



Contact: Chip Hallock, 973-522-0099
For VTC: Rick Remington, 732-932-6812, ext. 552, e-mail: remingr@rci.rutgers.edu

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**NEWARK RBP PROPOSES NEW FEDERAL-STATE PARTNERSHIP
TO GOVERN NORTHEAST CORRIDOR, BREAK IMPASSE OVER AMTRAK**

NEWARK, NJ –A coalition of Northeast business groups led by the Newark Regional Business Partnership (NRBP) today recommended that states become active partners with the federal government in governing a financially stable Northeast Corridor, fundamentally changing Amtrak’s role to that of contract operator/manager while continuing to provide intercity rail service in the region. The recommendation is the conclusion of a study commissioned by NRBP and conducted by the Alan M. Voorhees Transportation Center (VTC) at Rutgers, The State University of New Jersey.

Called “Northeast Corridor Action Plan: A Call for a New Federal-State Partnership,” the report notes that 30 years of historic underfunding of Amtrak has allowed one of the nation’s most critical transportation assets to atrophy and fall into a state of disrepair. The plan was unveiled at NRBP’s offices today at an event with Verizon New Jersey President Dennis M. Bone, Horizon Blue Cross Blue Shield (Robert Marino, senior vice president); PSE&G (Art Guida, director of external affairs); Rutgers-Newark Provost Steven J. Diner, and the New Jersey Chamber of Commerce (Michael Egerton, vice president.)

The report recommends that those portions of the Northeast Corridor designated to Amtrak in 1976 be placed in public hands through a transfer to the U.S. Department of Transportation. A new public benefit corporation, governed by a board representing equally the federal government and the Northeast states (including the District of Columbia), would exercise policy control over the rail line. Amtrak would be held accountable to the governing board through a renewable contract for maintaining the rail line and operating the NEC’s intercity service between Washington, New York and Boston.

“The Northeast Corridor is essential to our region’s business community and the health of our economy,” said Bone. “We depend upon frequent intercity service to conduct business from Washington to New York to New England. We rely on uninterrupted commuter rail operations on the Northeast Corridor to get our employees to work. And we value the business activity generated by the mobility the Northeast Corridor provides.

“Verizon joins with other leaders in the New Jersey business community in supporting this proposal as the best and most realistic opportunity to provide a secure future for the Northeast Corridor,” Bone said.

VTC Director Martin E. Robins said that the unique element of the proposal is its focus on governance, accountability and sustained federal involvement. He said the proposal is designed to break a longstanding logjam between the federal administration and Congress about the future of intercity rail service and resolve the conflict between Amtrak’s for-profit mission and its higher public policy purpose of providing regional mobility. This model would also set the stage for expanding regional rail services to meet increasing demand for improved intercity and commuter services.

“This proposal, if embraced, would demonstrate that states in our region are willing to assume shared responsibility with the federal government to preserve and improve intercity rail service,” Robins said. “Our plan also provides a model, adaptable to other intercity rail corridors and will encourage state leadership and sustain federal funding coupled with shared governance. It makes Amtrak accountable to its public funders on the NEC, eliminating its monopoly control, but at the same time strengthens Amtrak’s role by creating a more stable, broadly supported environment for regional intercity rail service.”

NRBP President Chip Hallock said his organization spearheaded the study in response to the deadlock in Congress over a reauthorization plan for Amtrak, which continues to cloud the future for the Northeast Corridor.

“As the highways and airways in the Northeast grow more congested, the need to preserve and modernize the Northeast Corridor grows more urgent,” said Hallock. “The fact that rail service on the Northeast Corridor is powered by electricity makes the need even more urgent in light of our nation’s commitment to reduce our dependence on foreign oil and rely more heavily on clean energy sources.

“The Northeast Corridor is integral to the future of our region and the states need a seat at the table to help shape their destiny,” he said.

