was just finalized, and
19 it's been posted on our Plan the Keystone website,
20 under the resource tab, www.planthekeystone.com. And
21 then it's under, again, the resources tab, right under
22 the Keystone high-speed rail study that we completed in
23 2014.

24 So the previous study provided us with
25 insight to the significant challenges in implementing

1 reliable passenger service, including infrastructure
2 investment necessary to improve ADA accessibility at
3 existing stations and to accommodate the freight needs
4 in this corridor.

5 In particular, the most recent study,
6 the 2014 Keystone West High-Speed Rail Study that I
7 mentioned, provided the basis for the high-level
8 infrastructure assessment and associated capital costs
9 identified with the study.

10 A high-level travel demand market
11 assessment was included as part of the study to
12 understand the potential demand for passenger rail and
13 commuter service between Altoona and Pittsburgh. A
14 comparison of relatively new peer commuter and
15 inner-city rail lines through the country were included
16 to help identify similarities and differences as a
17 reference. So essentially we were benchmarking.

18 At 117 miles, the length of the
19 Altoona-Pittsburgh corridor, it falls between a
20 traditional commuter rail line, which is typically 20
21 to 40 miles in length, and an Amtrak regional line.

22 In addition, the Altoona-Pittsburgh
23 corridor differs from peer commuter rail systems, with
24 Pittsburgh having a lower population than the primary
25 city populations of most similar peer systems.

1 So the ridership analysis indicated that
2 more than half of the inbound commuters, that would be
3 traveling to Pittsburgh when we say inbound, would be
4 boarding at the previous stop in Greensburg, located
5 just 31 miles to the east of Pittsburgh.

6 Commuter service between Greensburg,
7 Latrobe and Pittsburgh is currently provided by
8 Westmoreland Transit. Current travel time on a
9 Westmoreland Transit bus between Greensburg and
10 Pittsburgh is approximately an hour and 30 minutes.
11 The analysis suggests there is potential for reverse
12 peak and/or midday service to Altoona or Greensburg
13 from Pittsburgh. However, there is not a considerable
14 number of passengers likely to commute between the
15 intermediate stations.

16 Potential service plans were also
17 identified as part of this study. It's important to
18 note that at this preliminary stage the hypothetical
19 service plans and schedules did not consider existing
20 or any future Norfolk Southern freight schedules.
21 Based on an evaluation of peer startup passenger rail
22 systems, the recommended startup commuter service for
23 the Altoona-to-Pittsburgh corridor is three to six
24 trains in the morning and the afternoon peak travel
25 times.

1 So in addition to the concerns I just
2 mentioned, the study identifies capital cost estimates
3 ranging from \$1.2 billion to 3.7 billion, with the
4 addition of a third track. That's what drives that
5 second number. And these would be needed to support
6 passenger rail startup services for regretfully a low
7 forecasted number of 531 to 840 daily one-way riders.

8 The capital cost estimates do not
9 include right-of-way acquisition. They do not include
10 environmental remediation that may be required or they
11 do not include Norfolk Southern related costs for
12 access or liability. These components, which would be
13 studied and quantified in greater detail if the funding
14 was identified, would increase the base costs of \$1.2
15 billion and \$3.7 billion.

16 I do not have an order in magnitude.
17 Again, it is unknown at that point.

18 At this time, based on the findings of
19 the study, the Department will not be advancing a
20 detailed study of dedicated service between Altoona and
21 Pittsburgh. However, the Department continues to
22 strive to improve passenger rail service to Western
23 Pennsylvania. And that leads me to report out on my
24 second item.

25 My ongoing effort to identify funding in

1 capital improvements required to add additional service
2 on the Pennsylvania and Amtrak service between
3 Pittsburgh and New York. So the Department - and I've
4 received numerous requests over time to help facilitate
5 additional round trips on the Amtrak Pennsylvanian
6 service, which as I mentioned, provides service between
7 Pittsburgh, Harrisburg, Philly and ultimately New York.
8 Many of those requests have come from the folks at the
9 table, in the committee and from those participants in
10 the audience.

11 Currently, I think we are all aware,
12 there is one round trip a day on the Pennsylvanian.
13 The track that provides the service between Pittsburgh
14 and Harrisburg is owned by Norfolk Southern. And as
15 such, Norfolk Southern approval is required to add
16 additional service.

17 In addition, the Commonwealth would need
18 to provide additional subsidies to Amtrak for the
19 additional service and potentially invest in capital
20 improvements on the rail line in order to avoid
21 conflicts between existing Norfolk Southern rail
22 service and additional passenger service.

23 So at this time PennDOT has received a
24 proposed timetable and schedule for an additional round
25 trip a day from Amtrak. We received that earlier this

1 year. We have forwarded this proposed schedule to
2 Norfolk Southern and we are currently working on an
3 agreement to pay them to complete the analysis and the
4 study required. The results of the study will
5 determine whether this proposed schedule will work with
6 their freight movements in the corridor and what, if
7 any, capital improvements would be needed to add this
8 service.

9 We anticipate that Norfolk Southern will
10 need approximately 10 to 12 months to complete this
11 study. Please note the completion of this study will
12 provide the Department with a better idea of the
13 financial commitment that will be required in order to
14 fund an additional round trip a day.

15 So lastly, my last report, the addition
16 of baggage cars to the Pennsylvanian Amtrak service
17 which will accommodate bicycles. The Pennsylvanian
18 Amtrak service currently operates without a baggage
19 car.

20 While the elimination of the baggage car
21 originally was a cost-saving measure for Amtrak and
22 ultimately PennDOT, in the payment of its subsidy, the
23 Department has recently negotiated the return of a
24 baggage care to the Pennsylvanian service.

25 The baggage car allows not only for the

1 better management of customer bags for inner city
2 travel, but also allows the transportation of full-size
3 bicycles without the requirement of a bike box. The
4 Department is still working through the details
5 associated with the checking of your bike, so to speak,
6 such as price, how many available spots will be in the
7 car. But we hope to have that service available to
8 customers at the beginning of the new federal fiscal
9 year, which is coming right up at October 1st.

10 So collectively, you'll notice a theme
11 with the desire for expanded service and amenities.
12 They all require investment, funding to conduct
13 studies, to build infrastructure and funding, more
14 importantly, to maintain and operate.

15 And obviously you are all aware this is
16 a challenging time in Pennsylvania's transportation
17 funding overall, including multimodal resources. Act
18 44 of 2007 requires the turnpike to pay PennDOT \$450
19 million annually for highways, bridges and public
20 transit. Act 89 of 2013 modified those payments to
21 dedicate the full amount to public transit.

22 In 2022, those turnpike payments to
23 PennDOT will be reduced to \$50 million. Right now the
24 Department cannot meet all of the desired services and
25 expansions that the committee's constituents want. And

1 if the law is adjusted to remove funding to fill that
2 gap, we will have significant additional issues.

3 Additionally, federal law made PennDOT
4 responsible for operating costs for Amtrak's Keystone
5 and Pennsylvania services, which run \$16 million to
6 \$20 million a year. Half of these operating funds come
7 from Act 44 revenues.

8 We have been focused on rail service
9 today, but I would like to remind the Committee that
10 public transportation, which rail is a form of, is
11 available in some form in every county in the
12 Commonwealth. Forty-nine (49) counties have
13 fixed-route service somewhere in the county, while all
14 67 have shared-ride service delivered by 44 providers.

15 The State supported nearly 400 million
16 transit trips in the 2017-'18 State fiscal year. These
17 services are critical in communities across the state.
18 To illustrate I wanted to share some information from
19 the last two years of our Act 44 mandated performance
20 review fixed-route services.

21 The reviews include a customer survey
22 portion. And on the average, 62 percent of the people
23 who use these services say they have no other means of
24 transportation. They are transit-dependent.

25 We need a long-term, sustainable funding

1 solution for transit. And we will continue to work
2 with stakeholders and you, our legislators, to identify
3 long-term funding strategies to maintain these critical
4 services while supporting economic growth.

5 The Wolf Administration believes
6 strongly that mass transit is a vital part of all our
7 communities and our economy. And more importantly it
8 is essential that we continue to make strong
9 investments in it.

10 Thank you all for the opportunity to be
11 present before you today. I welcome any questions that
12 you have for me at this time.

13 CHAIRMAN HENNESSEY: Thank you, Jennie,
14 for your testimony. It's all about money. It always
15 comes down to money and ridership, in terms of when
16 we're talking about the possibility of increasing
17 passenger rail service, what the expected ridership
18 would bring - would be, rather, how much money it would
19 bring in, how much of its subsidy would be necessary
20 from the State in order to make it happen.

21 I'm a little confused. At one point you
22 talked about an October 1st, 2019 date. And is that
23 just for adding baggage cars to the Keystone - to the
24 Pennsylvanian?

25 MS. GRANGER: Yes, that is correct.

1 October 1st we should have the baggage cars. Again,
2 we're working through the details with Amtrak, but
3 we're both very optimistic we should be able to make
4 that happen.

5 CHAIRMAN HENNESSEY: Okay.

6 So we're talking about a month from now?

7 MS. GRANGER: Correct.

8 CHAIRMAN HENNESSEY: Okay.

9 Well, let's get those details cleared up
10 real fast.

11 The second thing I wanted to ask about
12 was Act 44. Just so people understand generally, Act
13 44 passed in 2007. And it was premised on the idea
14 that we would take in - the State would take in
15 additional monies from the tolling of Interstate 80.
16 That never happened, so we find ourselves about six,
17 seven, years later passing Act 89, thank you, which
18 basically found different ways to fund that donation,
19 if you will, that transfer of moneys to public transit
20 across Pennsylvania.

21 SEPTA in Philadelphia gets the lion's
22 share of that money, because they haul the lion's share
23 of passengers on their rail system. The Port of
24 Pittsburgh - Port Authority of Pittsburgh gets the
25 second largest chunk. And then I think there's 17 or

1 18 different Transit Authorities across the state that
2 get lesser amounts of money from that.

3 So there is - you know, the strain on
4 our budget and on the turnpike's budget has been that
5 they've had to borrow money for that. Because even
6 with the increasing tolls you always hear about, they
7 haven't brought in enough money to make that \$450
8 million payment, which Jennie told you in two years is
9 going to reduce to \$50 million per year going forward,
10 and maintain the turnpike - just the general, you know,
11 upkeep of the turnpike.

12 So they've gone into debt. We've got to
13 figure our way out of that. We are working our way out
14 slowly. And I don't know that there's a question
15 there, but I think you can confirm pretty much what
16 I've said in general terms.

17 Right?

18 MS. GRANGER: I agree.

19 CHAIRMAN HENNESSEY: Thank you.

20 Mike, do you have a question?

21 CHAIRMAN CARROLL: Not really a
22 question, but just some context. And I think for -
23 Jennie obviously doesn't need to know this, but when it
24 comes to transportation funding in this state, the
25 Motor License Fund, which is the fund that funds our

1 roads and bridges, is constitutionally protected. It
2 cannot be used for transit expenditures, whether it be
3 for the Port Authority or for SEPTA or for rail.

4 And so the challenge that Chairman
5 Hennessey outlined in broad terms really is a challenge
6 of finding funds for transit, any mode that you want to
7 talk about, that is not Motor License Fund money, not
8 gasoline tax, not driver's license and vehicle
9 registration fees. We're talking about General Fund
10 dollars.

11 And the challenge that we had after Act
12 44 fell apart was that there was a real challenge in
13 trying to reach a consensus on how we provide funding
14 for transit in the state. And the default solution was
15 the Pennsylvania Turnpike.

16 And I have said this before, that we
17 have turned the Pennsylvania turnpike into the Bank of
18 America to the tune of \$800 million a year forked over
19 to the Transit Authorities in this state and to other
20 modes -. And I don't fault the Transit Authorities for
21 that, but the reality is that was a political solution
22 that was reached by those that were in Harrisburg at
23 the time.

24 So when it comes to a transit
25 conversation, whether it's rail in Altoona or rail in

1 Scranton or mass transit in Philadelphia or Pittsburgh,
2 it's a conversation on General Fund dollars. I think
3 it's really complicated in Harrisburg. I don't think
4 it's a - you know, a revelation to talk about the fact
5 that raising General Fund dollars in Harrisburg is
6 never easy and it requires generally some sort of an
7 increase in tax or revenue. That is the deepest end of
8 the pool, if you get to Harrisburg.

9 But if we're going to be serious about
10 having a conversation about transit -. And we're going
11 to have to have that conversation soon, because \$400
12 million from the turnpike goes away in just two years.
13 That's going to be - that's going to be a conversation
14 that's going to require lots of participation.

15 And I look forward to having that
16 participation from members across the state, because it
17 is going to require a lot of input to find a solution
18 just to backfill the \$400 million that we have, let
19 alone an expanded service.

20 And I'm in favor of expanding passenger
21 rail service, whether it's in Altoona to Pittsburgh or
22 Scranton to Hoboken, I'm in favor of that. But I also
23 am a realist enough to know that that's going to
24 require money. And so I look forward to the
25 conversation going forward. It will be a complicated

1 conversation.

