TESTIMONY

OF

DAVID M. LANEY
CHAIRMAN, BOARD OF DIRECTORS
AMTRAK

BEFORE THE

SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

OF THE

HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

TUESDAY, JUNE 12, 2007
2:00 P.M.
2167 RAYBURN HOUSE OFFICE BUILDING

Mme. Chairwoman and Members of the Committee, thank you for the invitation to appear before the Subcommittee today. We are glad that Congress is turning to Amtrak's reauthorization and hopeful of a constructive outcome. As you know, the last time an Amtrak authorization bill was enacted was ten years ago, and I believe that it is now in everyone's best interest that Congress has this discussion about the U. S. passenger rail service and the central role that Amtrak can play in shaping its future.

It is worth reminding you that the talent and experience housed in Amtrak represent virtually all of the passenger rail expertise remaining in this country today. I believe that expertise is worth protecting and growing, but I know also that it will not survive unless we at Amtrak successfully continue to build Amtrak's credibility with Congress and the Administration, with the American public and in the commercial marketplace. That is our challenge.

Afforded even the barest minimum of necessary operating support, as we have received during the last four years, we are successfully tackling that challenge. Not as fast as I would like, but faster than I expected. We are nowhere near anything resembling the "end zone". Still, the progress is significant and tangible, thanks largely to the remarkable expertise and an almost inconceivably steady commitment to Amtrak of its workforce.

Among the more intractable challenges before us are:

- On time performance of long distance and corridor operations on "host" railroads
- Renewal and replacement of Amtrak's aged equipment fleet
- Restructure and rationalization of our long distance routes
- Establishing stronger, constructive relationships with States in connection with corridor development
- Reauthorization and the critical need for a Federal-State "match"
- Resolution of outstanding labor contracts with flexibilities that will enable growth
- Passenger security

As for priorities, the security of our passengers and employees will always remain front and center, of course. And regarding our capital strategy, we are moving beyond the concept of "state of good repair" to a more strategic investment strategy.

Those are the challenges. But there have been achievements as well.

- Containing and reducing Amtrak's federal operating support
- Revenue and ridership growth
- Quickly and effectively overcoming Acela equipment defects and service interruptions

- On time performance levels of the Acela approaching 90%

- Corridor initiatives, particularly the SEC Corridor initiative (See the FRA Website)

- Debt reduction. Amtrak has reduced its debt by approximately $500 million over the last four years, including $171 million in FY 2006 and $108 million thus far this year. Amtrak has repaid $60 million of its 2002 emergency $100 million RRIF loan.

- Success of state corridors. In California, the Capitol Corridor now has 6 daily round trips and in FY07 ridership up 12% so far. Illinois more than doubled service on 3 corridors in October 2006 and FY07 ridership is up 45% on all 3 corridors. The Keystone Corridor in Pennsylvania now has 14 weekday round trips, with lower travel times and its FY07 ridership is up 17%. In Washington and Oregon, the Cascades service now has 4 daily round trips; we hope to add another shortly. Ridership in FY07 ridership is up 9%.

The catalogue of positive results could continue, but I will instead close with my perspective our employees, our management team, the working support we have had from the Department of Transportation and Secretary Peters, the Federal Railroad Administration and Administrator Boardman (an active member of the Amtrak Board) – all are in excellent shape. And finally, I believe you have a very independent, talented and pro-active Board, which makes a difference.

Again, thank you for the invitation to be here today, Mme. Chair and Members. Now I would like to defer to the President and Chief Executive Officer of Amtrak, Alex Kummant.