

The Carmichael Conference
on the Future
of American Transportation

Comments by Mark Yachmetz
Associate Administrator for Railroad Development
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January 28, 2008

Where Are We Now?

Things As They Are

Railroads in the National Agenda

Commerce or Public Works?

Federal Government Responds to Rail Crisis of 1960s – 1970s

Major Federal Economic Railroad Legislation

- Rail Passenger Service Act
- Regional Rail Reorganization Act of 1973 (“3R Act”)
- Rail Revitalization and Regulatory Reform Act (“4R Act”)
- Rock Island Railroad Transition and Employee Assistance Act
- Milwaukee Railroad Restructuring Act
- Staggers Rail Act of 1980
- Northeast Rail Service Act of 1981

Major Federal Railroad Investment Programs 1971 - 1981

- Amtrak
- Emergency Rail Services Assistance
- Local Rail Service Assistance
- Conrail
- Title V Financial Assistance
- NECIP
- NERSA

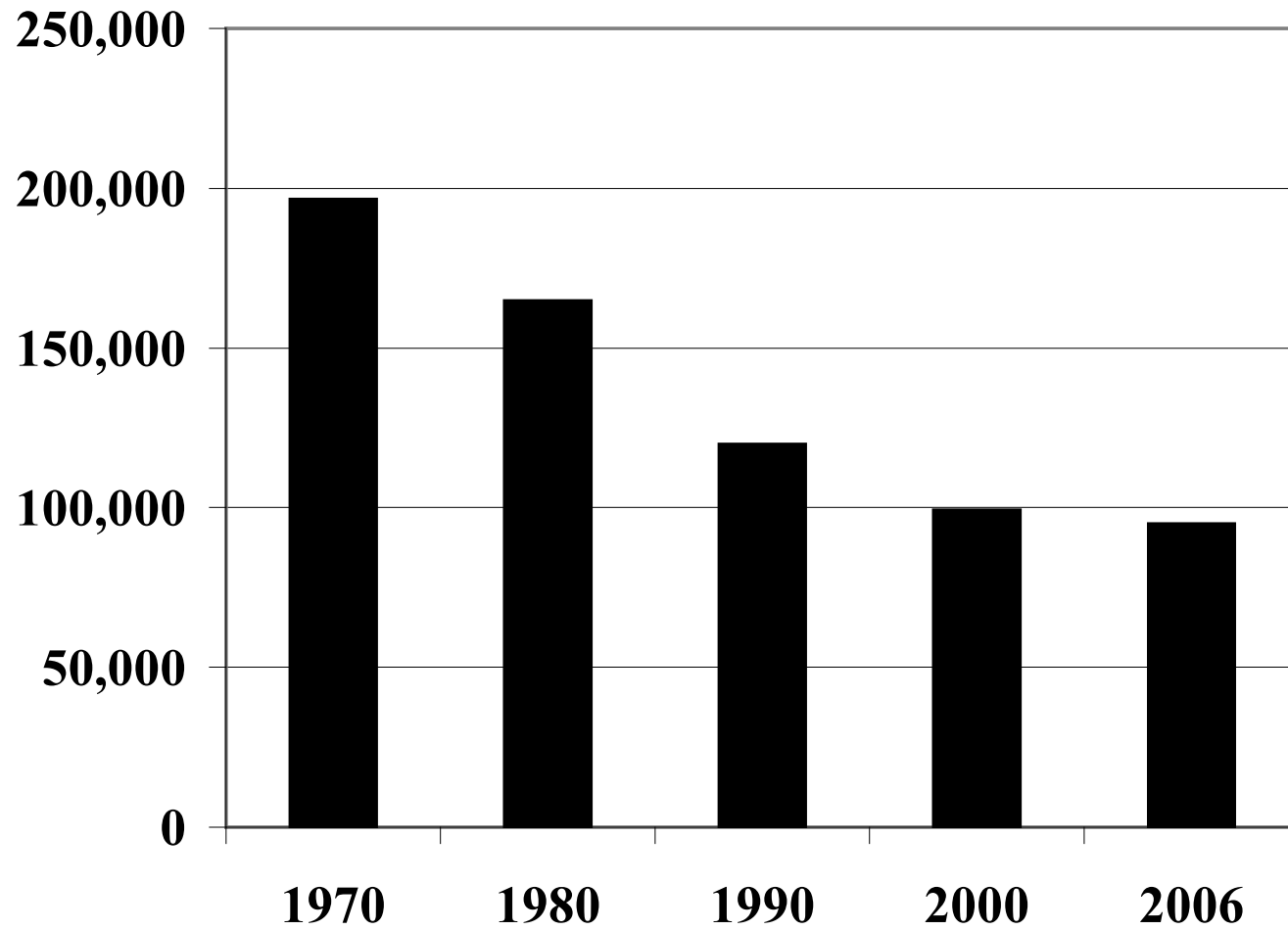
Rail Renaissance Found In Deregulation Not Public Investment