2 CHAIRMAN HENNESSEY: Thank you, Mike.
3 Representative Lou Schmitt.

4 REPRESENTATIVE SCHMITT: Thank you, Mr.
5 Chairman. Ms. Granger, welcome to Altoona. Good to
6 see you again. Thanks for coming and thanks for your
7 testimony. I have this document. Excuse me. I only
8 have one working hand at the moment.

9 And I'm looking specifically at page
10 eight of that document. And it says that, based on the
11 2014 Keystone West High-Speed Rail Study - you can go
12 ahead and get it - it's under the infrastructure and
13 capital costs section.

14 Based on the 2014 Keystone West
15 High-Speed Rail Study, the projected capital costs for
16 the Altoona to Pittsburgh Rail corridor is \$3.7 billion
17 in 2019 dollars. If the third track were removed from
18 the proposed work, the projected cost would be reduced
19 to \$1.2 billion in 2019 dollars. So removing that
20 third - that third track drops it by \$2.5 million?

21 MS. GRANGER: So again, keep in mind
22 these are orders of magnitude, but yes. So that third
23 track is a large investment. I believe, without
24 looking at the plans, it would require additional right
25 of way, which drives costs up.

1 But I will also tell you that even
2 though I've not had this discussion with Norfolk
3 Southern, knowing rail and trains, in order to most
4 likely, one, have high speed or higher speed and not
5 negatively impact Norfolk Southern's freight movement,
6 a third track would most likely be preferred and in
7 some situations necessary.

8 REPRESENTATIVE SCHMITT: One follow-up,
9 if I may, Mr. Chairman?

10 CHAIRMAN HENNESSEY: Go ahead.

11 REPRESENTATIVE SCHMITT: There was also
12 an indication in that same paragraph, the 2014 study
13 also developed a lower cost investment option of
14 improvements selected based on being relatively lower
15 cost, having minimal requirements for additional right
16 of way, having fewer environmental impacts and being
17 easier to implement.

18 This lower-cost option is estimated at
19 \$427 million in 2019 dollars. There was a Senator, I
20 think it was Everett Dirksen years ago that said, you
21 know, you talk a billion here and a billion there,
22 pretty soon you're talking a lot of money. And I
23 understand certainly \$3.7 billion and \$1.2 billion are
24 huge numbers.

25 Is - this \$427 million figure, which is

1 not insignificant in and of itself, is that a viable
2 lower-cost option?

3 MS. GRANGER: So I think any of them are
4 viable to a certain degree. Again, we would have to
5 get Norfolk Southern buy - in on that.

6 I will tell you that even that
7 lower-cost option is not true high-speed rail.

8 Right?

9 REPRESENTATIVE SCHMITT: Yeah. We're
10 talking - I think it averages 47 miles an hour between
11 Pittsburgh and Altoona.

12 MS. GRANGER: Right. I mean, it would
13 be higher speed, hopefully than that. But keep in
14 mind, as great as our engineers are and construction
15 is, we still have topography on the western part of the
16 state, as you are aware, that we do not have those
17 challenges on the eastern part of the state.

18 But I think that the alternatives that
19 are there, they're all viable, but they're also
20 cost-prohibitive.

21 REPRESENTATIVE SCHMITT: Even the \$427
22 million figure?

23 MS. GRANGER: You guys tell me. I can't
24 really speak to that, Representative.

25 REPRESENTATIVE SCHMITT: That's all

1 right.

2 MS. GRANGER: But I would believe if we
3 were sitting around having a coffee, I would - I would
4 tell you that that's likely cost-prohibitive.

5 REPRESENTATIVE SCHMITT: I just wanted
6 to make sure that that is a viable option, \$427
7 million.

8 MS. GRANGER: Again, I think it's just
9 not PennDOT saying it and Amtrak. It would also
10 require Norfolk Southern's complete buy-in.

11 But I think they all have that same
12 degree of viability. It's - it really comes down to
13 the cost-effectiveness of it.

14 REPRESENTATIVE SCHMITT: Thank you.

15 CHAIRMAN HENNESSEY: Thank you, Lou.
16 Representative O'Mara from Delaware County, down in the
17 southeastern part of the state?

18 REPRESENTATIVE O'MARA: Thank you.
19 Yeah, the electrician has the mic.

20 Thank you very much. I just have one
21 quick question. You mentioned - or you referred to the
22 study, the Act 44 studies that are done and said that
23 62 percent of the respondents are reliant on transit -
24 public transit.

25 Were all 67 counties - when you do those

1 studies, are all 67 counties included? And I know
2 they're included, but do we see respondents from all 67
3 counties is my question?

4 MS. GRANGER: So under Act 44 - so let
5 me just say the performance evaluations, performance
6 studies that I mentioned, those are a requirement of
7 Act 44. And I think that is one of the best things
8 that -. In addition to the funding, but I think it's
9 one of the best things that came out of that Act,
10 because it allowed us to really work with the transit
11 agencies to monitor and get them onboard.

12 So they are all evaluated on a normal
13 routine basis. And yes, we do get - we do get feedback
14 and comments back.

15 So I can't speak - I know - I know I
16 quoted that. I'm pretty sure all the agencies were
17 pulled into that, but I will be honest with you, I
18 can't guarantee it a hundred percent. But we do get
19 that ongoing data, so it's a little bit of a rolling
20 measure.

21 REPRESENTATIVE O'MARA: Good. Very
22 good. Thank you.

23 CHAIRMAN HENNESSEY: Thank you very
24 much.

25 Seeing no other questions, thank you,

1 Jennie - I'm sorry.

2 Did you have a question.

3 REPRESENTATIVE: I'm sorry. If you
4 don't mind.

5 CHAIRMAN HENNESSEY: Go ahead. No, go
6 ahead.

7 REPRESENTATIVE: I just wanted to -
8 first off, thank you to both of the Chairman for
9 summarizing the financial positions that we are faced
10 with here in the Commonwealth.

11 And as a newer member, and I know
12 there's newer members down on the other end, we're kind
13 of placed into the situation where we have to make the
14 tough decisions for our future and - you know, to grow
15 our local economy and provide for the services that
16 everybody here expects from us, for our people,
17 seniors, hardworking people across the Commonwealth.

18 But I had a question in terms of - this
19 study just provided the capital costs for the actual -
20 the rail. There's no maintenance cost in that study at
21 all.

22 And you know, is there - as far as I'm
23 aware, there's no mass transit system in the country
24 that is not subsidized and - it's not profitable. It's
25 not a profitable business, which is why we need

1 public/private partnership type activity.

2 MS. GRANGER: You are correct. Now,
3 there are some agencies - like I personally don't have
4 the intimate knowledge, but based upon what I do know,
5 there are some that are closer to receiving full fare
6 box turn-back, but every transit agency I've ever
7 worked with is - there's always some kind of subsidy
8 that is required.

9 REPRESENTATIVE: And the same would be
10 for the state scenario -

11 MS. GRANGER: Correct.

12 REPRESENTATIVE: - for maintenance?

13 Okay. Thank you.

14 CHAIRMAN HENNESSEY: Thank you.

15 And Jennie, that's true I think not just
16 in America. It's worldwide, I think. I've heard that
17 every passenger rail service, even Europe, where we all
18 hear about and people rave about it, all need subsidies
19 from the governments in order to operate.

20 MS. GRANGER: That is correct.

21 CHAIRMAN HENNESSEY: Thank you again for
22 your testimony. I don't mean to be - to cut you short
23 or anything, but -

24 MS. GRANGER: Not at all.

25 CHAIRMAN HENNESSEY: - we have a limited

1 amount of time to be here, so we're going to move on to
2 Rudy Husband.

3 MS. GRANGER: I'll pass the mic.

4 CHAIRMAN HENNESSEY: Okay. There you
5 go.

6 Rudy Husband is the - let me see, the
7 resident Vice President of Norfolk Southern
8 Corporation, the owners of the freight lines and some,
9 perhaps all, of the trackage that's involved in
10 crossing Pennsylvania. And really a very substantial
11 and important partner, maybe the dominant partner, in
12 terms of trying to increase any kind of passenger rail
13 service across the Commonwealth.

14 So with that as a brief introduction,
15 Rudy, I'll turn it over to you. And give us the good
16 news and the bad news.

17 All right.

18 MR. HUSBAND: Okay. Chairman Hennessey,
19 thank you very much, Chairman Carroll. Thank you,
20 members of the Committee. Thank you.

21 I just have the great fortune of
22 representing the railroad, both starting with Conrail
23 31 years ago and then Norfolk Southern beginning in
24 1998. And the great majority of my career has been
25 spent dealing with issues in Pennsylvania, specifically

1 here in Blair County, whether it's from a labor
2 relations standpoint, a communications standpoint or my
3 current role as government relations.

4 I do want to commend this committee, the
5 legislature, PennDOT, the Governor's Office, because
6 everybody in Pennsylvania gets how important freight
7 rail is to the economy. I have colleagues in other
8 parts of Norfolk Southern's 22-state system where their
9 state DOTs will not talk to them at all about
10 public/private partnerships as far as freight rail
11 goes. And they just don't see the benefits of it.

12 And I'm lucky in that I can deal with
13 folks like you. And your doors are always open and
14 you're always willing to listen, even if you don't like
15 what I have to tell you.

16 I'm going to talk about three things
17 today, an update on our operating plant, which is
18 called TOP21, which Representative Schmitt asked me to
19 touch on, HB 4 - 1424, about mandating crew size. And
20 then Norfolk Southern - briefly on Norfolk Southern's
21 approach to new or expanded passenger rail service.

22 As far as TOP21 goes, it went into
23 effect July 1st. It's driven by five key principles,
24 serve our customers, manage our assets, control costs,
25 work safely and develop our people.

1 The process began in 2017 with something
2 that we call clean sheeting. And basically when you're
3 a company that's been around for almost 200 years, you
4 start doing things by habit.

5 And the clean sheeting process - we went
6 into each of our more than 100 class - or 100 serving
7 yards, from the big classification yards like at Conway
8 or Enola or the smaller yards, like here Rose Yard in
9 Altoona, and we dissected every aspect of that
10 operation to see why things are being done the way they
11 are and what could be done to improve it. And we
12 involved our customers while we were doing all that.

13 And from that we took the clean sheeting
14 process, overlaid that with our terminal-to-terminal
15 train service, that we call road trains, and just
16 really redefined our network or what we called
17 re-imagined our network.

18 So what are the results so far? In two
19 months our implementation has been seamless. Unlike at
20 some other railroads, where they have implemented PSR,
21 precision scheduled railroading principles, we have had
22 no service disruptions. We have had no customer
23 complaints. We have not had any network congestion.

24 Our train speed is up 19 percent. Our
25 terminal dwell time is down 37 percent. And terminal

1 dwell is the time a car actually sits in the yard. Our
2 network circuitry has been reduced by 20 percent.

3 Sometimes - and I'll give you an
4 example. We would have a boxcar in Philadelphia that
5 wanted to get to Conway, which is outside of
6 Pittsburgh. Well, we would send that to Allentown
7 first. Now we're sending it straight from Philadelphia
8 to Enola to Conway. It's a more direct route.

9 With improved train speed, terminal
10 dwell, network circuitry, we have been able to eliminate
11 an average of 40 daily road trains. This has, in turn,
12 allowed us to store about 600 locomotives and 15,000
13 rail cars. And that's just because our network is
14 moving much quicker.

15 We are setting company records for train
16 performance, terminal dwell, service consistency and
17 network philosophy. So so far, two months into our
18 TOP21 process, we view it as a huge success. And we
19 are being very vigilant on sticking to a plan.

20 Let me turn to crew size. Right now
21 freight railroads and the Class I railroads operate
22 with two people in the locomotive cab. If you go back
23 to earlier part of the 20th Century, there would be up
24 to five people in the locomotive cab. Historically,
25 the reduction in crew size has been handled in the

1 collective bargaining process. And we think that's
2 where it belongs.

3 These - this - you know, it's the give
4 and take between the company and its unions on how best
5 to operate the company, while at the same time
6 protecting our employees.

7 But as recognized by the Federal
8 Railroad Administration recently, there is no data that
9 supports the premise that rail safety is linked to crew
10 size. And in fact, there's a table attached to my
11 testimony that shows that as crew size has been reduced
12 from five to three to two, train accident safety is
13 also reduced. So there's just no link to it.

14 You know, many foreign railroads in
15 Europe and Australia operate with one person in the
16 locomotive. Short lines here in the United States do.
17 Obviously, Amtrak and commuter lines have one person in
18 the cab. And it is worth noting that if House Bill
19 1424 is passed, it could impact interstate commerce,
20 which would make it unenforceable, because we're
21 regulated on a federal basis, not on a state basis.

22 You know, by taking advantage of proven
23 technology and working with the appropriate unions,
24 railroads are in the best position to determine how to
25 optimize safety and service performance.

1 And finally, and this is more of a
2 personal note, but it is mystifying to me that we are
3 having this conversation about mandating the number of
4 people in a locomotive cab, while at the same time
5 Pennsylvania is a recognized leader, nationally, in the
6 development and testing and implementation of
7 autonomous vehicle technology.

8 The two just don't match up. So I look
9 forward to continuing that conversation. I know Paul
10 and I will probably have conversations about that and
11 look forward to that.

