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**To the U.S. Senate Committee on Commerce, Science and Transportation
Hearing on Amtrak / Administration's passenger rail transportation plan
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On behalf of Governor Jim Doyle and the state of Wisconsin, thank you for the opportunity to submit this written testimony to the U.S. Senate Committee on Commerce, Science and Transportation at its hearing on Amtrak and intercity passenger rail issues.

I am privileged to serve as Secretary of the Wisconsin Department of Transportation, an agency that has responsibility for all modes of transportation. Governor Doyle is a strong supporter of intercity passenger rail development as a part of a comprehensive multimodal transportation program. The Governor's new economic development initiative, Grow Wisconsin, recognizes the need to invest in rail and all modes of transportation. Both he and I call on the federal government to provide sufficient funding to Amtrak and to enhance the national passenger rail system.

Wisconsin, along with the State of Illinois, has supported the Amtrak *Hiawatha Service* between Milwaukee and Chicago since 1989. We have partnered with Amtrak and the federal government to steadily improve this important mobility and economic development link to Chicago. Last fall, working with Amtrak, we increased the number of frequencies from six to seven round trips. The *Hiawatha* is now the busiest line in the nation outside of California and the Northeast Corridor. It also has the best on-time performance in Amtrak's system.

This summer, the *Hiawatha Service* posted double-digit percent increases in ridership compared to last year's counts. In June, July and August of this year, Amtrak averaged over 1,320 passengers per day for the corridor. Customers were attracted to the service's reliability, as over 95% of *Hiawatha Service* trains arrived on-time so far this year. Recent surveys document customer appreciation for the trains' fast trip time (89 minutes) and availability of service (seven daily round trips).

Wisconsin is partnering with the federal government to make continued improvements in the *Hiawatha Service*. With the support of Senator Herb Kohl, the state of Wisconsin is constructing a new passenger rail station at Milwaukee's General Mitchell International Airport and is rehabilitating and redeveloping the Amtrak Station in downtown Milwaukee. The village of Sturtevant is preparing to construct a new depot to replace its existing station – again with federal funding support.

In addition to the *Hiawatha*, connectivity to the Amtrak national system is also provided by the *Empire Builder Service*. The *Empire Builder* serves the Wisconsin cities of Milwaukee, Columbus, Wisconsin Dells, Tomah, and La Crosse and provides connectivity from Wisconsin to the Pacific Northwest and points along the way.

The *Hiawatha Service* and all other intercity passenger rail routes are threatened by a lack of federal funding for Amtrak. Congress needs to provide Amtrak with sufficient funding to maintain existing operations and address basic capital needs. Cuts in federal funding could jeopardize this vital transportation service in Wisconsin.

The Intercity Passenger Rail Report released earlier this year by the American Association of State Highway and Transportation Officials (AASHTO) documents over \$17 billion in capital needs over the next six years for state-sponsored passenger rail improvements in all parts of the country. This national report highlights the Midwest Regional Rail Initiative, a nine-state plan for a 3,000-mile high-speed rail system hubbed in Chicago. In Wisconsin, this plan extends high-speed service from Milwaukee to Madison and the Twin Cities.

With improvements we have already made, I believe the Milwaukee-Chicago Corridor can serve as an anchor for future high-speed rail development in the Midwest. A high-speed extension of Amtrak's *Hiawatha Service* to Madison would be an effective demonstration of state-of-the-art passenger rail service. Preliminary engineering and environmental work has already been completed for this project and it is ready to go. However, we absolutely need a major federal funding share to make this a reality.

A long-term federal capital funding program is needed to advance intercity passenger rail service throughout the United States. Funding is needed for capital investments in new equipment and infrastructure improvements. These capital investments are needed for increased frequencies, speeds, and passenger amenities, as well as for improved schedule reliability in the face of heavy freight traffic.

Such a program must include a mechanism to insure that funding can be reliably provided over multiple years. Like other major transportation infrastructure projects, passenger rail corridor improvements can take several years and new equipment can take up to three years from order date to delivery.

States are willing to pay their fair share, but we believe the capital program should be modeled on the federal highway and transit programs, which have statutory 80/20 federal/state cost shares. States have developed a great deal of experience in delivering major transportation infrastructure projects under existing federal transportation programs and states should be responsible for passenger rail project selection and project management. Until the capital program investments for enhanced service are fully in place, the federal government should share the cost of operations with the states.

These concepts provide what I believe to be a basic framework for a new federal-state partnership to move America's passenger rail system into the 21st Century. Some of these concepts are reflected in S 1501, the Administration's "Passenger Rail Investment Reform Act."

While S 1501 recognizes that a national capital program is needed for infrastructure and equipment, there are a number of problems with the bill from Wisconsin's perspective.

First, S 1501 turns over the financial responsibility for Amtrak's long distance service to the states. This is unacceptable and unworkable, given the interstate nature of long distance trains like the *Empire Builder*, which runs from Chicago through Wisconsin to the Pacific Northwest across eight states. These long distance trains provide connectivity between regional corridors and provide an integrated national network. They should remain a federal responsibility. It is difficult to envision the formation of a compact made up of eight diverse states reaching from the Pacific Ocean, across the Rocky Mountains, the Great Plains, and into the heart of the Midwest. It was for such undertakings that our founding fathers originally envisioned the need for a federal government. More pragmatically, the current fiscal condition of state governments across the country prevents even the consideration of such a concept.

Wisconsin DOT also has concerns about the capital program envisioned under the bill. A 50/50 federal/state grant share for capital funding is not consistent with other federal capital programs for transportation. A level playing field is needed for the equitable development of all transportation modes.

Most importantly, the lack of a specific authorizing amount for the capital program in the bill suggests a lack of Administration commitment to fully fund the program. The bill is structured so as to require the passage of an annual appropriation for the program, which does not assure funding for multi-year projects. Witness the Amtrak appropriations process where historically appropriations have barely been 50 percent of authorized amounts. As I noted previously, AASHTO has identified \$17 billion in passenger rail capital needs over the next six years.

Finally, the bill assumes that the states will begin providing 50/50 capital cost share funding for equipment on all existing Amtrak operations. This includes long distance and state-supported services such as the *Hiawatha Service* in Wisconsin. Currently, this is solely a federal responsibility. If this responsibility were to revert to the states, the cost implications could be significant. For example, the two train sets operated by Amtrak on the *Hiawatha Service* Chicago-Milwaukee corridor are in need of replacement at a cost that could run over \$20 million per set.

S 1501 does recognize the important role of the states in the provision of transportation services in the United States. However, the federal/state partnership as envisioned by the Administration tilts the responsibility for passenger rail service too far in the state direction, given the fundamental interstate nature of intercity rail service. The bottom line from a public policy perspective is that since intercity passenger rail service is not that dissimilar from the interstate highway system, it should be funded using a similar federal/state funding model.

I appreciate this opportunity to share our views on this important national transportation issue. Wisconsin and other states throughout the country stand ready to continue this dialogue as we move together towards an enhanced national passenger rail system.