HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

March 30, 2011

Testimony of Phyllis Wilkins
Chairman of the Board
United States Maglev Coalition

MAGLEV IN THE USA: OPPORTUNITIES & LESSONS FOR ARRA

Chairman Duncan and Members of the Committee, thank you for the opportunity to submit this testimony on behalf of the U.S. Maglev Coalition. I am Phyllis Wilkins, and I chair the Coalition. I am also Executive Director of Maglev Maryland.

The U.S. Maglev Coalition ("the Coalition") is made up of public- and private-sector companies and individuals, agencies and labor unions, all committed to the development and deployment of high-speed magnetic levitation (maglev) transportation technology in the US. Properly deployed, maglev will provide economic stimulus to the country by providing new jobs, new technologies, provide environmental advantages, mitigate congestion on roads and in short-haul air routes and provide faster, safer, more efficient travel. And it will do all this without transferring an unsustainable continuing debt to those regions that choose to deploy it.

In my testimony today, I hope to impart some important facts about maglev and why it should be deployed in specific regions of the US. I hope also to illustrate to the Committee that there are important lessons for today's high-speed rail (HSR) program in past federal maglev statutes.

HSR IN AMERICA

Transportation advocates were thrilled when the American Recovery and Reinvestment Act of 2009 ("ARRA") provided billions for a new national high-speed rail program. In two short years, however, this enthusiasm has diminished considerably, and the HSR program is now derided as perhaps symbolic of unnecessary government spending. As a result, a number of recipients have done something practically unheard of: they turned that money back. Why? Because the Administration has ignored some critical elements that are required to make HSR a success.

SPEED & COSTS

First, few of the projects chosen by the Administration for funding actually represent true high-speed rail. In 1997, the U.S. DOT released its report, "High Speed Ground Transportation for America," which defined High-Speed Rail as systems with maximum practical operating speeds of 150 mph and above. Systems with speeds from 90 up to

150 mph were labeled "Accelerail." Maglev was defined as being able to achieve speeds of 300 mph.

When the ARRA funding was announced, projects could qualify for high-speed rail funding if they had the potential to reach 110 mph. The American public, which welcomed the notion of transformative HSR and maglev systems such as those that exist in Europe and Asia, felt misled. Numerous USDOT-funded projects had speeds that didn't come close to even the lower 110-mph threshold. Without true high-speed, ridership would materialize very slowly, if ever, leaving annual operating deficits not covered by federal funds to fall squarely on states to shoulder. And those states, calculating the decades of unfunded liabilities to their citizens, began reassessing the true costs of these projects. Some returned federal grant awards to the USDOT.

Unused to a truly multimodal transportation economy, the U.S. traveler will only access a new form of transportation – HSR – if it saves time and is convenient. The USDOT approach did not guarantee that the projects it funded would meet either criterion.

PRIVATE SECTOR INVESTMENT

Slower speed, less convenience and attractiveness reduce profit potential to a project, thus weakening inducement for private funding interest. Before ARRA, this committee passed the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), which mandated that projects be able to form public/private partnerships. The 1997 USDOT report, responding to a congressional mandate, also examined the commercial feasibility and partnership potential of projects all across the country. Projects were rated on their abilities to be self-sufficient and to attract private partnerships.

It is clearly a liability of today's HSR program that the Administration took few lessons from existing statutes, their own 1997 High Speed Ground Transportation report or the PRIIA bill when mapping out the ARRA HSR Program.

ROADMAP FOR SUCCESS

In 1998 Congress passed the Transportation Efficiency Act for the 21st Century – or TEA-21 - which contained a blueprint for deploying Maglev in this country. The Magnetic Levitation Technology Deployment Program (MDP) required that successful projects must:

- Be nationally significant;
- Be capable of expanding into a regional system;
- Produce revenues in order to be self-sufficient;
- Provide technology transfer creating US jobs; and
- Be a public/private partnership.

Not only did the 1998 MDP fund seven projects for study, the U.S. Federal Railroad Administration (FRA) produced a Programmatic Environmental Impact Statement (PEIS) which recommended, after intensive analysis of the environmental impacts, the selection of an Action Alternative and produced a Record of Decision supporting the advantages of maglev technology and the decision to take two projects forward. Despite all the good work by the projects and the FRA findings, this program has been left on the shelf.

All of these requirements should have been the basis for selecting any project to receive ARRA funding for high-speed rail, but sadly most of the projects did not meet the majority of these standards.

