

# Senate Finance Committee

*Deb Martone 271-4980*

**SB 100-FN-A**, making a general fund appropriation for continuation of the project development phase of the New Hampshire capital rail corridor project.

**Hearing Date:** January 31, 2017

**Time Opened:** 2:46 p.m.

**Time Closed:** 3:42 p.m.

**Members of the Committee Present:** Senators Daniels, Reagan, D'Allesandro and Feltes

**Members of the Committee Absent:** Senators Giuda and Morse

**Bill Analysis:** This bill makes an appropriation to the department of transportation for continuation of the project development phase of the capital rail corridor project.

**Sponsors:**

Sen. Lasky

Sen. Soucy

Sen. Woodburn

Rep. M. MacKay

Rep. LeBrun

Rep. O'Brien

Rep. Jack

Rep. Rosenwald

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**Who supports the bill:** Senators Lasky, Hennessey, Soucy and Woodburn; Representatives O'Brien, MacKay and Rosenwald; Tracy Hatch; David Preece; Mike Skelton; Glenn Brackett; Samuel Langley; Jan Zicha; Jim Donchess; Sue Lovering; Michael Izbicki.

**Who opposes the bill:** Greg Moore.

**Who is neutral on the bill:** Rebecca Ohler; Michael Lennon.

**Summary of testimony presented in support:**

**Senator Lasky, Prime Sponsor:**

- Senator Lasky has introduced versions of this legislation for many years, and is not giving up!
- The requested appropriation will be used to finalize the engineering design, provide firm financial figures, and complete the environmental impact assessment on this project. This will allow the Legislature to make a truly informed decision on the affordability and viability of rail in our state.
- Voting in favor of SB 100-FN-A does not obligate any future Legislature or legislator. This appropriation will supply definitive information.

- While remaining a \$4 million General Fund appropriation, there is no cost to taxpayers. Current federal funds are already allocated for 80% of the appropriation. An ample number of highway toll credits could also be used for funding this project.
- It will be costly to this state and its citizens if we continue to close our minds to rail, without having all the pertinent facts.
- Senator Lasky testified there is overwhelming support for rail in the state. For the city of Nashua alone, approximately 74% support rail.
- Rail provides an opportunity for economic growth, much needed long- and short-term jobs, and a reduction in highway congestion and damage (particularly Route 3, and even I-93).
- We build roads and they are obsolete before we finish them. Cleaner air results from the use of rail.
- New Hampshire needs an economic stimulus, which will not only fill the worker void that exists but attract businesses of all types, helping to retain our educated youth.
- Many start-up companies in Nashua are looking to expand, but find it hard to attract younger workers due to the lack of rail.
- Senator Feltes inquired about business support for this project. Senator Lasky indicated that polling by the Nashua Chamber of Commerce clearly shows both an interest and demand for rail. The Manchester Chamber is also in favor.
- Senator Lasky implored committee members not to be short-sighted, and instead plan for rail.
- Senator D'Allesandro explained the state is accruing highway toll credits on a daily basis. It is not cash; it is our way of matching without cash. Senator D'Allesandro was hoping for a bit of clarification on the subject. Senator Lasky suggested someone from the Department of Transportation could provide that explanation.

**David Preece, Executive Director, Southern New Hampshire Planning Commission:**

- The commission represents the city of Manchester and 13 surrounding communities.
- Economic development has been and continues to be a very important part of our region.
- The commission's economic development goals relating to transportation include developing a multi-modal transportation strategy that involves strengthening and expanding aviation, placing a high priority on highway improvements, and encouraging a reliable and efficient passenger and freight rail service along the Capitol Corridor. A second goal is strengthening our region's workforce and vocational training. Workforce development is consistently cited by employers of all sizes as one of the most critical challenges facing the business community. It is a factor that can slow or halt economic growth. An important component of workforce development is attracting and retaining young professionals who can replace older workers who are now leaving the workforce, and fill new skill jobs that are being created and are often challenging to fill like the high tech industry.

- New Hampshire must consider a variety of policies and initiatives to attract and retain young professionals. Investing in a modern, high quality, multi-modal transportation system is one of the most important options the state should consider. Young professionals value access and mobility to urban areas. A project such as this would create a new talent pipeline between Southern New Hampshire and Greater Boston. It would help address our workforce development needs.
- Senator Feltes inquired about the 5,600 permanent jobs Mr. Preece noted in his written testimony. Mr. Preece stated that figure came from the alternative analysis done by Cambridge Systematics. Senator Feltes further inquired if there was any other credible report that might debunk that number. Mr. Preece replied there was not.