Running 456 miles between Boston, New York and Washington, the Northeast Corridor is owned primarily by Amtrak which operates high-speed intercity service. Smaller portions are owned by the New York Metropolitan Transportation Authority, the State of Connecticut and the Massachusetts Bay Transportation Authority (MBTA). Seven of the nation's largest commuter rail agencies rely on the NEC for significant portions of their operations and there is some freight railroad use. The NEC every year accounts for more than half of Amtrak's national ridership, 13 million riders, and 80 percent of the nation's commuter rail travel, more than 300 million riders.

Hallock explained that NRBP had become alarmed by a Bush Administration plan to relinquish the federal role with the Northeast Corridor by assigning it to a multi-state compact and to "zero out" Amtrak funding support. That proposal, which threatened shut down of the Northeast Corridor, made little headway in Congress, resulting in the current political stalemate of minimal annual appropriations for Amtrak.

"Meanwhile, the backlog of work to replace aging tunnels, bridges, electric power and signal systems, and other infrastructure along the NEC has continued to mount, resulting in declining reliability for commuter and intercity rail services," Hallock said. "It was that uncertainty followed by political stalemate which prompted Newark RBP to initiate the study."

The Northeast Corridor underpins not just the regional transportation network, but also the regional economy, said Bone. "To ensure our continued growth, we must improve our mobility and unlock the economic power of this asset so that we get beyond the issue of repairing the infrastructure and begin talking about how we get more, better and faster intercity and commuter rail service in the Northeast."

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THE NORTHEAST CORRIDOR ACTION PLAN

The Newark RBP proposal calls for reform on the Northeast Corridor (NEC) in the areas of governance, operations and finance. Following is a summary of the key points:

Governance

- Transfer ownership of the NEC from Amtrak to the federal government
- Create a new public benefit corporation to assume policy control of NEC infrastructure and intercity rail service, and effectuate a new federal-state partnership. The federal government would have equal representation on the governing board with the eight NEC states between Massachusetts and Maryland plus the District of Columbia. This arrangement would be designed to balance the needs of various users – Amtrak, the commuter railroads, the freight railroads.

To reform operations and finance, the new public benefit corporation would:

Operations

- Contract with Amtrak to continue running intercity passenger service and managing the federally-owned portions of the infrastructure
- Oversee capital planning and implementation and station area development among NEC users
- Set policies for allowing new NEC passenger rail services
- Establish protocols for scheduling and dispatching trains
- Encourage customer-oriented service integration and innovative management arrangements for major facilities, such as Penn Station New York

Finance

- Use federal funding to restore the NEC to a state of good repair and relieve all Amtrak's legacy debt relating to the NEC
- Finance future capital investment through a new, supplemental federal/state partnership using an 80/20 funding formula
- Set standards for the allocation of operating costs among the rail line's various users, superseding current law
- Assign financial responsibility to the federal government for rolling stock and maintenance facility improvements used in NEC service

This model could be adapted to other existing and emerging rail corridors throughout the United States.

THE NORTHEAST CORRIDOR ACTION PLAN

Affected States, Commuter Services and NEC Ownership

STATE	COMMUTER SERVICE	NEC OWNERSHIP
MASSACHUSETTS	Massachusetts Bay Transportation Authority (MBTA)	MBTA
RHODE ISLAND	MBTA	Amtrak
CONNECTICUT	Shoreline East Metro North Commuter Railroad	Amtrak: New Haven- Rhode Island state line Connecticut DOT: New Haven–New York state line
NEW YORK	Metro North Long Island Rail Road NJ TRANSIT	NY Metropolitan Transportation Authority (MTA): New Rochelle-Connecticut state line Amtrak: New Rochelle-New York City
NEW JERSEY	NJ TRANSIT Southeastern Pennsylvania Transportation Authority (SEPTA)	Amtrak
PENNSYLVANIA	SEPTA NJ TRANSIT	Amtrak
DELAWARE	SEPTA	Amtrak
MARYLAND	Maryland Area Regional Commuter (MARC)	Amtrak
DISTRICT OF COLUMBIA	MARC Virginia Railway Express	Amtrak

Ownership of the Northeast Corridor

