

Testimony of

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Funding a Robust Freight and Passenger Rail Network

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Written Statement

Good morning Chairman Lipinski, Ranking Member Crawford, and all the members of this Subcommittee. My name is Stephen Gardner and I serve as Senior Executive Vice President and Chief Operating and Commercial Officer for Amtrak. It is my pleasure to testify here today on behalf of Amtrak's many dedicated employees.

I look forward to discussing with you the many productive steps that could be taken to support a robust passenger rail network in the United States. In particular, there has been recent discussion by this committee on the potential infusion of additional federal funding for rail as part of an infrastructure bill, as well as new federal policy and programs that could be considered as part of a multiyear surface transportation reauthorization. Such opportunities can help ensure the safety, reliability, and future growth of intercity passenger rail throughout this nation and Amtrak wants to work with Congress to help realize this potential.

My testimony today will focus on both the opportunities and challenges that exist for Amtrak's National Network with includes the state-supported services we partner with states to deliver and long distance service, and the Northeast Corridor (NEC).

State Supported Service and Corridor Development

Amtrak's 27 state-supported routes – our short-distance services outside of the NEC – illustrate both intercity passenger rail's enormous potential and our nation's failure to realize it more fully.

In FY 2019, state-supported routes carried 15.4 million riders, 47% of Amtrak's total ridership and a 19% increase from ten years ago. State-supported revenues, including state payments, covered 93% of operating costs, resulting in a federal operating funding requirement of \$58 million. States also contributed approximately \$60 million for equipment overhaul capital costs, and many states also made significant capital investments in state-owned equipment, stations and infrastructure. Most state-supported routes operate over heavily populated short distance corridors ranging from approximately 100 to 400 miles in length.

Many of the state-supported routes benefited from various USDOT competitive grant programs in recent years, often with the support of state matching funds. While these grants funded several very worthwhile intercity passenger rail projects, there has not been enough Federal money to develop or significantly improve even a single corridor – or for that matter to fund a single interstate highway interchange or airport terminal expansion. Imagine for a moment what our highways or our aviation system would look like if they were funded at the levels at which we fund intercity passenger rail. Addressing this funding deficit through a reliable and substantial source

of Federal funding remains the most important change needed to support a reemergence or expansion of intercity passenger rail service in our nation.

The most immediate investment need on our state-supported routes is new equipment. Most of the passenger cars and many of the locomotives operating on our state-supported corridors are approaching or have reached the end of their useful lives. The newest of the Amfleet I cars built in 1975-1977 is 43 years old. In addition to providing our *Northeast Regional* service between Boston and Washington, these cars are utilized on all our Northeastern and Virginia state-supported routes, and on several other state-supported routes. In January 2019, we issued a Request for Proposals (RFP) for 75 new trainsets (or railcar equivalents) to replace the 458 Amfleet I cars, as well as 16 of the original *Metroliner* railcars built a half century ago and the five Talgo VI trainsets operated on the Amtrak Cascades service in the Pacific Northwest. The RFP also called for options for up to 50 additional trainsets to provide equipment for new or additional short distance services. Bids have been received and are being evaluated by Amtrak and its state partners. An award is expected later in 2020.

The RFP contemplates the acquisition of equipment that will be bi-directional, eliminating the need to turn trains at endpoints, and dual-mode – capable of operating under electric power on the NEC between Boston and Washington and the Philadelphia-Harrisburg Keystone Line and with diesel power elsewhere. This will allow us to eliminate engine changes on *Northeast Regional* and other trains that operate on both the NEC and unelectrified state-supported routes, reducing trip times and delays.

While the states that fund Amtrak's state-supported service welcome the opportunities that a new equipment fleet will provide, they have told us that they are unable to fund the entire capital cost of wholesale replacement of the Amfleet I equipment operating on their routes, acquired by Amtrak with federal funding over four decades ago. Acquisition of new equipment will be severely constrained if no federal funding is provided to match state investments. To address this, our legislative and grant request proposes that Congress continue to set aside at least \$100 million annually for the upfront Amfleet I replacement costs, as it did in FY 2020, to offset 50% of the states' proportional share of acquisition costs.

The next highest investment priority for both existing state-supported routes and future corridor development is infrastructure. Four of Amtrak's ten highest ridership routes outside of the NEC – the Oakland/Sacramento-Bakersfield *San Joaquins*; the Chicago-St. Louis *Lincoln Service*; the Boston-Portland/Brunswick *Downeaster* and the Amtrak and Michigan DOT-owned portions of the Chicago-Detroit/Pontiac *Wolverine* route – are still predominantly single-track railroad. That means that when two Amtrak trains going in opposite directions meet, one must pull over

onto a siding or passing track and cannot proceed until the other train has passed. This increases trip times, and also constrains increases in service frequency.