12 Finally, and what everybody wants to
13 hear about, Norfolk Southern's position on passenger
14 rail. We are not opposed to it. It's just incredibly
15 complicated.

16 We are currently in discussions with
17 seven different state DOTs, including PennDOT, over
18 either new or expanded passenger service over Norfolk
19 Southern. But the critical component of this process
20 is an operational feasibility study performed by
21 Norfolk Southern at the sponsor's expense to identify
22 the impact and capacity improvements required to
23 accommodate the proposed passenger service. You do not
24 want to squeeze in passenger service in an unplanned
25 way, because that's just - it's going to be doomed.

1 And if passenger service is going to
2 operate on us properly, we want to make sure it's
3 implemented correctly, so it is successful. But it has
4 to be implemented in a way that doesn't impact our
5 ability to serve present or future customers.

6 It also has to be implemented in a way
7 that we're not in the way of the passenger service. So
8 there has to be transparency between the two. We have
9 to be protected from a liability standpoint. We have
10 to be compensated for the use of our assets.

11 I'll stop there because I know you have
12 a pretty full agenda, but I will say that we look
13 forward to seeing you tomorrow at the Juniata
14 locomotive shop, the largest locomotive repair facility
15 in North America. I think you'll be very impressed
16 with it. It's something that I'm very proud to show
17 off. So I'll be happy to answer any questions you
18 have.

19 CHAIRMAN HENNESSEY: Thank you very much
20 for your testimony. I do have a couple of questions.
21 With regard to crew size, reducing from five people in
22 the locomotive cab to four or three is one thing.
23 Reducing maybe from three to two is another. Going
24 from two to one, it seems to me to present some safety
25 issues that don't necessarily crop up or to the same

1 degree when you're going from five - five mean - five
2 crew members to four. You know, if I was sitting on -

3 MR. HUSBAND: I understand -.

4 CHAIRMAN HENNESSEY: If I'm sitting on -
5 hang on a second. Let me ask the question. If I'm
6 sitting on a runway, waiting for my plane to take off,
7 and they told me there was only one pilot, I'd be
8 praying like hell that he didn't have a heart attack or
9 a stroke during that flight, you know.

10 When you reduce it to one and put all
11 your eggs in that basket, what - you know, what is to -
12 how do we ensure the safety of that train as it rolls
13 along the tracks and impacts the lives of lots of other
14 people nearby the tracks, who live there, crossing the
15 tracks or whatever.

16 MR. HUSBAND: Well, I can answer that in
17 a couple of different ways. I mean, you would have
18 those same concerns when you get on Amtrak or SEPTA,
19 because they only have one person in the cab.

20 The second thing - the second thing is
21 if there's - there's technology in place so if an
22 engineer is incapacitated, if he does not hit what's
23 called an alerter, it's a beeping thing, if he does not
24 hit that or she does not hit that between 20 and 30
25 seconds, the train will automatically shut down, so -.

1 And the third thing is, and again, it's
2 recognized by the Federal Railroad Administration,
3 there isn't any data out there - there has not been any
4 studies done that supports the hypothesis that you're
5 putting forth.

6 If there is a study that indicates that,
7 you know, a train becomes unsafe with one person versus
8 two, we'd obviously take a look at it because we want
9 to be safe.

10 CHAIRMAN HENNESSEY: Well, I understand
11 there are studies that say going from five to three it
12 does not impact safety, going from three to two doesn't
13 impact.

14 Two to one, I don't know, has anybody
15 done that.

16 MR. HUSBAND: I'm not sure. But I can
17 tell you in the 31 years that I've been working with
18 the railroad, I've seen plenty of human factor
19 incidents that were involved with two people in the
20 cab.

21 CHAIRMAN HENNESSEY: Anybody else have -
22 Eddie?

23 I'm sorry, Representative Neilson.

24 REPRESENTATIVE NEILSON: Thank you,
25 Chairman. Thank you for your testimony. The - I've

1 come from a labor union and I've never saw where
2 management made great decisions for the workforce when
3 it came compared to the stockholders.

4 Okay. So for you to make a statement
5 like that, I don't - that management has a better
6 decision on that, a better handle on worker safety -.
7 I know we all try and do our best to keep our workers
8 safe, but I have to agree with the Chairman.

9 I mean, I come from that little city
10 called Philadelphia, and we've had major stuff happen
11 there in recent years. And just to put one person in
12 there, I don't want to trust my neighbors' lives or
13 those first responders who have to respond to those
14 accidents that happen.

15 I have - every day stray cars go off the
16 roads in my district. If you only have one guy to
17 throw a flare and - you know, look, it happens. We
18 know there's accidents that happen, but we can prevent
19 them. And that's our job, to make sure that management
20 does - we hold them accountable.

21 We have to make certain that one
22 person's not driving. We have to make certain that our
23 people are safe.

24 And are we comfortable that there's only
25 one person on a SEPTA train? Well, yeah, there's one.

1 There's not just one person on every SEPTA train that
2 goes through Philadelphia. There's multiple SEPTA
3 employees.

4 Just because they're not in the front
5 car, because they don't handle more than two people in
6 that driver's seat, there are three or four along the
7 way. And that's not negotiated by management either.
8 It's not part of a union, a Collective Bargaining
9 Agreement. And for you to say that, I mean, this is a
10 safety issue.

11 You talk about your studies you have. I
12 was wondering if you'd be interested in helping us,
13 because we saw the struggles we have with
14 transportation funding. Would you be able to fund the
15 study for us, to show us that it's safe to do that? I
16 mean, -.

17 MR. HUSBAND: That's already been done
18 by the Federal Railroad Administration.

19 REPRESENTATIVE NEILSON: Oh, you said it
20 wasn't - you didn't know about it.

21 MR. HUSBAND: Are you talking about a
22 study to one?

23 REPRESENTATIVE NEILSON: Yeah, to go to
24 one person, because that's your goal, right, to go down
25 to one? And that's something that we're trying to

1 prevent here in Harrisburg with that legislation. I
2 mean, is that something that -?

3 MR. HUSBAND: Norfolk Southern wouldn't.
4 That would be handled through the Association of
5 American Railroads.

6 REPRESENTATIVE NEILSON: Maybe -.

7 MR. HUSBAND: This is a national issue.
8 It's not a Norfolk Southern issue.

9 REPRESENTATIVE NEILSON: So maybe we can
10 talk to them and let the Chairman know, communicate
11 with him, because we - you know, we don't want to use
12 your tax dollars to pay for it. We'd like to have a
13 national study or something done that we can go on,
14 instead of a one-page chart in the back here.

15 But I'm sure that chart, Exhibit A - and
16 there's probably, you know, 60, 70 pages in that whole
17 report. Just to take one page is taking it out of
18 context, I believe, because there's more to this
19 report, too.

20 And if you have a copy of this report
21 that you can forward to the Chairman that gives us that
22 information, I appreciate that, so we can see the full
23 picture of that instead of just the one picture.

24 MR. HUSBAND: Okay.

25 REPRESENTATIVE NEILSON: Thank you,

1 Chairman.

2 CHAIRMAN HENNESSEY: Thank you, Eddie.

3 Rudy, if you would just check within the
4 industry, and if there is a study that's already been
5 done, please get it to us, so we can take a look at
6 that. We don't need to reinvent the wheel here.

7 MR. HUSBAND: Well, I'll send you along
8 with the - I'll send it to Josiah, what the Federal
9 Railroad Administration came back when they canceled
10 the Notice of Proposed Rulemaking on the issue.

11 CHAIRMAN HENNESSEY: Okay.

12 I think, Representative White, you had a
13 question?

14 REPRESENTATIVE WHITE: I think
15 Representative Neilson, you know, handled probably a
16 significant portion of what I would have said.

17 But I would just say, in terms of, you
18 know, Pennsylvania being a leader in a number of areas,
19 including an autonomous vehicle arena, I can definitely
20 appreciate that. And I would just say it's a little
21 disingenuous in the fact that, you know, you guys are
22 transporting far, far greater and much, much heavier
23 goods across our Commonwealth, including, you know,
24 double-stacked trains coming through people's
25 neighborhoods, right behind, in their back yards. And

1 I think we, as legislators, do have an obligation to
2 explore these types of Bills, to make sure that the
3 people are safe.

4 And if we feel that there should be, you
5 know, two people crewing the trains, then - that are,
6 you know, such that your organization runs through our
7 Commonwealth, then I think we have an obligation to do
8 just that. And that's why I did propose the Bill, so
9 we can have these conversations and especially when
10 some of these trains are miles and miles long coming
11 across our Commonwealth.

12 And so I mean, those are really just
13 comments, but - I don't know that I have any particular
14 questions. I know we've had some dialogue in the past
15 on this issue.

16 So I appreciate your efforts and the
17 work that you do as an organization here in
18 Pennsylvania. So thank you.

19 CHAIRMAN HENNESSEY: Representative Lou
20 Schmitt?

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

23 CHAIRMAN HENNESSEY: Sure.

24 REPRESENTATIVE SCHMITT: Thank you, Mr.
25 Husband, for being here today.

1 I have a couple questions. Number one,
2 if you could - I'm sure that probably most people in
3 this room understand what precision scheduled
4 railroading is, but if you could maybe in one sentence
5 just explain to us all what precision scheduled
6 railroading is?

7 MR. HUSBAND: Well, there's no one set
8 definition for PSR. PSR is - there are some
9 principles. I mean, customer service has to be number
10 one. We don't exist if we're not serving our customers
11 well.

12 So - but we also do have a
13 responsibility to our shareholders, because they own
14 the company. So we have to look at how we can provide
15 service that's more efficient. And that's what we're
16 doing.

17 And that - like I said, the clean
18 sheeting stuff - and I sat through a couple of
19 different sessions at different facilities. And it
20 really was taking a really cold analytic look at every
21 single train, whether it was a road train or a local
22 serving - customer service train, looking at the time
23 it went, the number of locomotives that were on it,
24 whether shifting the times around, the schedule around,
25 how we could get better utilization of the locomotives.

1 Because we may have one crew that goes
2 on duty and works for 12 hours. They come back to the
3 yard and then those engines sit for 12 hours, not being
4 used. So if we could rearrange the schedule so that a
5 train comes into the yard, they're at the end of their
6 12-hour shift, the engines are put on another train, so
7 we're getting better utilization out of our equipment.
8 And that's really - those are some of the fundamentals
9 of it.

10 REPRESENTATIVE SCHMITT: I understand
11 that precision scheduled railroading has been
12 implemented for a number of years. And there are
13 different versions of it, obviously, TOP21 being
14 Norfolk Southern.

15 I understand that in Canada it has been
16 - that's been a model that's been followed for quite a
17 while.

18 Are you aware of that?

19 MR. HUSBAND: Oh, yes.

20 REPRESENTATIVE SCHMITT: And let me ask
21 you this question. You may be able to speak to this or
22 not. Do you know, has there been any impact on rail -
23 on freight rail safety as a result of implementation of
24 PSR in Canada?

25 MR. HUSBAND: Not that I'm aware of.

1 That - one of the things about PSR is it has to be very
2 network-specific.

3 And the Canadian railroads, they operate
4 - they're east/west railroads. They have long
5 distances between terminals. So you can't apply that -
6 a Canadian model to a U.S. railroad.

7 CSX tried and the person that
8 implemented PSR on the Canadian railroads became the
9 CEO of CSX and implemented PSR on CSX. And it did not
10 go very well initially.

11 It really - and so we went into it
12 learning some lessons from what CSX did and trying to
13 be a little bit I guess more cautious on how we did it
14 so that we would not experience the disruptions that we
15 did.

16 But in terms of the safety standpoint,
17 we're heavily regulated, and so we cannot cut corners
18 on safety.

19 REPRESENTATIVE SCHMITT: One last issue.
20 You spoke to the Juniata shops that we're going to be
21 touring tomorrow. And you said how proud Norfolk
22 Southern is of those shops.

23 And let me just say that in 1907 my
24 grandfather, Johan Schmitt, left Germany with \$25 in
25 his pocket to come to America to work in those shops.

1 My father worked in those shops from
2 1940 until 1982, when he retired, except for a few
3 years when he had to go storm Omaha Beach on D Day to
4 take care of some problems over there.

5 I was born and raised in this city. I
6 grew up nine blocks from here. I went to junior high
7 four blocks from here. I went to high school three
8 blocks from here. My church, St. Mary's, is four
9 blocks from here.

10 These tracks that run through the middle
11 of Altoona have been our economic lifeblood for
12 one-and-three-quarter centuries. And when you say that
13 Norfolk Southern has sidelined 600 locomotives, 2,000
14 rail cars, I can't help but wonder if that's not going
15 to have a negative effect going forward on employment
16 of these wonderful shops we have in Juniata.

17 MR. HUSBAND: Well, the workforce,
18 whether it's at Juniata or anywhere else, is going to
19 be sized to the business that we're running. And so if
20 we can, you know, maintain customer service, not
21 compromise safety and do that with fewer locomotives,
22 then, you know, the trickle-down effect is that we're
23 going to need fewer people to maintain those
24 locomotives.

25 At the turn of the 1920s, the Juniata

1 locomotive shop employed more than 17,000 people.
2 We're down to about 750. But we're cycling our engines
3 very well. The productivity rate on them are very
4 good.