Specter of Regulation a Major Influence
On Lack of Public Funding Programs

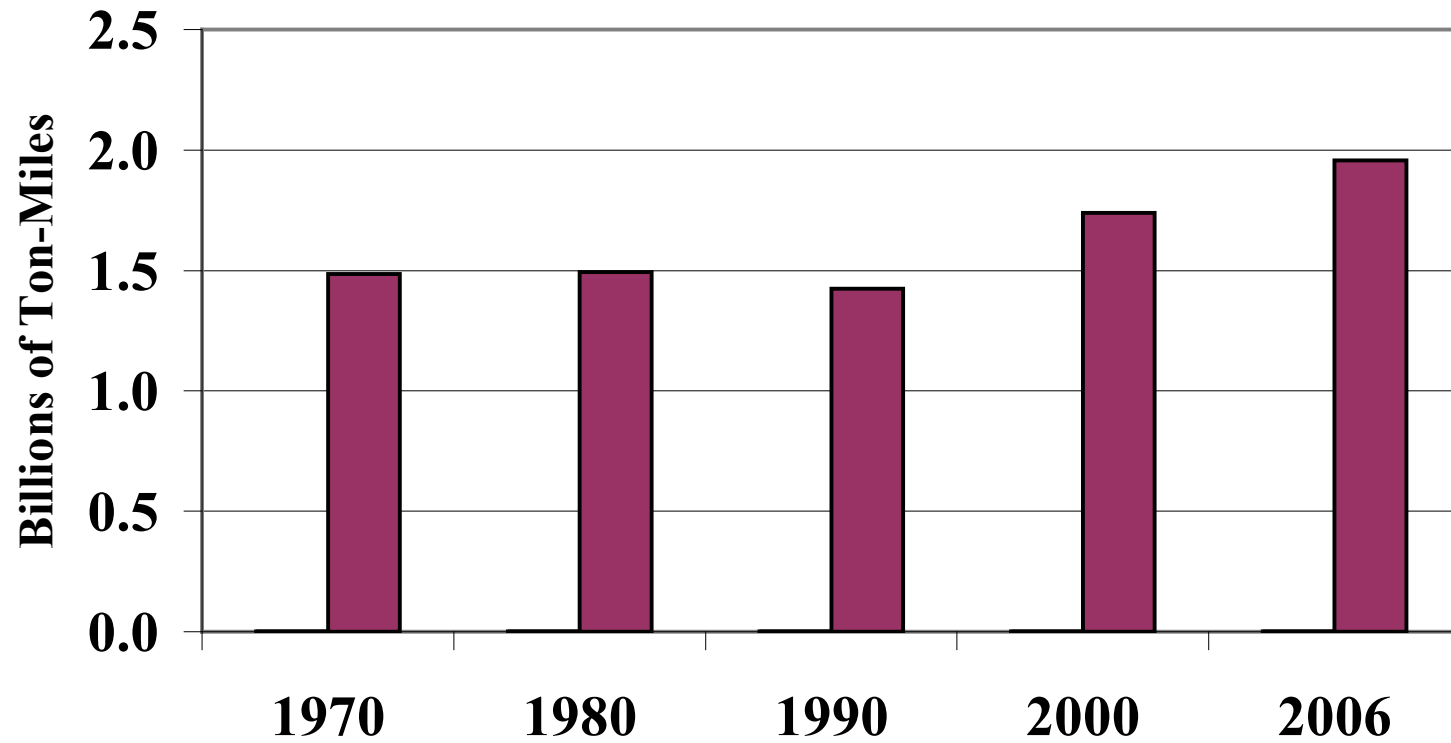
Federal Rail Investment 2008

- **Amtrak** (vice Amtrak and NECIP)
- **RRIF** (vice Title V Financial Assistance)
- **Rail Line Relocation** (9002 of SAFETEA-LU)
- **Capital Grants for Intercity
Passenger Rail** (FY 2008 Appropriation)