**Samuel Langley:**

- We badly need more public transportation statewide. This project is a start.
- Rail transportation is safer and much less affected by bad weather.
- All of our transportation systems are funded in one way or another by public funds. User fees don't even begin to cover the cost of building a highway.
- During the late 1970s and early 1980s passenger rail service was reinstated between Concord and Boston for a trial run. While running, the passenger load on the two trains per day required additional cars and crewmembers within weeks of the start-up.
- The current, federally funded Amtrak service from Boston to Brunswick, Maine, servicing the Exeter/Dover area, is successful with 5 trains running per day.
- Rail service could be a boon to the tourist industry, such as North Country ski areas.
- Rail service is much safer than automobile driving.

**Jan Zicha, Rail Transportation Committee, American Society of Civil Engineers:**

- SB 100-FN-A is a complex bill. Mr. Zicha offered to answer any engineering questions committee members may have.
- There has been a cultural change nationwide regarding rail passenger transportation. In places like Denver or Illinois, if a politician doesn't support rail service, he is voted out of office by young voters.
- There is a segment of young people who do not desire to drive. Businessmen prefer utilizing rail service, as it enables them to do their work. In Denver, light rail completely changed the lifestyle of the entire city for better. Even though these projects are not cheap, they still get built.
- At one time the older generation perceived automobile travel as something new and proof of prosperity. Passenger rail transportation was perceived as obsolete. But now there has been a major cultural change.
- It is very important that engineering on these projects is done correctly. Mr. Zicha has worked on 10 rapid transit systems and commuter rail on 4 continents.
- Non-electrified rail, running on fuel cells causing no pollution, is prevalent in Europe and may become so in this country.
- We should ensure this project's engineering study is supervised by experts with international knowledge and experience.

**Sue Lovering, Nashua Board of Alderman:**

- Ms. Lovering spoke on behalf of Alderman-At-Large Brian McCarthy, President of the Nashua Board of Aldermen.
- Over the past decade the Board of Aldermen have repeatedly endorsed the expansion of commuter rail to Nashua. The city's future success is directly connected to the success of the economy in the Greater Boston area, and is well poised to compete with the areas around Route 128 for the creation of new businesses, new jobs--both high tech and manufacturing--and new opportunities for revenue for both the city and the state.
- The city is constrained, however, by the congestion of the highway network to the south of Nashua. Commuter rail would not only relieve congestion but would, in fact, present a significant opportunity for reverse commuting of individuals who wish to live in the Boston area, but work at companies in Southern New Hampshire.
- There is promise in the national commitment to infrastructure. Funding may become available, which would ease the burden of bringing rail.
- Please support SB 100-FN-A to continue the development phase of the Capitol Rail Corridor Project.
- Ms. Lovering distributed copies of various resolutions issued by the Board of Aldermen supporting rail.

**Jim Donchess, Mayor, City of Nashua:**

- Rail service will bring economic growth to Southern New Hampshire, and in turn, help the entire state as a whole.
- The Conference on Metro Economics issued a national report citing 35% of New Hampshire's gross state product is generated in the Nashua/Manchester area. There are large and small employers adding jobs. If Nashua can get rail, it can build on that success, add more jobs and create even more economic growth.
- Members of the Legislature have been skeptical of this rail project because they have not been convinced that enough economic growth will occur as a result of the project. All members of the New Hampshire State Senate want to see economic growth; that may not be so true of the New Hampshire House of Representatives.
- Mayor Donchess distributed a partial report generated as part of the President Obama/President Trump Administration transition, designating 50 capital projects across the United States which are worth undertaking in terms of a national major infrastructure bill. Fifty projects were designated, all with state support. New Hampshire's project is the I-93 widening. The partial report includes rail-related projects. It is believed these rail projects will bring economic growth. One of the Texas projects, the Texas Central Railway Project, is a high speed rail line between Dallas and Houston. The other is the Cotton Belt Line Rail Project, a 67-mile commuter rail line providing service from Dallas' northeast suburbs to Southwest Fort Worth. Texas has grown its population and economy very successfully over a long period of time. It is a state with low regulations and a pro-business environment. These projects will boost the economy of these areas.
- Across the country other states are embracing rail service because of the

economic benefits it brings.