5 The quality of the workmanship there is
6 unquestionable. But again, a railroad or any business
7 is going to size its workforce based on the work that's
8 in front of them.

9 REPRESENTATIVE SCHMITT: Thank you.

10 Rudy, I have just one question, but one
11 comment before that. You've made the comparison of two
12 autonomous cars and vehicles, but the distinction I
13 would make is that we're not driving them. The
14 legislature or the Government of Pennsylvania is
15 driving that. That's technology and science-driven.

16 The ability to have driverless cars,
17 autonomous vehicles or whatever you want to
18 characterize them is not something that we're trying to
19 drive. You know, it's a comparison that has to be
20 made, I agree with you, but you know, the bottom line
21 is so people understand, Pennsylvania is not in the
22 business of trying to create autonomous vehicles. We
23 are trying to monitor it, because we see the effects
24 that they might have and we have concerns about that.

25 The other thing I - a real short answer,

1 if you could. I've read that nationwide railroads,
2 freight railroads, are trying to have even longer
3 trains, more payload, if you will, per trip. Also try
4 to counterbalance that with what I understand to be
5 Congress's direction from decades ago that passenger
6 rails should have priority on the rail lines.

7 Now, the longer those trains get, the
8 less - the fewer sidings are going to be available for
9 the freight train to pull off the rail and let a
10 passenger train go by. I mean, that's just as a matter
11 of practicality. It just seems to me that that's got
12 to be the way of things.

13 And passenger rails are probably going
14 to have to take a second priority to freight rail, just
15 because a passenger rail can fit on the siding, where a
16 longer and longer and longer freight train won't be
17 able to do that.

18 MR. HUSBAND: Well, we are running
19 longer trains and distributive power, which puts a set
20 of locomotives in the middle of a train. We are
21 extending sidings at certain location - a strategic
22 location, but we are extending sidings.

23 And I understand the federal rule that
24 passenger trains have priority over freight trains.
25 And we get that and we try to comply with that as best

1 we can. Unfortunately, when that law was passed in
2 1971, I'm not sure that anybody really contemplated the
3 volume of freight business that was going to be out
4 there in 2019 or 2020.

5 So we are - it's a real balancing act,
6 and we are trying to do it - the Surface Transportation
7 Board is closely monitoring that. Amtrak issues a
8 quarterly report card. And unfortunately, Norfolk
9 Southern ends up kind of at the bottom of that report
10 card.

11 We are trying very hard to accommodate
12 the passenger needs with the service that's on us now
13 but that also, you know, leads into a reluctance to add
14 passenger service to us, because of the obligations to
15 run those trains on time.

16 CHAIRMAN HENNESSEY: Okay.

17 I understand the problem. I just
18 haven't found the solution yet.

19 MR. HUSBAND: Well, when you do, please
20 give a call.

21 CHAIRMAN HENNESSEY: Thank you very much
22 for your testimony.

23 We're also pleased to have short - some
24 representatives from short line railroads here to
25 testify to us today. Todd Hunter is the Chief

1 Marketing Officer for North Shore Railroad Company and
2 its affiliates. And Kim Smith, she's the Director of
3 Government and Industry Affairs for the Genesee &
4 Wyoming Railroad Services, Inc.

5 So Todd, if you have the mic in hand,
6 you go ahead. You can start whenever you're ready.

7 MR. HUNTER: Very good. Good afternoon.
8 My name is Todd Hunter. I'm Chief Marketing Officer of
9 the North Shore Railroad, based in Northumberland,
10 Pennsylvania. And I'd like to thank Chairman Hennessey
11 and Carroll for having this hearing, as well as
12 Representative Lou Schmitt for hosting us here in my
13 hometown, where I was born, in Altoona.

14 I would also like to thank the members
15 for joining us or this informative meeting. The
16 history of Altoona as a railroad town makes this a
17 perfect location and I am honored to be here.

18 I'm going to start by speaking on behalf
19 of the Keystone State Railroad Association and then
20 I'll close by being a little more specific about my own
21 company, North Shore Railroad. So on behalf of the
22 Keystone Railroad Association, thank you for the
23 opportunity.

24 Keystone State Railroad Association, or
25 KSRA, serves freight rails interest before the federal,

1 state and local government, business leaders and the
2 public. KSRA seeks to capitalize the Keystone State's
3 rich railroad history and highlight the profound
4 economic and social transformation that trains have
5 made and continue to make in this Commonwealth.

6 KSRA members include all major freight
7 carriers and short lines, nonoperating railroad owners
8 and associate members who operate or do business in the
9 Commonwealth. We hold three meetings per year in
10 Harrisburg and we have an annual freight rail
11 conference. And we hold those at different locations
12 throughout the Commonwealth.

13 Basically in the railroad business there
14 are three categories of railroads, Class I and Class II
15 and Class III. Norfolk Southern, of course, being a
16 Class I, we would fall in the Class III bucket.

17 The need for an efficient transportation
18 system is vital as the economy grows, expands and
19 changes both nationally and statewide. Pennsylvania's
20 freight rail is as integral to today's modern
21 transportation infrastructure as it was over a century
22 ago.

23 KSRA's mission is to assist
24 Pennsylvania's elected and appointed leaders, business
25 executives, rail industry officials and citizens in

1 recognizing and promoting railroads and the key role
2 railroads have in today's global economy. Efficient
3 and cost-effective railroads connect Pennsylvania to
4 the world.

5 Our member railroads collectively employ
6 more than 13,000 Pennsylvanians, while operating 5,600
7 miles of track. Pennsylvania has the largest number of
8 freight railroads in the nation. And operational
9 freight railroad jobs are among the best
10 family-sustaining jobs available today. In 2009, the
11 average total compensation for a railroad employee is
12 around \$90,300.

13 And I know you've heard this before,
14 railroads move one ton of freight an average of 479
15 miles on a gallon of fuel. It reduces emissions,
16 protects our environment. We're four times more
17 fuel-efficient than trucks. And obviously one train
18 can carry as much as several hundred trucks.

19 Unlike barges, trucks and airlines,
20 America's privately-owned freight railroads operate
21 almost exclusively on infrastructure that they own,
22 build, maintain and pay for themselves. They must be
23 able to earn enough capital to pay for the upkeep and
24 expansion of their networks.

25 And safety is KSRA and its members'

1 number one priority. That was touched on by Norfolk
2 Southern. KSRA investment in infrastructure and
3 equipment helps keep the Commonwealth's rail
4 infrastructure operating efficiently and safely. Our
5 members continue working with both PennDOT and
6 regulators to develop procedures for the safe transport
7 of certain types of freight, including all hazardous
8 materials.

9 These policies are set in place not only
10 to protect the public but also our own employees.
11 Railroad members have instituted emergency call
12 procedures to ensure prompt response to accidents.

13 Rail freight funding, which is done
14 through Act 89, has been set at a minimum of \$10
15 million per year and has been a great help to many
16 railroad projects across the Commonwealth.

17 And KSR has also identified several
18 issues of concern over the last few years. My
19 colleague to my left here, Kim Smith, she'll speak to
20 you regarding truck size and weights.

21 Two-person crews is one we just touched
22 on. I don't think we need to go further into that.

23 So with that, speaking about my company,
24 North Shore Railroad, we're the collective name - North
25 Shore Railroad is a collective name of a private

1 holding company that operates six separate short line
2 railroads in Northcentral Pennsylvania. We employ 80
3 local people who serve 100 customers. We handle as
4 many as 30,000 annual carloads on our ten-county
5 system.

6 At a rough multiplier of four trucks per
7 railcar, you can easily do the math to see the impact
8 our system has on the region.

9 A key point about our - a key point
10 about our customers, almost all of our customers pay
11 family-sustaining wages. If you look at the economic
12 multiplier of the number of our customers that we serve
13 and their employment numbers, the local impact is
14 dramatic.

15 I often say that we are joined at the
16 hip in this regard. If they are healthy, then we are
17 healthy and vice versa. This is why the Commonwealth's
18 support of the rail system is so critically important.
19 We're talking about jobs, the economy and the quality
20 of life that's all supported by what we do.

21 In 2018 North Shore Railroad applied for
22 and was granted funds in 2019 for three projects on our
23 system in Union, Lycoming and Clinton Counties. All
24 three of these projects will improve safety and
25 increase capacity on our network. The RTAP and RFAP

1 programs are fantastic programs that have great impact.
2 We'd like to thank the Commonwealth for that.

3 As far as improvements, sometimes
4 government does not move at the speed of business.
5 Specifically, the RTAP and RFAP grants are a
6 once-a-year event. That's a long lead time,
7 particularly with the winter and construction season we
8 have here in Pennsylvania.

9 There was a time when PennDOT did issue
10 these grants twice a year, and that was very helpful
11 for those projects.

12 And with that I'd like to thank you for
13 allowing me to speak today.

14 CHAIRMAN HENNESSEY: Well, thank you for
15 your testimony. We appreciate it.

16 Kim, why don't we go right to you and
17 then we'll ask questions of the two of you?

18 MS. SMITH: Okay.

19 Great. Thank you very much.

20 CHAIRMAN HENNESSEY: Thank you.

21 MS. SMITH: Chairman Hennessey, Chairman
22 Carroll and the members of the Pennsylvania House
23 Transportation Committee, my name is Kim Smith and I'm
24 the Director of Government Affairs at Genesee and
25 Wyoming Railroad Services, Incorporated.

1 I'm here today representing York Railway
2 Company, some of which you've already been out and seen
3 our property. It's a 42-mile railroad, headquartered
4 in York, Pennsylvania. It runs from East York through
5 the center city of York and through Spring Grove and
6 ends in Hanover, Pennsylvania.

7 It's classified by the Surface
8 Transportation Board as a Class III short line freight
9 railroad, one of approximately 600 of the smallest
10 freight railroads across the United States.

11 According to the American Association of
12 Short Line and Regional Railroads, there are 51 small
13 railroads in our Commonwealth, more than any other
14 state. York Railway, like other short lines in
15 Pennsylvania, provides a critical first mile, last mile
16 freight service, connecting its communities and
17 customers in South Central Pennsylvania to the national
18 rail network. The railroad transports clay, cement,
19 chemicals, coal, food and sea products and forest
20 products.

21 My testimony today is to brief you on
22 the detrimental impact of bigger, longer trucks to
23 Pennsylvania's short line freight railroads like York
24 Railway. There are many reasons why all Pennsylvanians
25 should oppose bigger trucks and vary widely from

1 highway safety, public infrastructure and mobile
2 diversions. However, over the years the state
3 legislature has incrementally expanded the hazards and
4 damage bigger trucks create in our state. These truck
5 weight increases date back 25 years and are very
6 troubling.

7 I'm going to go over some of them, some
8 of the exemptions that have occurred in these 25 years.
9 In 1994, 90,000 pounds for containerized cargo. In
10 1998, 107,000 pounds for bulk refined oil and for
11 fiberboard. Also in 1998 95,000 pounds for waste, coal
12 and livestock.

13 In 1999, 100,000 pounds for flat glass,
14 96,900 pounds for water, 95,000 pounds for pulp wood
15 and wood chips.

16 In 2001, 100,000 pounds for steel coils
17 or slabs, 95,000 pounds for raw coal, 116,000 pounds
18 for building structural components. 2005, 107,000
19 pounds for refrigerated meat products. 2006, 95,000
20 pounds for animal feed and unprocessed grain.

21 2010, 105,000 for nonhazardous liquid
22 glue, 95,000 pounds for waste tires. 2010, '13 and
23 again this year, 150,000 pounds for hot ingots and hot
24 boxes. 2012, 95,000 pounds for eggs. 2013, 95,000
25 pounds for raw milk, 102,000 pounds for cryogenic

1 liquid. 2016, 96,000 pounds for sugar.

2 As I mentioned already, there are many
3 Pennsylvanians that strongly oppose longer trucks on
4 Commonwealth roadways. One reason all of you should
5 oppose bigger trucks is the condition of Pennsylvania's
6 roadway bridges.

7 According to the American Society of
8 Civil Engineers, Pennsylvania is ranked - their bridges
9 are ranked a D+. According to their executive summary,
10 quote, highway bridges in Pennsylvania, the ninth
11 largest inventory in the nation, 18.3 percent, or 4,173
12 bridges, are classified as being in poor condition.
13 That's down from 24.4 percent in 2014, end quote.

14 Confirming this perspective, earlier
15 this year the American Road and Transportation Builders
16 Association found Pennsylvania still has the second
17 highest number of structurally-deficient bridges in the
18 United States.

19 To be clear, bigger trucks will not mean
20 fewer trucks. This goes directly to the concerns of
21 the short lines, with any increases in truck size or
22 weight limits. Bigger trucks always have meant more
23 trucks on our public infrastructure.

24 And let me explain why. Increasing
25 truck weight limits or reducing the permitting cost to

1 move them makes movement of freight in these trucks
2 less expensive. While you may think this is a good
3 thing, the reduced cost comes with increased public
4 subsidies for these trucks.