Class I Route-Miles

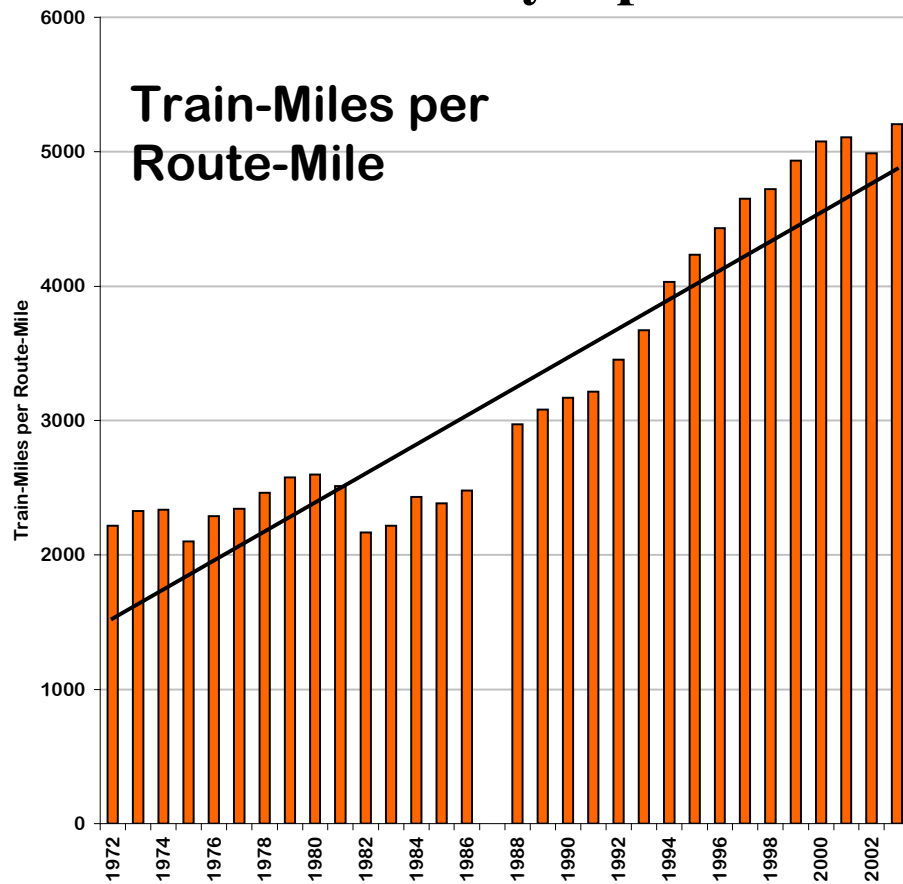


Rail Freight Tonnage

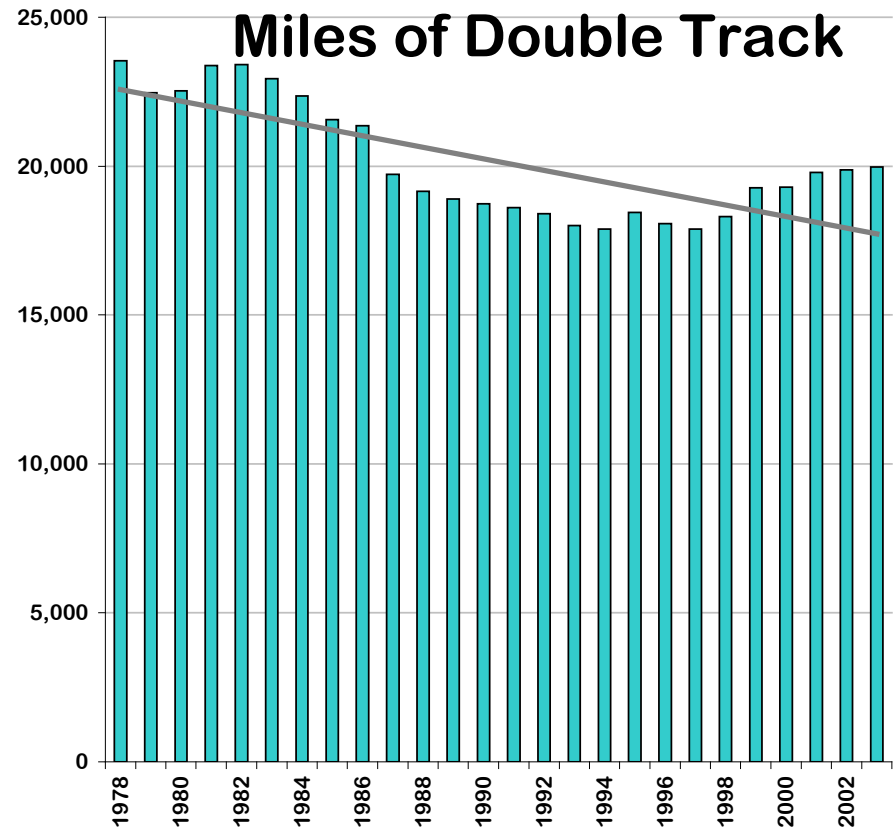