NATIONAL STANDARDS VS. REGIONAL SOLUTIONS

With its emphasis on creating jobs and industry, the Administration has perhaps undermined bringing state-of-the-art transportation systems to the US on a regional basis. The United States is a very large country; we connect the distances from our east and west coasts by airplane, not by train, for the great majority of our passengers. Thus there is no reason for a passenger train that operates in the NorthEast Corridor, or in Florida, or in Chicago, to necessarily be interoperable with those operating in California. The size of the U.S. market allows for regional diversity.

For a country where freight operators now own the majority of the rails, demanding national interoperability fort passenger trains makes little sense. While our national freight rail system is hailed as the most efficient in the world and the envy of other countries, mixing freight with passenger rail is unwise.

It is important to note that before the passage of ARRA, the FRA served primarily as a regulator of freight railroads and a pass-through agency for other federal funds, and had at no time ever been predominantly a grant-making agency. In one fell swoop, this regulator was given a $10 Billion program to administer (when ARRA and general appropriations were taken together).

The FRA's history shows clearly in its administration of the ARRA HSR program – and to its detriment, some might say.

MAGLEV ADVANTAGES

For each of the preceding criticisms of the current approach, maglev provides an answer. Given the success of the Maglev Deployment Program in identifying projects that met the federal standards in TEA 21 and the decision to go with an Action Alternative, it would seem that maglev would be on a path to receive ARRA funds. None of the maglev projects received even a dollar of the ARRA funds. Again, we must ask, why?

Maglev has been in revenue service since 2004 and has demonstrated many positive attributes:

- Maglev can achieve ultra-high speeds in daily revenue service (270 mph)
- Maglev's 99.9% on-time performance in commercial application is unmatched by any other transportation system in this country
- Maglev can be self-sufficient as a result of lower operations and maintenance costs than traditional high speed rail
- Maglev consumes less energy than traditional steel-wheel-on-rail systems at the same speeds
- Maglev requires a smaller footprint than traditional steel-wheel systems and, when elevated, can collocate in existing transportation rights-of-way

One only has to look at the FRA Record of Decision to see all the reasons that it recommended construction of maglev systems in this country:

> "…proceeding with the program also ensures that Maglev will be seriously considered in future high-speed ground transportation corridor planning to improve intercity and regional transportation. Implementing the Maglev Deployment Program could lead to faster trip times that would attract passengers off of congested highways and airports…Maglev affords the potential of more efficient energy use than air and auto modes of travel that require the direct consumption of petroleum for power…Compared to conventional modes of available travel in the United States and other high speed ground transport alternatives, Maglev has a greater combined benefit of faster trip times, reliability during peak demand, convenience, ability to share corridors, achieving high capacity, safety, and petroleum independence…(the projects selected) provide the highest probability of securing the non-federal resources…"

CONCLUSIONS & QUESTIONS

The U.S. Maglev Coalition believes that the Administration has missed an extraordinary – perhaps historic – opportunity to deploy maglev in the U.S. by defining its HSR program as it has. Each of what we hoped would be the program's broader goals and objectives, i.e., bringing true HSR to the US and creating new industry, can be met with appropriate deployment of maglev. In addition, these goals and objectives can be met in a manner which preserves our environment, reduces our dependence on foreign oil – indeed, oil of any kind – and can lead to a safer experience for the traveling public.

As the Congress develops legislation to reauthorize SAFETEA-LU, we hope that this Committee will keep in mind the lessons learned from maglev experience around the world and here in the U.S.

We ask that the Committee examine this testimony and the prior statutes cited and develop a framework – either by amendment to PRIIA or in a new program – which allows <u>all</u> HSGT modes to be fairly considered against criteria for funding and financing that meet key tests for speed, ridership, public/private partnering, environmental friendliness and energy efficiency.

Specifically, we recommend –

> The creation of an office of high-speed passenger programs in USDOT, apart from freight rail regulation;
>
> That modal administration silos based on funds be removed, and that the USDOT have flexibility to invest funds where a return-on-investment can actually be measured;
>
> Further, that the Congress and the Administration encourage the states to adopt similar flexibility in their selections of transportation projects to fund;
>
> That Congress require apples-to-apples comparisons by the USDOT and its modes and that these comparisons, rankings and evaluations be open and transparent to the public and its representatives;
>
> And that Congress encourage the deployment of one or more maglev projects for commercial service, such that maglev's attributes and any shortcomings may be fairly evaluated, as has been the case with so many other new technologies in the past.

We are convinced that maglev will be the technology of choice when judged against meaningful criteria that are required for successful public/private HSGT transportation systems.