5 While the subsidy may not be readily
6 apparent, it is very real. This was confirmed in a
7 government accountability office study. Quote,
8 according to DOT's most recent calculations, the
9 revenues generated from federal fuel taxes levied on
10 smaller trucks that weigh less than 25,000 pounds
11 covers 150 percent of the cost impact. But larger
12 trucks weighing over 100,000 pounds, many of which have
13 been granted exemptions in the Commonwealth of
14 Pennsylvania, pay only 40 percent of their costs, end
15 quote. This is very serious and a real concern of
16 smaller railroads in Pennsylvania.

17 In the 2007 short line diversion study
18 prepared by Carl Martland, a research affiliate with
19 the Department of Civil and Environmental Engineering
20 at MIT, bigger trucks would be devastating to smaller
21 railroads.

22 Mr. Martland's study concluded an
23 increase of truck weight from the current 80,000-pound
24 limit to 97,000 pounds could reduce short line
25 merchandise traffic by 44 percent and overall short

1 line traffic by 17 percent, allowing long and several
2 trailer trucks, or longer combination vehicles as
3 they're called, with weights up to 148,000 pounds could
4 eliminate 71 percent of merchandise traffic and
5 reducing overall short line traffic by 28 percent.

6 We have definitely seen this in
7 practices, too. There are well-documented cases of
8 almost immediate diversion of freight from short line
9 railroads to trucks following states allowing for
10 heavier trucks.

11 Heavier, longer trucks in Pennsylvania
12 have the ability to devastate Pennsylvania short line
13 freight railroads like York Railway. Heavier, longer
14 trucks will result in more damage to highways and
15 bridges, more cost to taxpayers, more trucks on the
16 roadways, more traffic congestion and more greenhouse
17 emissions and less freight rail traffic.

18 They are simply and always very bad
19 public policy. It's not too late to stop these truck
20 size and weight increases.

21 And with that I thank you for a few
22 minutes of your time.

23 CHAIRMAN HENNESSEY: Thank you, Todd.
24 Thank you, Kim, for your testimony.

25 Todd, I do have a real quick initial

1 question. You said there were three classes. Class I
2 is Norfolk Southern, Class III are the short lines like
3 you represent and your association.

4 What's Class II.

5 MR. HUNTER: Well, Class II - a good
6 example of Class II in Pennsylvania would be the
7 Wheeling & Lake Erie Railway. The AR defines the
8 classes by the revenue they generate. So Wheeling &
9 Lake Erie would be a Class II.

10 CHAIRMAN HENNESSEY: Okay.

11 The equipment's the same, visually it's
12 the same. It's just the amount of money it generates.

13 MR. HUNTER: Typically amount of money
14 and the size of the railroad.

15 CHAIRMAN HENNESSEY: And Kim, with
16 regard to your presentation of the exemptions that have
17 been given by the legislature, you know, I think that's
18 measured against a standard of 80,000 pounds.

19 MS. SMITH: Right. The federal standard
20 is 80,000 pounds, and that's what it's measured
21 against. And I call it commodity creep. Different
22 commodities ask for different weights, essentially.
23 And that's what's happening.

24 The unfortunate thing is taking it one
25 piece at a time is one thing. But when you look at the

1 overall big picture, it's another thing in how it's
2 devastating the short lines and the roads and the
3 bridges within the Commonwealth.

4 CHAIRMAN HENNESSEY: And these requests
5 come at us in the form of a single Bill, you know,
6 targeting a particular industry -

7 MS. SMITH: Right.

8 CHAIRMAN HENNESSEY: - or a commodity.

9 MS. SMITH: And just to piggyback on
10 what Todd said about Class IIs, we, Genesee & Wyoming,
11 also owns Class II railroad in Pennsylvania, the
12 Buffalo & Pittsburgh Railroad. It's based on revenue.

13 Like Class IIIs are like - and I don't
14 have the exact dollar amounts, but it's like \$37
15 million and below in revenue.

16 Class Is, like Norfolk Southern, are
17 like \$427 million and above in revenues. And Class IIs
18 fall between that. So between the \$37 million and like
19 the \$427 million in revenue.

20 MR. HUNTER: That is included in my
21 testimony. I just did not state it.

22 CHAIRMAN HENNESSEY: Okay.

23 Thank you. Thank you both.

24 Representative Neilson?

25 REPRESENTATIVE NEILSON: Thank you,

1 Chairman.

2 Thank you for your testimony. And I
3 have to say, on our tour in York, it was something to
4 see. We learned a whole lot there. And it may have
5 changed our votes when these other Bills came up
6 earlier this year.

7 When you unload from your - at your
8 station, at that station, what standard do you go by on
9 the waste? Do you do the 80,000 that we just talked
10 about or do you do whatever we allow here in the
11 Commonwealth? Like say eggs, you'll put 95,000 pounds
12 of eggs on a truck.

13 Right?

14 Am I getting that right?

15 Because you still - you can - you load
16 trucks out of your trains? They come into your short
17 line, we unload them and we load it, we have 95,000
18 eggs. You're in that same bucket.

19 MS. SMITH: It's all dependent on the
20 commodity. When you were at our railroad, York Railway
21 Company, that's also York Rail Logistics. So that's a
22 transfer facility. The goods come in by rail and
23 they're put on the trucks, as you had seen.

24 REPRESENTATIVE NEILSON: Yeah. We
25 almost got run over a bunch of times. And of course,

1 once they found out we were elected officials, they
2 tried to steer a little bit -.

3 REPRESENTATIVE WHITE: No, Ed, that was
4 just you.

5 REPRESENTATIVE NEILSON: However, I did
6 survive.

7 MS. SMITH: To answer your question,
8 that facility really doesn't handle these commodities
9 that are listed here at that York Rail Logistics. We
10 don't handle eggs there.

11 We handle vegetable oil. We handle
12 aggregates. We did take you to the ES3 warehouse,
13 where there's food commodities. Now, there the
14 railcars are loaded, unloaded, in that facility and go
15 out on ES3 trucks.

16 I cannot answer as far as the pounds are
17 concerned on those trucks that leave that ES3 facility.
18 But for York Rail Logistics, these commodities that are
19 listed here with the higher weight limit, we do not
20 handle at York Rail Logistics.

21 REPRESENTATIVE NEILSON: Because I'm
22 just - personally when I see like the milk and stuff
23 like that, I know that will have to get close - and
24 that's what makes me vote in favor of things like that,
25 not even thinking in these terms.

1 So thank you for educating us a little
2 more.

3 MS. SMITH: You're welcome. Thank you.

4 REPRESENTATIVE NEILSON: Thank you,
5 Chairman.

6 CHAIRMAN HENNESSEY: Thank you, Eddie.
7 And thanks for not diming me out. I'll tell you, I
8 came from Harrisburg that day. Even with a cell phone
9 and a GPS, I managed to be ten minutes late for the
10 meeting.

11 In my defense, there was a lot of
12 construction going on, but everybody else seemed to
13 find the meeting and I was the one that was late. But
14 thanks for not mentioning that. And I'll put myself in
15 front of the firing squad for that.

16 REPRESENTATIVE NEILSON: I'll leave that
17 to Martina to put us under the railcar or the truck
18 tire.

19 CHAIRMAN HENNESSEY: She's got a much
20 kinder heart than that.

21 Okay.

22 Anybody else have any questions?
23 Martina? Representative White?

24 REPRESENTATIVE WHITE: Thank you,
25 Chairman.

1 So my question is, I know you were
2 discussing the concern that, you know, with increased
3 size and weight amounts just for tractor-trailers on
4 our roadways, it could potentially decrease your
5 business by 44 percent.

6 So our - I mean, the reality is, is that
7 no matter what good we all, as end consumers, receive
8 at a food store or whatever, it winds up on a
9 tractor-trailer somewhere to get to its end
10 destination. And what the nation nationally - we're
11 facing a driver shortage, you know, truck shortage. I
12 mean, you name it, it's a high demand type business and
13 that's why the rates are, you know, skyrocketing for
14 transporting goods by - by tractor-trailers and trucks.

15 So how would you like us to balance that
16 demand for goods and inflation costs for end consumers
17 with also making sure that you guys maintain your
18 position in the system of transportation of those
19 goods? Do you know what I mean?

20 So like how do we balance that in terms
21 of costs? Because otherwise, it's going to be the end
22 consumers. I mean, either way, right, the taxpayers
23 are either paying on the goods that they received
24 because of the transportation and inflation costs by
25 trucks or they're going to be paying to help to

1 subsidize maybe - maybe your organization, if that's
2 not accounted for.

3 MS. SMITH: I think what needs to be
4 taken into consideration here is the cost of the
5 infrastructure to the Commonwealth of Pennsylvania.

6 As you all have mentioned, Act 89 is
7 going to go from \$450 million down to \$50 million in
8 three years, 2022. So the damage that these trucks are
9 doing, the Commonwealth can't keep up with the damage
10 that's being done at this point in time. So I really
11 believe the roadway infrastructure and that cost has to
12 be factored into it as well.

13 Some of the states have triple-trailer
14 trucks. In York, where I live, the ramps can barely
15 handle five cars trying to get on and off Interstate
16 83. So all of the infrastructure has to be reviewed
17 kind of like this passenger situation with Norfolk
18 Southern and a third siding, if you will.

19 If the weights continue to go up and if
20 longer trucks are allowed in Pennsylvania, the exit
21 ramps aren't going to work anymore for those types of
22 trucks and things of that nature.

23 REPRESENTATIVE WHITE: So what you're
24 describing is transportation costs, right, so
25 infrastructure investment, high taxpayer dollars,

1 because of the, you know, I guess the damage that's
2 being done, if you will, or the usage by
3 tractor-trailers on our roadways.

4 But when those costs go up for the
5 tractor-trailer companies or for the - you know, those
6 types of entities hauling the freight on our roadways,
7 that cost ultimately goes back to those people who are
8 consuming the goods, which is also taxpayers.

9 So like that's where, you know, I think
10 we find it challenging to figure out what is that
11 delicate balance, to make sure people can still afford
12 to go to the grocery store and buy their milk and their
13 eggs and things. Versus, you know, spreading that cost
14 across the Commonwealth, so that we can invest
15 infrastructure and ensure that, you know, the short
16 line railroads can still maintain their position in
17 that.

18 MR. HUNTER: I have a little different
19 spin on that.

20 REPRESENTATIVE WHITE: Okay. Great.

21 MR. HUNTER: One of the concerns I have
22 is - since we operate a lot of rural branch lines, is
23 if truck size and weights - let's use a hypothetical.
24 A branch line moves a tremendous amount of railcars of
25 aggregate, but there is also a manufacturer who is a

1 small receiver but a large employer.

2 If the - if the rail is no longer
3 competitive for the aggregate, all of a sudden, we lose
4 that base of traffic and that small receiver doesn't
5 generate enough revenue to maintain the branch.

6 So it becomes a vicious cycle. So then
7 the branch comes up for abandonment. And I think many
8 would agree here that Pennsylvania probably has
9 abandoned too much track over the past couple years.

10 And so it becomes a vicious cycle. That
11 branch goes into jeopardy, because of heavier truck
12 capacities. It could jeopardize other employers, maybe
13 not directly related to that, and also jeopardize the
14 branch line.

15 And I will say our biggest partners in
16 many cases are truckers on our railroad. You know,
17 they're - obviously, the tracks don't go everywhere
18 anymore, so you know, I always say we have to think
19 beyond the tracks.

20 And the only way to think beyond the
21 tracks is with trucks. So this is a tough situation
22 for us, but that's a concern I have as a short line
23 marketing manager, that you can jeopardize
24 infrastructure. Rail infrastructure that is.

25 REPRESENTATIVE WHITE: Thank you.

1 CHAIRMAN HENNESSEY: Thank you, Todd.
2 Thank you, Kim, for your testimony. We're pretty well
3 on schedule. We've got to be out of here in 45, 50
4 minutes or so.

5 So we'll move right on to Paul Pokrowka,
6 who's the Pennsylvania Legislative Director and
7 Chairman - he's Director and Chairman of the
8 International Association of Sheet Metal Air, Rail and
9 Transportation Union Workers. So Paul, you have the
10 microphone, I think, in hand. Start whenever you want.

11 MR. POKROWKA: Good afternoon, Chairman
12 Hennessey, Chairman Carroll, and members of the
13 Transportation Committee. Thank you for the
14 opportunity to testify here before you.

15 As you said, I'm Paul Pokrowka. I'm the
16 Legislative Director for Sheet Metal Air, Rail and
17 Transportation Workers. We're the largest operating
18 union in North America. Our membership includes
19 conductors, engineers and yard masters.

20 I'm here today to provide you with an
21 overview of the issues facing your constituents and
22 talk about policies that can ensure the safety of our
23 workers and communities in which they live, while
24 protecting the viability of the railroad system.

25 Since we are short on time today, my

1 testimony is short. I would more so encourage
2 questions, given the fact that I am a
3 federally-licensed conductor and engineer with 20
4 years' experience. So I want to make that a strong
5 point and come back to that in questioning.

6 My goal today is to offer a unique
7 perspective, that of the people who work on the rail
8 industry every day. Rail workers are especially
9 worried about several innovations that jeopardize their
10 safety, especially precision scheduled railroading.