Congestion and Capacity Trends on Freight Railroads

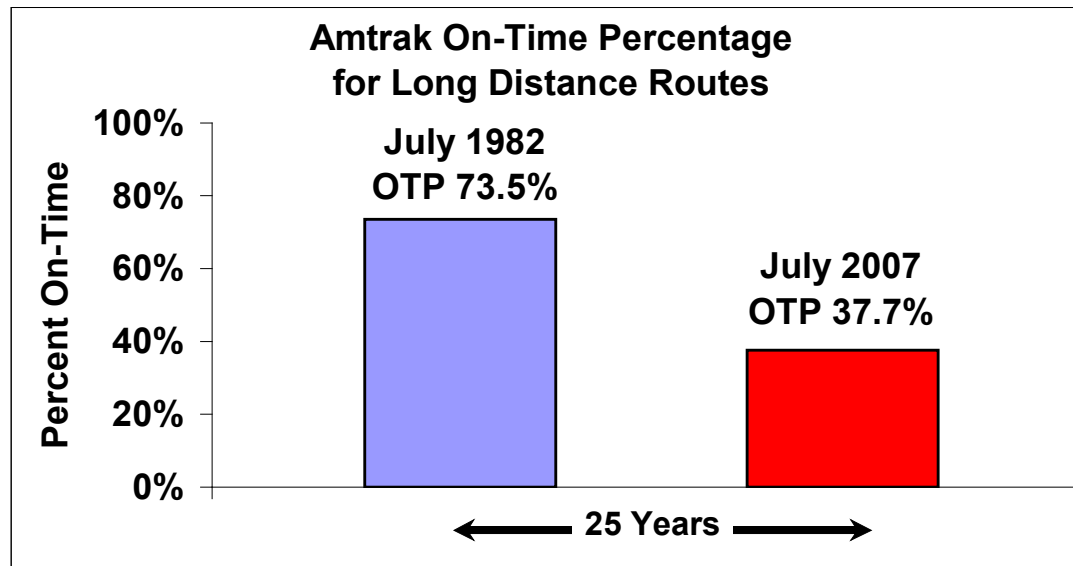
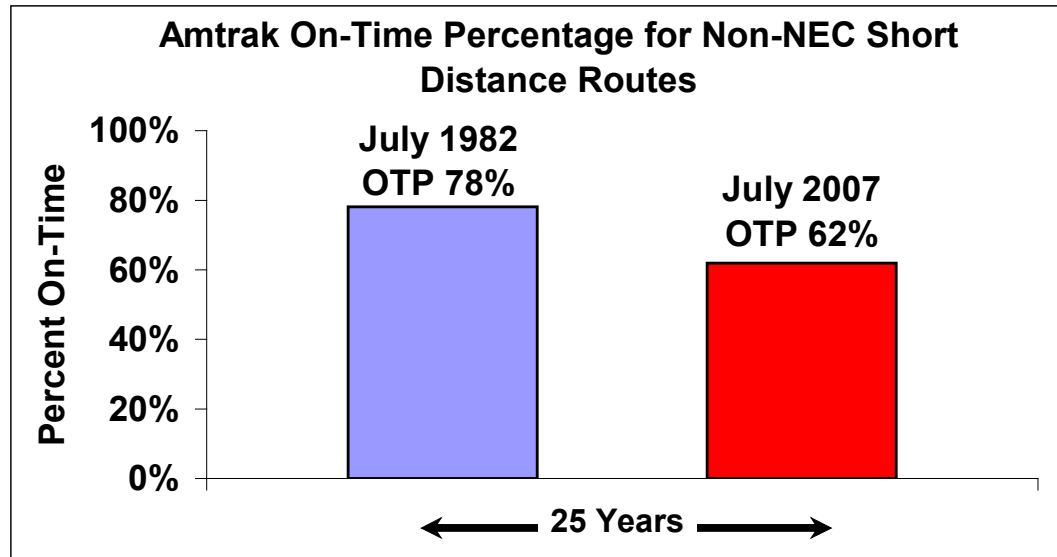
Traffic Density Up . . .



