



**U.S. House of Representatives**  
**Committee on Transportation and Infrastructure**  
**Washington, DC 20515**

**James L. Oberstar**  
Chairman

**John L. Mica**  
Ranking Republican Member

June 22, 2007

David Heymsfeld, Chief of Staff  
Ward W. McCarragher, Chief Counsel

James W. Coon II, Republican Chief of Staff

**SUMMARY OF SUBJECT MATTER**

**TO:** Members of the Subcommittee on Railroads, Pipelines, and Hazardous Materials  
**FROM:** Subcommittee on Railroads, Pipelines, and Hazardous Materials Staff  
**SUBJECT:** Hearing on the Benefits of Intercity Passenger Rail

**PURPOSE OF HEARING**

The Subcommittee on Railroads, Pipelines, and Hazardous Materials is scheduled to meet on Tuesday, June 26, 2007, at 10:00 a.m., in Room 2167 Rayburn House Office Building, to receive testimony on the Benefits of Intercity Passenger Rail.

**BACKGROUND**

The National Railroad Passenger Corporation (Amtrak) operates nearly all intercity passenger rail in the United States.<sup>1</sup> Most of this service is part of Amtrak's "basic system" that includes a network of about 21,000 miles of rail over which 300 trains operate per day (excluding commuter trains) serving more than 500 communities in 46 states. In addition, a number of states have contracted with Amtrak to operate state-supported intercity passenger rail services. Amtrak serves over 24.3 million passengers annually, generating ticket revenue of about \$1.37 billion.

There are two types of intercity passenger rail transportation services:

1. "Corridor" services, which focus on shorter distance markets where intercity passenger rail can offer a reasonable travel time transportation option; and
2. "Long-distance" services, which focus on longer-distance markets.

These two services are generally distinguished based on length and frequency. Corridor services are generally less than 500 miles in length while long-distance services are generally over 500

---

<sup>1</sup> The state of Alaska also provides intercity passenger rail service on the Alaska Railroad.

miles. Corridor services generally serve major business and urban areas with frequent service while long-distance service may occur daily or less and is geared towards the end point user.

Long-distance ridership makes up about 16 percent of Amtrak's total. However, these long-distance passengers travel about 50 percent of Amtrak's total passenger miles and serve three unique roles:<sup>2</sup>

- *National connectivity*—Collectively, long-distance trains form most of the national network that links different intercity passenger rail services and markets throughout the United States. The preservation of a national network of intercity passenger train service was one of the key reasons for Amtrak's creation. Unfortunately, service elimination/reductions and declining on-time performance outside the Northeast Corridor have reduced the effectiveness of this national network in recent years;
- *Essential services*—Many long-distances trains serve small communities with limited or no significant air or bus service, especially in remote or isolated areas such as northern Montana and central West Virginia. As a result, rail transportation may provide the only affordable public transportation in such communities; and
- *Redundancy within the multimodal transportation system*—Long-distance trains provide an alternative form of travel during periods of severe weather conditions or emergencies that affect other modes of transportation.

Approximately 81 percent of all intercity passenger rail trips occur on corridor routes. The American Association of State Highway and Transportation Officials (AASHTO) characterize corridor trips as (1) short distances/travel times; (2) frequent/regular travel; (3) significant business market; and (4) many single-day round trips.

Intercity passenger rail offers several advantages for corridor markets, including:

- Direct service to and from densely developed central cities, which may otherwise involve travel on congested highways and parking challenges or long, unreliable trips to and from airports located in suburban areas;
- Service to and from communities not served by air;
- Use of existing rail rights-of-way; and
- Scalable capacity that can more quickly respond to growth and better match seasonal and day-of-week fluctuations in demand when equipment is available to provide additional service.

One of intercity passenger rail's most obvious advantages is providing an alternative to highway and air travel. Over the past few years, intercity passenger rail use has increased dramatically while congestion along freeways and in the air continues to grow. According to Amtrak's March 2007 Monthly Report, year to date (YTD) ridership of 2.17 million trips is a 7%

---

<sup>2</sup> A passenger mile is one passenger traveling one mile.

increase over FY06 ridership levels and 2% better than budget projection. Ticket revenues of \$126.6 million are nearly 14% over FY06's YTD ticket revenues and 6% better than budget projections.

The Texas Transportation Institute states that traffic congestion in American cities is worsening at a rate that grows faster each year. What was once a "big city problem" typically associated with million-plus population areas such as Los Angeles, CA; Houston, TX; and Washington, D.C. is now a rapidly growing dilemma in places like Austin, TX; Louisville, KY; and Charlotte, NC. Gridlock costs the average driver more than 40 hours a year in travel delay, and costs the United States more than \$63 billion each year while wasting 2.3 billion gallons of gas.

AASHTO attributes the increased congestion to population growth, rising incomes, and lack of transportation alternatives. Even in fast-growing states, highway traffic is increasing at a rate greater than population growth.

The Government Accountability Office (GAO) reported in 2002 that this trend will continue for at least 10 years. AASHTO reports that interstate highways have become increasingly expensive to build, especially in urban areas and many congested corridors simply lack the physical space to build more capacity.

Further, higher gas prices are hurting drivers' ability to utilize highway travel. Global consumption of gasoline and other refined petroleum products continue to increase, due to rapidly growing demand in China and other developing economies as well as continued demand in the U.S. As a result, gas prices continue to climb with no end in sight. According to the Department of Energy, the average price of a gallon of gasoline has risen from \$1.85 in December 2004 to \$3.01 in June 2007, a 62% increase.