11 PSR is a relatively new concept that is
12 being embraced by railroad companies with the goal of
13 using departure schedule and point-to-point delivery
14 methods to achieve low operating ratios and consolidate
15 railroad networks to maximize profits. The practical
16 effect of PSR is that locomotives and cars have been
17 idled, yards have been closed and workers have been
18 laid off. These effects combine to create potential
19 for a much less safe workplace for the remaining
20 employees in the name of short-term profits.

21 Please do not misconstrue our opposition
22 to PSR as the belief that railroads should not be
23 allowed to make profits, but the fact is Class I
24 railroads have been enjoying multibillion profits for
25 years. Revenues for the seven Class I carriers totaled

1 nearly \$90 million last year alone, yet workers are
2 being laid off, locomotives mothballed and the
3 infrastructure is crumbling.

4 We need to look no further than just
5 outside this building to see the practical effects of
6 PSR. Earlier this year Norfolk Southern laid off 50
7 employees in Altoona in the name of PSR. And just last
8 month there were two derailments at the famous
9 Horseshoe Curve.

10 As railroads reduce the number of
11 employees, they are also reducing inspections and other
12 safety measures.

13 I am going to cut short now. If anybody
14 - you know, we have my testimony.

15 A few things I want to touch on is the
16 crew size, if I may, Chairman.

17 CHAIRMAN HENNESSEY: Sure. Go ahead.

18 MR. POKROWKA: Going off topic a little
19 bit.

20 Some points that have been made about
21 longer trains, it's a fact that is happening. And I -
22 human error had been brought up. That is just one
23 small piece of safety. I want to go and talk about
24 public safety.

25 If you have a two-mile-long train, if

1 that train is blocking a road crossing and an emergency
2 vehicle needs to get to the other side to a burning
3 home, a car accident, a hospital, et cetera, if there's
4 not a second person to get down and open that crossing
5 up, you could be talking lives.

6 This could take hours to get somebody
7 there. The question that needs to be asked is if
8 there's only one person on that train, who does that?
9 That second person acts as your emergency responder, to
10 let those vehicles to the other side of the road.

11 The FRA, the Federal Railroad
12 Administration, they did not do a study, per se, to say
13 that one person is just as safe as two, et cetera.
14 There is no data. They do not - they cannot provide
15 the data to say that it is safer.

16 However, our organization - and I will
17 be glad to continue to keep you abreast on this, we are
18 compiling the data. I have numerous, numerous times a
19 day where we have failures that could be catastrophic
20 here in the State of Pennsylvania.

21 I do want to agree with the railroads
22 that bigger trucks are bad for us for a lot of reasons.
23 We do have to find a compromise to that. I also want
24 to agree that when we talk about the railroad industry,
25 these are careers. These are not just jobs. Most

1 people hire and retire from the railroad.

2 So that - with that being said, I'm
3 going to say thank you in the interest of brevity and
4 open it up for comments.

5 CHAIRMAN HENNESSEY: Thank you, Paul.
6 Is it Pokrowka?

7 MR. POKROWKA: Pokrowka (corrects
8 pronunciation).

9 CHAIRMAN HENNESSEY: I have a question
10 about your - the issue of safety and the second
11 engineer being essentially an emergency responder.

12 We're talking about a mile-long train
13 and it's - we need to let emergency vehicles through
14 the crossing. I understand these two people ride in
15 the locomotive.

16 So if - it would seem almost more
17 practical to let the train pass through the crossing
18 than to stop the train and have one of the engineers
19 get off and try to hoof it back to the crossing and
20 disconnect the cars, let the emergency people go
21 through and then try to have the locomotive or the
22 engineer back the locomotive up so they can reconnect
23 the cars to go through.

24 As a practical matter, am I seeing it
25 right or wrong? How does a second engineer actually

1 affect the efficient crossing and the opening of that
2 crossing in the situations you were presenting?

3 MR. POKROWKA: Correct. Good question.
4 In a perfect world, sure, we would just move the train
5 on down the road. But that's not always the case, as
6 you alluded. Maybe the siding is not long enough.
7 Could be a train ahead of you. There could be oncoming
8 traffic.

9 There's a million reasons why that
10 wouldn't happen. You know, it would all be
11 situational, I should - I would say, it would be
12 situational.

13 But in a perfect world with no mistakes
14 ever, that could happen, absolutely. However, most
15 cases would be that you could not move that train or it
16 would not be blocking a crossing. I will say, you
17 know, that we try to not block crossings, of course.
18 However, it does happen.

19 CHAIRMAN HENNESSEY: Are the speed
20 limits through which the train has to abide by in terms
21 of going - you know, how long will a mile-long train
22 take to go through a crossing?

23 MR. POKROWKA: It would depend,
24 obviously, what speed.

25 CHAIRMAN HENNESSEY: Are there limits as

1 to how fast those trains can go at that point?

2 MR. POKROWKA: There are - there are
3 speed limits, due to the track. However, not the
4 length of the train, length or tonnage.

5 CHAIRMAN HENNESSEY: Okay.

6 I'm still trying to figure out the
7 practicality, how the guy gets out of the locomotive in
8 the beginning and gets back to the crossing, which is
9 being tied up to disconnect the cars and then reconnect
10 them? If you can follow up with me on that, I'd
11 appreciate it.

12 Okay?

13 MR. POKROWKA: Yes, yes, absolutely. Be
14 happy to.

15 CHAIRMAN HENNESSEY: Representative
16 O'Mara?

17 REPRESENTATIVE O'MARA: Thank you, Mr.
18 Chairman.

19 CHAIRMAN HENNESSEY: Sure.

20 REPRESENTATIVE O'MARA: And thank you,
21 Paul, for your testimony.

22 So I have a question and then a comment.
23 And my question is during one of the previous testimony
24 - actually, in a couple of the previous testimonies
25 they talked about the fact that trains are, in fact,

1 getting longer. And in some cases, we are adding
2 additional locomotives sometimes in the middle,
3 sometimes at the end.

4 When you're talking about the workers,
5 when we are adding more locomotives, is there any - can
6 you speak to if there's more locomotives we should have
7 an engineer for a locomotive or is that something that
8 we don't consider or is not needed to consider? It was
9 just something we both heard and wanted to ask about.

10 MR. POKROWKA: That as well is a good
11 question. No, per locomotive you do not need an
12 engineer for each individual. It's - the controlling
13 locomotive, whether you have 1 or 100, there's certain
14 rules in place that you follow.

15 However, the lead locomotive is occupied
16 by the locomotive engineer and conductor and through
17 what's called an MU jumper cable and the air hoses, it
18 controls everything from the front.

19 REPRESENTATIVE O'MARA: Okay.

20 And the comment -.

21 MR. POKROWKA: Okay there?

22 REPRESENTATIVE O'MARA: We were both
23 wondering.

24 CHAIRMAN HENNESSEY: We were wondering,
25 because we were like - okay. Because you said maybe

1 you have more than one on there, so I thought two in
2 each one.

3 REPRESENTATIVE O'MARA: One in each one
4 or two in -.

5 MR. POKROWKA: We could do that.

6 CHAIRMAN HENNESSEY: I want to make sure
7 our legislation isn't too far reaching when we go
8 through that. And we'll have a hearing on that and
9 you'll be back.

10 REPRESENTATIVE O'MARA: And the comment
11 that I wanted to add is just - actually, it goes off
12 Chairman Hennessey's question about the emergence - the
13 time when you have to utilize opening up the train.

14 And there's a letter in here, in our
15 folders, just that I want to share with the public.
16 I'm not going to read the whole thing, but it's from
17 Timothy Laveing, who is the Chairman of the Brotherhood
18 of Locomotive Engineers and Trainmen.

19 And he makes two points in his letter,
20 and one is about the two-person crew. And at the end
21 of it he says, the second person would be able to
22 convey track information, free crossings in the event
23 of an emergency and work with emergency personnel in
24 the event of a derailment or crossing accident - which
25 I'm very sorry to learn Altoona had two derailments

1 recently.

2 But he said on one railroad in 2015 -
3 and he doesn't say which one, but we can ask - there
4 were over 3,000 unplanned events where a train had to
5 stop to be inspected by crew members. So it's very
6 clear that this is happening frequently.

7 And I think - you know, I think - that's
8 why I commend Representative White for putting forth
9 this legislation and trying to work to protect the
10 workers who are working on our railroads.

11 So that's my comment. Thank you,
12 Chairman.

13 CHAIRMAN HENNESSEY: Representative
14 White, did you have a question or a comment, whatever?

15 REPRESENTATIVE WHITE: Yeah.

16 So thank you for being here to testify
17 here in Altoona. I just wanted to hear your
18 perspective on those two scenarios that were just
19 described by the Representative. And you can talk
20 about some of the experiences that your members have on
21 the rail line and incidents that have occurred,
22 especially around the Horseshoe Curve, that have been
23 obviously a concern.

24 MR. POKROWKA: Okay.

25 Well, without real specifics, I could

1 give you thousands of reasons why that second person is
2 needed. But as was alluded, this - when I touched upon
3 the one scenario of a road crossing needing to be
4 opened up for emergency apparatus, that's just one.

5 If there is a derailment, whether it be
6 at the Horseshoe Curve or back home in Philadelphia,
7 Pittsburgh, that's your back yard. And if that second
8 person isn't there to get down and take care of the
9 hazmat or the spilling in, you know, your back yard and
10 evacuate the community, you could be talking an
11 evacuation or a devastation of a town.

12 So it doesn't stop with one instance.
13 It's every day, all day, and it's a public safety
14 issue. I really wasn't going to go here with the
15 two-person, because I didn't think it was going to be a
16 topic of discussion today, but I think that it is a
17 clear - clear discussion that needs to be kept open.

18 And as it was stated as well, that the
19 railroads do operate with two people on those trains
20 now and at record-breaking profits. So when it is
21 brought to attention about collective bargaining, just
22 - I think we should all remember that we are on
23 railroads making record-breaking profits. So there -
24 you know, we need to look at that second person as a
25 safety item.

1 REPRESENTATIVE WHITE: I appreciate
2 that.

3 And if I may, I'd just like to also add
4 what Tim had mentioned in his testimony, just to read
5 it aloud.

6 It said - he talks about the Horseshoe
7 Curve six miles up the mountain in the form of
8 railcars, and debris was scattered amongst the rail,
9 where two recent derailments occurred in July. And
10 both of these trains would have normally had helper
11 units attached to the rear of the train to assist the
12 train to safely maneuver it up the mountain and around
13 the curves.

14 Instead, the carrier ran the trains up
15 the mountain without the helpers, and the end result
16 caused a derailment, putting public safety at jeopardy
17 by risking the tourists, who frequent the Horseshoe
18 Curve, as well as the public water supply that lays at
19 the foot of where the derailment occurred.

20 So we can see how really important it is
21 to ensure the safety of our communities and evaluate
22 this Bill and evaluate whether or not - which I feel is
23 important to make sure there's a proper number of
24 crewmen onboard our trains.

25 Thank you, Chairman.

1 CHAIRMAN HENNESSEY: Thank you, Martina.

2 I'm a little bit puzzled by the letter.
3 He was suggesting, I think - Tim Laveing is it - was
4 suggesting that having this helper crew on the back of
5 - at the end of the train as it went up Horseshoe Curve
6 would somehow have been able to prevent a derailment?

7 It seems to me that that's - that the
8 derailment would have occurred before the helper crew
9 even arrived at the scene. So what am I missing here?

10 MR. POKROWKA: I think the message is
11 being missed a little bit with where he's coming from.
12 I'd like to talk to Tim about where he was going with
13 that and maybe give your office a call.

14 CHAIRMAN HENNESSEY: If you would do
15 that, I'd appreciate it.

16 MR. POKROWKA: I think it would be quite
17 difficult to say, you know, helpers are - the helpers
18 are there for additional locomotive power, to get the
19 train over a hill in - for most cases, period.

20 CHAIRMAN HENNESSEY: He's talking about
21 not helpers but actually assistant - supplemental
22 locomotives.

23 MR. POKROWKA: Supplemental locomotives
24 on the rear end of a train.

25 CHAIRMAN HENNESSEY: Okay.

1 Well, I'm happy to receive any
2 additional information you have in mind, but yeah,
3 please send that in to me.

4 Rudy, you wanted to comment on that, and
5 then I'm going to ask -.

6 MR. HUSBAND: Well, the helpers are put
7 on here in Altoona and in Johnstown. And they're put
8 on in Altoona for westbound trains, just to push the
9 train up the mountain. When they're put on in
10 Johnstown, they're on eastbound trains to help with the
11 braking coming down the mountain.

12 Since those two derailments, both of
13 which involved empty cars, we have since issued
14 instructions revising the policy on when we put helpers
15 on the rear of a train. So the circumstances that led
16 to those two derailments will not - do not currently
17 exist.

18 CHAIRMAN HENNESSEY: Okay.

19 Thank you.

20 Chairman Carroll?

21 CHAIRMAN CARROLL: Thank you so much.
22 As we talk about the Class Is and the Class IIIs and
23 even the Class IIs, I think it's worth noting the
24 significant support in the Commonwealth of Pennsylvania
25 with respect to rail activity - rail freight activity

1 in this state.

2 We have had for a long time Rail Freight
3 Assistance Grants. And we have, since the passage of
4 Act 89 - that I voted for more than once as a member of
5 the Committee and on the floor - the Multimodal Grants.
6 As I see nodding heads from the Class III folks -.
7 They know exactly what I'm talking about. And I know
8 that Norfolk Southern does as well.