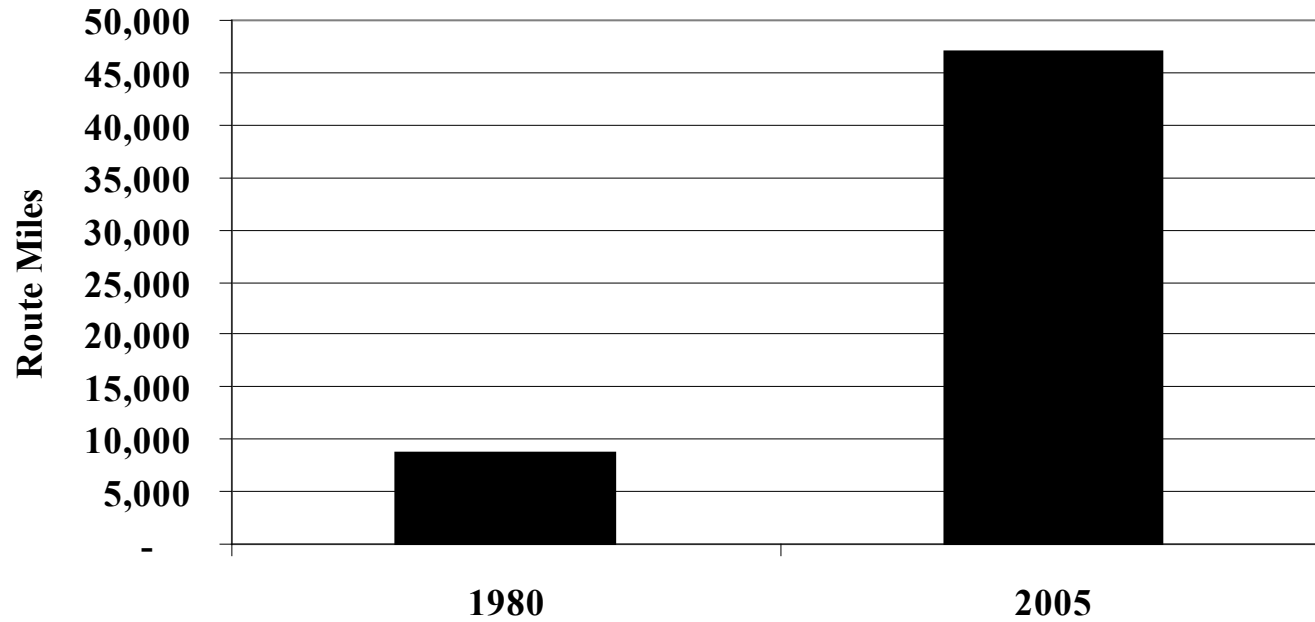
Track Capacity Down.



Non – NEC OTP Has Deteriorated



Route Mileage: Class II and III Railroads



Railroads – In Particular Freight
Railroads – Not Well Understood
By Washington Decision-Makers

Unlike Most Other Surface Modes, Freight Railroads Own, Maintain, and Operate Their Own Infrastructure.

Investment Decisions Driven By Fundamental Economics (ROI)

- Capacity
- Reliability
- Rates

- “Innovative” Finance for Highways is “Business As Usual” for Railroads
- Public – Private Partnerships Involving Railroads Are Inverse of Highways
- And What About Economic Regulation?

Tentative First Steps by Public Sector

- States Subsidize Passenger Services
- Public Sector Purchase of Access Rights/Rail Lines
- Capital Grant Program for Passenger Rail

Next Steps

- Passenger Rail Reauthorization
- Surface Transportation Reauthorization
 - Should They Be Separate?
 - Should They Be Commerce- or Public Works-based?

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