According to a Pew Research Center poll conducted in August 2006, 55 percent of American households have scaled back their driving due to high gasoline costs. The poll also found that lower-income drivers and rural residents are even more likely to scale back on driving. Many Americans have found that train travel provides a good alternative to driving and flying.

Amtrak's speed and reliability will have to be improved to attract significant new ridership. For the current fiscal year through April 2007, only 42% of Amtrak long distance trains arrived on time. The California Zephyr has never arrived on time, while the Capitol Limited has managed to arrive on schedule only 15.9% of the time. This is primarily the result of growing congestion on the freight rail lines, which host Amtrak's long distance trains.

While air travel ridership has returned to its pre-9/11 levels, new security requirements have increased the amount of time associated with air travel. The impact of 9/11 on airlines has also forced the paring back of service between cities and especially to smaller communities. Congestion is also a growing problem associated with air travel. AASHTO reports that in 1993, 23 commercial airports in the United States experienced at least 20,000 annual hours of air carrier delays. In 2003, 32 commercial airports had over 20,000 annual hours of air carrier delays, a one-third increase.

As discussed above, intercity passenger rail has experienced strong growth over the past few years. This growth reflects a combination of market growth and increased service and investment in selected intercity passenger rail corridors throughout the United States.

Corridor travel can also compliment existing transportation modes. For example, when bad weather affects Continental Airlines' flights at its Newark, NJ hub, it transfers passengers from short-distance flights to Amtrak. The success of this program has encouraged Amtrak to expand this service to other locations.

Amtrak also has an intermodal project at the Burbank Airport in California and provides connecting bus service between the San Francisco International Airport and its *Capitol* Corridor. These arrangements benefit the public by enhancing private sector efficiency, and improving time, price, and reliability, but more work remains.

T.F. Green Airport in Providence is constructing new facilities to allow air travelers to access Northeast Corridor trains, but additional funding is needed for track infrastructure, rail equipment, and train operations to provide frequent service to downtown Boston. A rail connection into BWI Airport in Baltimore is also needed.

Further, corridor service also helps the economies of the regions they serve. Dependable, efficient, and safe movement of people is essential for an economy to operate. Most parts of the U.S. economy have already built up a significant stock of transportation capital through decades of investment. As a result, the economic goal of additional investment has broadened from strictly development objectives to include concerns regarding regional competitiveness and connecting local producers with larger national markets.

Many states are actively involved in the planning and development of intercity rail corridors throughout the United States. These intercity passenger rail corridors are nationwide in scope, providing service to and benefiting from the participation of 36 states.

The states and Amtrak have identified capital investment needs for most of these corridors, focusing on incremental improvements in the near term (next six years) and long-term (through the next 14 years). In 2002, AASHTO reported that this need was a total of \$59.9 billion, with annual capital expenditures estimated at about \$3.0 billion.

Increasing investment in passenger rail can reduce travel time, travel costs, decrease congestion, and improve local economies.

The travel-time savings due to service upgrades can be significant. Introduction of *Acela* service on the Northeast Corridor has reduced travel time from New York to Boston by one hour and 25 minutes. Elsewhere in the United States, the travel-time savings can be even greater. For example, the Midwest Regional Rail Initiative expects to cut the current train travel time from 5 hours, 46 minutes to 3 hours, 41 minutes on the Chicago-Detroit route.

By reducing the cost of a trip, rail investment increases accessibility and encourages people to either switch from another mode to rail or to make a trip when they otherwise would have stayed home. This, in turn, increases tourism to the corridor markets, generating purchases of tourism-related goods and services, and increases demand for labor and materials.

Rail investment helps local economies in a number of ways. First, it helps create new jobs. Amtrak employs nearly 19,000 people, and an expansion of existing rail service requires more

employees, increasing the amount of income earned and spent in the local economy. Often times, the improved access will also help bring more tourists to that location, further bolstering the local economy and job creation.

Second, rail stations themselves are often engines for economic growth. Union Station in Washington, DC is perhaps the most obvious example. The station attracts over 23.5 million visitors a year and ranks as the most visited site in Washington, DC. The station houses Amtrak, Maryland Area Railway Commuter, the Virginia Railway Express, and Metro, which links commuters to Reagan National Airport and the rest of DC. Stations like Union Station have helped build up the economy in surrounding areas. Restaurants, shops, and local businesses have moved in, and residential real estate has thrived, all of which have created more jobs.

**EXPECTED WITNESSES**

**Mr. Larry Blow**  
US Maglev Coalition

**The Honorable John Bohlinger**  
Lt. Governor  
Montana

**Mr. Kevin Brubaker**  
Project Manager for the Midwest High Speed Rail Network Project  
Environmental Law and Policy Center

**The Honorable Frank J. Busalacchi**  
Secretary  
Wisconsin Department of Transportation

**Mr. Ross Capon**  
Executive Director  
National Association of Railroad Passengers

**Ms. Astrid C. Glynn**  
Commissioner  
New York Department of Transportation

**The Honorable Robert N. Jackman**  
State Senator  
Chair, Midwest Interstate Passenger Rail Commission  
Indiana

**Mr. Will Kempton**  
Director  
California Department of Transportation

**The Honorable Elaine Nekritz**  
State Representative  
Illinois

**Ms. Harriet Parcels**  
Executive Director  
American Passenger Rail Coalition

**Mr. Colin Peppard**  
Friends of the Earth

**Mr. Mark Schweiker**  
President  
Greater Philadelphia Chamber of Commerce

**The Honorable Velma Williams**  
Commissioner  
City of Sanford, FL