9 And I'm proud of the support that we
10 provided to both the Class IIIs and - well, all the
11 classes, the Class IIIs and the Class Is in the room
12 today.

13 But you know, again, that money doesn't
14 come out of thin air. That money comes because folks
15 in the General Assembly that are willing to put out a
16 yes vote to raise fees and taxes that can be justified
17 and put to good use in our Commonwealth bring that to a
18 reality.

19 And so for folks in the room and for
20 anybody who may read the story about this hearing, the
21 support that we provide for transportation projects,
22 whether it's I-99 or whether it's a Rail Freight
23 Assistance Grant or a Multimodal Grant, is the product
24 of a legislative leap in Harrisburg that occurs when
25 people are willing to put up yes votes.

1 And so as much as we want to sit and
2 celebrate successes that occur, that are supported
3 financially by the Commonwealth, those successes occur
4 because people are willing to cast yes votes.

5 CHAIRMAN HENNESSEY: Thank you.

6 Are there any other questions? Seeing
7 none, Paul, thank you for your testimony.

8 We'll move on to a panel of - now we're
9 going back to the passenger rail side, Mark Spada, the
10 President of the Western Pennsylvanians for Passenger
11 Rail Association; and Lucinda Beattie, who's Vice
12 President of Transportation for the Pittsburgh Downtown
13 Partnership.

14 Okay. Mark, you've got a microphone in
15 hand. Begin whenever you're ready.

16 MR. SPADA: Good afternoon.

17 CHAIRMAN HENNESSEY: Good afternoon.

18 MR. SPADA: Thank you to the Committee
19 for the opportunity to speak and talk about a mission
20 dear to our hearts, passenger rail.

21 Our organization, Western Pennsylvanians
22 for Passenger Rail, advocates for the increased and
23 enhanced passenger rail service in Western
24 Pennsylvania, essentially Harrisburg to Pittsburgh.
25 The organization has been around for about ten years.

1 And our efforts really kicked into gear about seven
2 years ago when the Pennsylvanian was in danger of not
3 being continued when it was going to become a
4 State-supported train in 2013.

5 It took a lot of advocacy work, a lot of
6 education for folks. And that was successful. And
7 since then we have been working for additional service
8 to Pittsburgh.

9 To give a little context, our efforts
10 are not one out of nostalgia, despite being a great
11 railroad town like Altoona. And it's not a question of
12 trying to just run additional trains for the sake of
13 running trains. This is for meeting an unmet need.

14 There was a reference before about
15 flying. Right now, if you'd like to fly nonstop
16 between Altoona and New York or Altoona and
17 Philadelphia or between Johnstown and New York or
18 between Johnstown and Philadelphia, you're going to be
19 sitting on the runway for a long time, because those
20 flights don't exist.

21 If you'd like to fly to Pittsburgh from
22 either of those two towns, each has three flights a day
23 using planes with nine, ten seats. The cumulative for
24 each city is half a railcar. So the adage that it's
25 not easy to get there from here applies to a good

1 portion of this state.

2 The question of speed I'll discuss in a
3 little bit, but right now there are two buses a day
4 that serve Altoona on the Pittsburgh to Harrisburg run,
5 that serve Altoona and Johnstown and other locales.

6 Those two buses take a longer time to
7 get to Harrisburg now than the train does. So it truly
8 is not easy to get to some of these towns. So the
9 alternative is the train. And as we've heard before,
10 there's one train a day between Pittsburgh and
11 Harrisburg then going on to Philadelphia and New York.

12 So the first question would be, does
13 anybody ride the train? And the question is an
14 emphatic yes. Despite only being one train a day in
15 each direction, consistently there are between 215,000
16 and 230,000 riders annually, which is actually a
17 tremendous accomplishment for one train a day.

18 And putting it into a greater context,
19 looking at the percentage of seats that are filled,
20 which is a way to really look at are people using the
21 train, the percentages for the Pennsylvanian are among
22 the highest on the Amtrak system. So people are riding
23 this train. And it's not just - in case anybody would
24 think, this is not a train that leaves Pittsburgh
25 empty, gets to Harrisburg and then everybody rides it

1 to Philadelphia. That is far from the truth.

2 The average distance that people ride on
3 this train, and it's been consistent since we've been
4 doing this, is anywhere between 230 and 235 miles. So
5 that's basically the distance between Altoona and
6 Philadelphia or Lewistown and New York.

7 So this is not a train that's just being
8 used again in the east. This is a train that's vital
9 to many travelers in this part of the state. Because
10 again, it's just difficult to get any other way besides
11 automobile.

12 So then you would ask if people are
13 riding this train, if there was additional service,
14 would more people ride, which is a legitimate question
15 to ask, if you're thinking about adding service. So in
16 the information that's provided in our testimony, which
17 you can certainly look at later, up to 2005, there were
18 two trains a day running through Altoona to Western
19 Pennsylvania.

20 The Three Rivers was the second train.
21 That was discontinued in March of 2005. So based on
22 the data that we could find - and we wanted to make
23 sure we had verification. For example, in 1996, when
24 two trains were running, according to the General
25 Accounting Office, there were over 450,000 riders on

1 the two trains. Some of those might have been folks
2 going to Chicago, which the Three Rivers did, but it
3 likely wasn't many, because it didn't travel through
4 Cleveland, Toledo and some of the routes that some of
5 the other trains take. It went through some smaller
6 towns. So a lot of those riders were to or from
7 Pittsburgh or other points in Western Pennsylvania.

8 The issue then becomes if we would add
9 the service, will people ride? One excellent example
10 is what's happened in the eastern part of the state,
11 because right now, between Philadelphia and Harrisburg
12 there are 14 daily weekday trains, 13 Keystone corridor
13 trains, plus the Pennsylvanian.

14 That route this year will do over a
15 million-and-a-half passengers. And it's been a great
16 success for a variety of reasons. We believe the
17 primary reason is frequency of service.

18 You can get a train at 14 a day or even
19 13 a day, not counting the Pennsylvanian, it doesn't
20 take very long to if you missed a train to get another
21 one. And what that means is they're open to a lot more
22 opportunities for folks to conduct personal or
23 promotional business and be able to get back and forth
24 on the same day or overnight. That's very difficult,
25 if at all possible, to do in the western part of the

1 state.

2 And so by adding a train or two a day,
3 you've opened up the opportunities for a lot greater
4 travel. As you can see in - with people traveling
5 those long distances, there's, we believe, an unmet
6 need that is not being filled by any other form of
7 transportation and certainly not to the potential of
8 additional rail service.

9 Then we can look at speed. This has
10 been something that's discussed in many articles. And
11 Representative Schmitt talked about 47 miles an
12 average, the average speed. That's correct, the
13 average speed is a little over 46 miles an hour between
14 Pittsburgh and Harrisburg.

15 So the issue becomes, is that a
16 deterrent? Is that a factor? Will people still ride
17 the train at that speed? So in the testimony there is
18 a chart showing the average speed of many of the other
19 State-supported trains around the country.

20 Of particular note is the - are the
21 speeds on some of the very successful lines in Virginia
22 as well as in California, the route between Washington
23 and Lynchburg and the route to Roanoke, which was
24 started on Halloween 2017. Those trips, as well as the
25 trips of the trains between Los Angeles and San Diego

1 and between San Jose and Sacramento, all of their
2 average speeds are less than the Pennsylvanian. And
3 those are very successful trips.

4 And the other speeds are either less or
5 not much greater than the Pennsylvanian. And quite
6 frankly, you're not going to get much greater speed
7 without doing - as was shown in a high-speed rail
8 study, putting a lot of money - you know, an inordinate
9 amount of money into very incremental speed increases.

10 That is not what's going to increase
11 ridership or meet the needs of the traveling public.
12 It's going to be greater frequency.

13 And the State of Virginia, for example,
14 identified this, and they've added service to Norfolk
15 down to Richmond. They're talking about an additional
16 train to Lynchburg. Today there are four trains a day
17 between Charlotte and Raleigh, North Carolina. Three
18 of those just go between those two cities. One goes on
19 the Altoona to York.

20 They just announced that they are going
21 to be purchasing equipment, they're going to put a
22 fourth train on between Charlotte and Raleigh.

23 So as you look at the speeds, the issue
24 again is not, can we make it two miles an hour faster?
25 And greater speeds are terrific, but unless you have

1 more trains, it's going to be for not. The idea is to
2 get people to ride the train because it's something
3 they could really use. And right now one train a day,
4 that's being limited.

5 And there are things the state can do,
6 as they've done in the eastern part of the state, to
7 help enhance the interest in rail service and the
8 effectiveness of rail service. For example, there's a
9 program called PA Trips by Train, which allow drivers
10 to purchase companion tickets and discounting tickets
11 to events and specific locations primarily right now in
12 the eastern part of the state.

13 We're in a venue that, in addition to
14 the Horseshoe Curve as an example, can be utilized as
15 PA Trips by Train to get people to Altoona to combine
16 them with an Uber ride, as an example, and get people
17 onto the train.

18 We're - Deputy Secretary Granger's
19 announcement about baggage cars is a very welcome
20 announcement. Bicycles have - have become a big issue
21 on Amtrak. A lot of trains are using - are allowing
22 them now. They've been a big success here in
23 Pennsylvania on the Capitol Limited, which is the
24 Washington to Chicago train through Pittsburgh. Since
25 they've added bicycles, it's been a big success,

1 because of the Great Allegheny Passage.

2 The same thing could happen in the
3 Laurel Highlands. So there are a lot of ways to
4 enhance the value to the rider.

5 The State could help in rail ridership
6 by expanding the throughway bus system as an example.
7 The state has quite a few routes that are supported by
8 the state where you can meet up with a train and have a
9 through ticket for people riding the bus onto the train
10 to get to their final destination.

11 So these are all ways to help bring in
12 revenue, cut down on cost to the State and get people
13 to ride, which as Lucinda will describe, will certainly
14 be very beneficial to the communities from many points
15 of view, as well as certainly just to the general
16 riding public.

17 So we're very encouraged by the
18 announcement of a potential study for Norfolk Southern
19 and look forward to one day riding another train.

20 CHAIRMAN HENNESSEY: Thank you, Mark.

21 MR. SPADA: Thank you.

22 CHAIRMAN HENNESSEY: Lucinda, do you
23 want to go ahead?

24 MS. BEATTIE: Hello. Good afternoon,
25 Chairman Hennessey, and Chairman Carroll, and members

1 of the House Transportation Committee.

2 My name is Lucinda Beattie, and I am the
3 Vice President of Transportation for the Pittsburgh
4 Downtown Partnership. Formed over 20 years ago by the
5 business community, the Pittsburgh Downtown Partnership
6 is a nonprofit community development organization
7 focused on the revitalization of Downtown Pittsburgh.

8 Today, passenger rail is often discussed
9 from the standpoint of being - whoops, what happened
10 here? Hello?

11 I can talk without a microphone, if you
12 can hear me.

13 CHAIRMAN HENNESSEY: Why don't you go
14 ahead?

15 MS. BEATTIE: Thank you, Jennie.

16 Today, passenger rail is often discussed
17 from the standpoint of being a necessary congestion
18 reduction measure that occurs when population density
19 results in traffic congestion.

20 Take a look at Southeast Philadelphia as
21 an example. From that perspective, adding service on
22 the Pennsylvanian is frequently dismissed as
23 unnecessary. But I'm here today to talk to you about
24 it from a more traditional perspective, that of the
25 role transportation has played in connecting people and

1 communities, and in particular, connecting Downtown
2 Pittsburgh with the communities along the
3 Pennsylvanian's corridor and with Harrisburg and
4 Philadelphia in the east.

5 Transportation systems historically
6 developed to make it possible to connect people and
7 goods over distances more easily than they otherwise
8 could do it.

9 I think we all well remember the death
10 of the steel industry in the 1970s and its impact on
11 the City of Pittsburgh and all the communities between
12 Pittsburgh and Harrisburg, many of whom are still
13 struggling to revitalize their town centers or urban
14 cores.

15 Pittsburgh lost not only its major
16 industry but also its working-age population, as did
17 Johnstown, Altoona and other communities along the
18 Pennsylvanian rail corridor, whose major industries had
19 also been connected to the steel industry.

20 But I'm here to tell you, as I think you
21 may be aware, that in Pittsburgh there's been a
22 turnaround in the past ten years. And I want to say
23 that the information I'm going to share with you now
24 comes from the Pittsburgh Downtown Partnership's 2019
25 State of Downtown Report. We benchmark every year the

1 various statistics that I'm going to give you.

2 In the past ten years, over \$8.7 billion
3 have been invested in development in Downtown
4 Pittsburgh. And over the same time there's been a 31
5 percent growth in the number of residents living in
6 downtown.

7 Today, some 95,000 students live within
8 ten miles of Pittsburgh. The economy is more diverse
9 than it was in the past, with higher-quality jobs in
10 finance and insurance, professional services and
11 management of companies.

12 Today there are over 113,000 jobs in
13 downtown, making it the second largest urban employment
14 center in the state. Center City, Philly, as I'm sure
15 you're aware, remains the largest urban employment
16 center with over 305,000 jobs.