- The conclusions reached by the Rail Transit Authority are not unique to New Hampshire. The economic benefits are sufficient to justify the investment.

**Representative O'Brien, Cosponsor:**

- "You have to spend money to make money."
- If Nashua had commuter rail, it would bring businesses to the Nashua region.
- Manchester is much better with infrastructure investments, such as the Verizon Center and the Manchester-Boston Regional Airport.
- This project would be a smart, solid investment of state money.
- Eighty percent of the \$4 million is federal funds. The remainder would come from toll credits.
- The engineering study will determine if the project is viable.
- Nashua is very much in tune with the economy south of its border.
- This is not only a Manchester/Nashua issue. It is a State of New Hampshire issue.
- Investing in transportation will increase state revenue.

**Michael Izbicki, Chairman, New Hampshire Rail Transit Authority:**

- The studies are complete. Each study done has reinforced the idea that this project is viable, and something we should do for New Hampshire. The \$4 million appropriation is to answer the questions asked by legislators, businesses and residents. How viable is the project? Who are the end users? How are they going to benefit?
- In its alternative analysis study, the Rail Transit Authority determined rail is a viable mode of transportation if it is integrated with the rest of the transportation system, so that New Hampshire has a true, multi-modal transportation system which will yield many different benefits.
- In the next phase, we want to determine which types of businesses will benefit the most, exactly how much money will go into the General Fund as a result of the increase in economic development, and how will the communities benefit. How will this rail system, which is the last piece of a regional transportation system, benefit the end users in the communities?
- Chairman Izbicki has been doing rail projects for almost 40 years. He has built over \$8 billion worth of projects worldwide, including planning, designing, building, maintaining and operating them. The most successful projects have been well planned and vetted, like this project.
- Almost \$150,000 was raised in private money to perform the feasibility studies and some of the conceptual engineering studies, before the alternative analysis study was performed.
- The grants to do this project were the first of its kind, with the Federal Railroad Administration and the FTA working together.
- Massachusetts' goal was to build a multi-modal transportation system, and take people off the highways. They have successfully done so.
- If we want people to live and work in New Hampshire, we must be able to accommodate them. How do we make a transportation system that will work? You must build rail, which is a piece of the transportation system, connected with the airports.

- International airline carriers aren't coming to Manchester-Boston Regional Airport. They don't see a viable mechanism.
- Over 500,000 people are not served by rail in the Capitol Corridor.
- Projections for Amtrak's Downeaster for ridership and economic development were met in 5 years, not the 15-20 years that were originally planned. That is an intercity line, running city to city across state borders. Initially, the \$4 million appropriation requested in this bill is for a commuter line, which is a spoke and hub line. If the project does take off, it is possible Amtrak could go to Concord.
- Chairman Izbicki cannot stress enough how important this project is to the state's economy. People want to take the trains. Weather is not a problem.
- Pease, where the state made the investment, is a vibrant area on the Seacoast. It has a true, multi-modal transportation system, which brings economic development and quality of life to the region. Older and younger people are moving there. It's a great place.
- High speed trains traveling from New York to White River Junction, Vermont, in 3 hours or less, will start to operate later this year. Eventually, it will expand to Montreal. And that entire area will develop.
- The \$4 million appropriation is available grant money. It does not commit the state to move forward.
- Please consider this next step for the project.
- Senator Daniels inquired about the definition of viability. Chairman Izbicki indicated viability is multi-modal transportation, which gives people options to move forward. It is economic development, and return on investment.
- This project has one of the best returns on investment Chairman Izbicki has ever seen. The report's numbers are conservative. We need to at least take the next step.
- Senator Daniels commented New Hampshire has some of the highest energy costs in the nation, and some of the highest business profits taxes in the nation. Why will merely building rail bring people to New Hampshire? Chairman Izbicki indicated building rail is part of the transportation system. If you don't have a complete transportation system, you don't have economic development. Energy is also part of it. You need to look at it all. We need to have all the facts and details to enable a real decision.

**Future Action:** Pending

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Date Hearing Report completed: February 1, 2017