17 But if you add the number of jobs in the
18 Oakland neighborhood of Pittsburgh, where all the eds
19 and meds are, there are an estimated 90,000 jobs there,
20 making Oakland the third largest employment center in
21 the state.

22 When you add those two - the jobs
23 available in those two neighborhoods together, you get
24 a combined urban employment center of well over 200,000
25 jobs.

1 Add to this mix the Allegheny Conference
2 on Community Development's estimate in their 2016 study
3 Inflection Point, that with a growing economy in
4 Western Pennsylvania and particularly in the City of
5 Pittsburgh, there will be an 80,000-person shortfall in
6 the number of workers available to fill jobs in Western
7 Pennsylvania, in the Pittsburgh region, in 2026.
8 That's only seven years away.

9 How do we solve this problem? How do we
10 connect people in Western Pennsylvania to these
11 available jobs? The answer I think, we add frequency
12 of service on the Pennsylvanian and make it possible
13 for someone in Greensburg, Latrobe, Johnstown, maybe
14 Altoona, it's quite a trip, and other communities along
15 the line to work in jobs in the Greater Pittsburgh
16 area. We make it possible for someone in those
17 communities to get to Pittsburgh and back from
18 Pittsburgh in one day and not have to drive to do so.

19 I guess I don't need to remind the House
20 Transportation Committee members, but if you take the
21 train to Pittsburgh from Harrisburg, you have to invest
22 three days if you're going to go to and from. I mean,
23 it - let's make it simple for people to do what they
24 need to do.

25 In the 1960s, when there were 12 trains

1 a day daily in the Pittsburgh area, people in
2 Greensburg who are still living and other communities
3 remember a time when they went to work in Pittsburgh
4 and commuted by train and when they went to school in
5 Pittsburgh and commuted by train. That was the norm
6 for a lot of people in our region.

7 But as Mark Spada shared with you in his
8 testimony, today, unlike 50 years ago, transportation
9 options in Western Pennsylvania, within a flat
10 hundred-mile radius of Pittsburgh, are limited
11 primarily to the car.

12 Adding service, in my opinion, on the
13 Pennsylvanian is low-hanging fruit, as the rail line
14 already exists and is already being used with existing
15 passenger rail service on it. It should be simple to
16 add service. Not only would additional service provide
17 more connectivity for Western Pennsylvanians, but for
18 many of the communities along its route it would also
19 aid in their revitalization.

20 As the Keystone service demonstrates,
21 with more frequent service, ridership goes up. That's
22 true for bus service. It's true for trolley service.

23 Public transit, when there is higher
24 frequency, ridership goes up. With increased ridership
25 there is frequently increased investment.

1 And to quote Leslie Richards from the
2 October 2016 groundbreaking for the Mount Joy Station,
3 these station improvements will further enhance the
4 center of Mount Joy and help boost the borough's
5 ongoing revitalization plans. Transit plays a crucial
6 role in building communities and we have seen the
7 results for more than a decade of upgrades to the
8 Keystone corridor. This will provide equal access for
9 all people, allowing persons with disabilities, senior
10 citizens and other people with mobility challenges to
11 live, work and access transportation in this community.
12 And we need that in this part of the state.

13 Improving the Keystone service took
14 almost 20 years and almost \$1 billion of investment.
15 First, the State invested in upgrading the rail
16 infrastructure and adding catenary to electrify the
17 system. And that was great.

18 Then, through the Keystone plan, which
19 laid out a development plan for the Harrisburg to
20 Philadelphia corridor, the State invested with other
21 agencies in upgrading the stations. And they are
22 continuing to do it and have upgraded a large number of
23 the existing stations.

24 Now is the time for us to take a similar
25 long-term perspective for the Pennsylvanians corridor

1 by first adding service and then investing in the
2 upgrades and improvements to stations and
3 infrastructure that may be necessary.

4 And thank you for your time. And if
5 there are any questions -.

6 CHAIRMAN HENNESSEY: Thank you, Lucinda,
7 for your testimony, and Mark as well.

8 Are there any questions?

9 REPRESENTATIVE NEILSON: I just have to
10 say I would love to thank you for saying Philadelphia
11 is number one. That's the first person from Pittsburgh
12 I've ever - thank you so much.

13 CHAIRMAN HENNESSEY: I have a question
14 for you and that's everybody who talks about faster
15 service, I think you and Mark and some of the others
16 earlier talked about expanding service on the
17 Pennsylvanian line.

18 There's the Keystone lines that go from
19 Pittsburgh to Harrisburg and back as well.

20 Right?

21 I mean, why is everybody just focusing
22 on expanding service on the Pennsylvania train as
23 opposed to the Keystone -?

24 MS. BEATTIE: Well, the Pennsylvanian is
25 the only train that goes from Harrisburg to Pittsburgh.

1 CHAIRMAN HENNESSEY: The Keystones are
2 all going Harrisburg and east?

3 MS. BEATTIE: Yes. And that's why
4 we're -.

5 CHAIRMAN HENNESSEY: That answers that
6 question. I have to pay more attention.

7 REPRESENTATIVE WHITE: Look, I just -
8 you know, I appreciate everyone's testimony today and I
9 really - I don't have any questions for either of you,
10 but I think what has come of this is really just an
11 awareness for the legislature, the legislative body, to
12 recognize that there is demand by the people to invest
13 in our transportation infrastructure.

14 I just want to encourage everyone to
15 continue to advocate to your State Representatives, to
16 your Senators, that you do want these services, that
17 you are willing to, you know, give us the dollars that
18 are necessary to make these things happen in our
19 Commonwealth. So that not only can we provide the
20 maintenance that's necessary for the current system,
21 but also the further investment to grow our local
22 economies and allow for a more successful Commonwealth.
23 And I really appreciate everybody taking the time to be
24 here today.

25 You know, I went to Elizabethtown

1 College and I remember the Elizabethtown station, and
2 it was not a pretty sight at all. And when the
3 investment took place, i was there for that and I saw,
4 you know, the pretty little flowers hanging there from
5 the beautiful lampposts and the - you know, you step up
6 into the train.

7 And it's just a completely different
8 atmosphere now and people - it's very welcoming and you
9 can see the whole entire community has benefited from
10 that investment. And I know that can happen all across
11 the Commonwealth, as long as the people are open to
12 telling their legislators and getting the word out that
13 this is what you want.

14 And that's what we're here to do today
15 as well, so thank you.

16 CHAIRMAN HENNESSEY: Thank you, Martina.
17 Representative Innamorato?

18 REPRESENTATIVE INNAMORATO: Perfect.

19 CHAIRMAN HENNESSEY: Did I get it right?

20 REPRESENTATIVE INNAMORATO: Thank you
21 for testifying. I feel like, as a Representative from
22 Pittsburgh, I need to say something about the passenger
23 rail.

24 Selfishly, I do take the train. I can't
25 take it there and back during session, but I can take

1 it back if I can get a ride up there. And I know that
2 there is a demand and that we would be able to fill the
3 seats on the train if frequency of the service was
4 increased.

5 And I know there's a lot of people in my
6 generation who feel that way as well. And Pittsburgh
7 really has - it's the comeback kid. So we really -
8 we've really come back in a lot of really meaningful
9 ways. And when we invest in infrastructure like this,
10 it is an economic development tool.

11 And we still - Pittsburgh does have a
12 lot of job opportunities and we are an aging
13 population, so we need to invest in these types of
14 economic-development tools. And we can attract people
15 who are key students there, who are graduating from our
16 world-class universities, and attract folks to the
17 area.

18 I will end with a question. So as we -
19 as we look at other models, other states who are
20 investing in this type of infrastructure and frequency
21 of passenger rail, what are some of the tools that are
22 available to help raise that revenue to increase that
23 service and that has kind of caught your eye while
24 you've been doing this research?

25 MS. BEATTIE: Well, I will offer one - I

1 mean, the State of Virginia passed - it was an
2 increased - a small - it was a tax. And the money from
3 it went to fund a separate department called the Rail
4 and Public Transit Department. And they focus on all
5 the work to do with public transit. And Virginia has a
6 very large system of commuter rail, a joint Norfolk
7 Southern/Amtrak rail, buses, everything.

8 REPRESENTATIVE: I think a lot of
9 routes, there's been a lot of work to get the word out
10 that there have been - the number of train increases,
11 if they are available, you have many places where
12 universities, for example, are on routes. And those
13 are a great source of riders. Advertising.

14 And it's a - it's an incremental and
15 it's a steady process. But if the word gets out,
16 people will start to think, because of the frequency
17 surfacing, for our benefit. In the long term, that's
18 where you will see the benefits. So a lot of these are
19 getting the word out -.

20 MS. BEATTIE: Can I respond to that a
21 little bit further? It seems to me that when we've
22 talked about the Pennsylvanian and there have been
23 studies done, large amounts of money are thrown around.
24 They're large numbers.

25 The high-speed rail study talks about

1 \$38 billion to complete a high-speed rail line that was
2 separate. And then you had different gradations. And
3 unfortunately, people interpret that as you need to
4 have all that money upfront. You need to have \$38
5 billion before you can start doing anything.

6 And that's not the way the Keystone
7 service has been developed. It has been incremental.
8 It has been over a long period of time. There have
9 been - discrete projects and the station projects
10 frequently involve funding from Amtrak, from the State,
11 from community development. So it's multiple funding
12 sources.

13 It's not like you have to go raise X
14 amount of dollars all at once, but you have to be
15 willing to make a commitment to support investment in
16 infrastructure.

17 CHAIRMAN HENNESSEY: Representative
18 Neilson?

19 REPRESENTATIVE NEILSON: I understand it
20 and I get it, but I'd like to hear Rudy's perspective
21 on this, because this has to be a balance that we, as a
22 legislator, have to find, because if we put more
23 passengers - it ain't the same rail it used to be.

24 MR. HUSBAND: Right.

25 REPRESENTATIVE NEILSON: If you can, a

1 little bit on that, because I don't want to - we want
2 the convenience and we want that and we want to make
3 certain that we can afford the transport, but we have
4 to look at that impact.

5 MR. HUSBAND: Well, the challenge -.

6 REPRESENTATIVE NEILSON: I mean, we're
7 talking about jobs. We talked about unemployment and
8 stuff like that today and the impact on communities
9 just like here. The short rails, we talked about those
10 positions. We take away that use of rail for
11 passenger, that's got to put a lot of that stuff, too,
12 I would think -. I'm just thinking out loud here.

13 MR. HUSBAND: Well, just for context, we
14 run somewhere between 40 and 60 freight trains daily
15 between Harrisburg and Pittsburgh. It's a very
16 challenging territory to operate, because of the
17 mountains. So what you're really talking about is
18 capacity.

19 And let me add that the Federal Highway
20 Administration predicts that the demand to move freight
21 in this country is going to really double over the last
22 20 years. And so that freight has to move somewhere.

23 And highway - the interstate is already
24 congested. So we feel that freight railroads present a
25 very viable alternative to shipping by highway. So we

1 see that our - and we're really stretched for capacity
2 on this line segment right now. And we're looking at
3 ways to improve it to stay a step ahead. Not five
4 steps ahead but a step ahead of what we see volume
5 growth.

6 And that's what the study that we're
7 going to do at PennDOT - because it's not a study to
8 look at what's going on now. It's modeling, it's
9 simulation, over what we think is going to happen to
10 our freight franchise over the next 10, 20 and 50
11 years. And trying to fit that - you know, predict that
12 growth and what we need for capacity improvements.

13 And then you overlay the passenger
14 service on that and what would need to be invested,
15 both from a signal standpoint, from additional tracks,
16 all of that, and then put a price tag to it.

17 CHAIRMAN HENNESSEY: Yeah, because I
18 mean, that all has to coordinate, because even if it's
19 just a five-mile separate piece of track that runs side
20 by side while the passenger -.

21 MR. HUSBAND: I'll give you one example.
22 And I know we're running out of time.

23 CHAIRMAN HENNESSEY: I was going to say,
24 why don't we - these are going to be ongoing
25 discussions.

1 MR. HUSBAND: Okay.

2 CHAIRMAN HENNESSEY: If you need to say
3 - are you okay?

4 Okay.

5 Why don't we cut it off there? Let me
6 just say thank you very much to all of you for
7 attending. You get a real sense of what we deal with
8 in Harrisburg on a regular basis.

9 We've heard perspectives from the union
10 side, management side, from short lines to the
11 long-haul railroads. We've got passenger rail,
12 passenger service requesters. We've heard some
13 explanations as to why it's not all that difficult to
14 fit in.

15 When you look at a railroad track, you
16 think it - it looks like it's vacant 95 percent of the
17 time or 98 percent of the time, but you know, the
18 logistics of trying to be able to put, what'd you say,
19 40 trains a day on these same tracks and then find a
20 way to share them with passengers - passenger trains is
21 a difficult, challenging problem for them to deal with.

22 Let me just say thank you to the Mayor,
23 Mark Pacifico, and to the people - to all of you people
24 in Altoona, the railroad capitol of Pennsylvania.

25 Thanks for inviting us here. Thanks to

1 the Railroad Museum for hosting us.

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3 HEARING CONCLUDED AT 5:10 P.M.

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