Only a few of our short distance routes offer trip times that are truly competitive with driving or flying. Outside of the Boston-to-Washington NEC, there are only four corridor routes – all owned and/or operated and maintained by Amtrak - on which our trains exceed 90 miles per hour. Stations in major cities where we have significant corridor service like Chicago, or where we should have such service like Atlanta and Cleveland, are inadequate to accommodate even our existing trains, let alone much needed growth in passenger rail service.

As Amtrak explained in testimony before this committee last November,¹ because of lack of funding and a coordinated national effort, we are missing out on enormous opportunities to expand intercity passenger rail service. Amtrak could do, and needs to do, a great more than we do today to offer effective connections between communities in heavily populated corridors across America; alleviate worsening congestion on highways and our aviation system; and encourage use of a more sustainable transportation option that is more energy efficient and environmentally friendly than travel by other modes. We need to start pursuing those opportunities now.

We do not have to look very far to see what can be accomplished when elected officials and policymakers decide to invest in intercity passenger rail. When Amtrak was created in 1971, the only Amtrak trains that rumbled through the tunnel beneath Capitol Hill that leads to the Long Bridge to Virginia were three pairs of overnight long-distance trains that stopped in Richmond on their way to Florida. In 2009, Virginia began providing funding for expanded Amtrak service, which ultimately included new trains from Washington to Richmond, Norfolk, and Lynchburg/Roanoke. The number of passengers traveling on these new services exceeded expectations: ridership on Amtrak's Virginia services nearly doubled over the ensuing ten years. Demand for Amtrak in Virginia has been so high that it could easily support doubling the frequency of service we offer today.

So, Amtrak and the Commonwealth of Virginia are going to do exactly that. Amtrak, Virginia, and our host railroad, CSX, have reached agreements that will allow us to double the level of service we provide between Washington and Richmond to near hourly by 2030, and to increase service frequency to both Norfolk and Newport News. The agreements provide for construction of 37 miles of additional track to increase capacity, and of a new double-track bridge over the Potomac River. By supplanting the existing Long Bridge, which is at 98% capacity during peak periods, the new bridge will alleviate the major bottleneck to increasing Amtrak

¹ <https://transportation.house.gov/imo/media/doc/Anderson%20Testimony2.pdf>

and Virginia Railway Express commuter rail service between Washington and Virginia. The additional capacity the new Potomac River bridge will provide, and Virginia's acquisition of the Virginia portion of a more direct, largely abandoned rail line from Petersburg to Raleigh and of an east-west rail line from the Richmond area to western Virginia, also set the stage for future expansion of rail service throughout Virginia, and to Raleigh to link up to North Carolina's Charlotte-Raleigh *Piedmont Corridor* Amtrak service.

The partnership between Amtrak and Virginia demonstrates what can be accomplished when Amtrak and states partner to develop increased and new Amtrak services on growing, heavily traveled corridors. For the past two years, Amtrak has been working to identify the corridors with the highest demand for multi-frequency, high-quality passenger rail service. We have been analyzing data on demographics, population density and growth, and travel demand on other modes; reviewing state and regional rail plans; and talking with federal and state elected officials, our state partners, and departments of transportation in states with which we do not currently have state partnerships.

Through this analysis, we have identified more than two dozen promising corridors we either do not serve at all or do not serve well, today, and existing corridors on which there is significant unmet demand for additional – and better – Amtrak service. We expect to finish our analysis shortly and will share it with you and other stakeholders to solicit your input. Our goal is to serve many more people and more communities than we do today by developing a national network of corridors with service that is trip time-competitive with other modes and will link major and growing population centers in all regions of the United States.

Realizing that goal is going to require new federal funding mechanisms to jump start intercity passenger rail growth and give states financial incentives to fund additional services. In the annual grant requests and legislative proposals we submitted to Congress on February 15, we recommended that Congress establish a Corridor Development Program. Under this proposal:

- the federal government would provide additional funding to Amtrak that could be used to cover up to 100% of the initial capital costs for new or additional services in high potential corridor routes;
- the federal funding would also cover up to 100% of the operating losses and ongoing capital costs for these services in the first two years of operation, and up to 90%, 80% and 50% in years three, four, and five, respectively; and
- beginning in year six, these services would become state-supported services, with states funding most operating losses and some capital costs in accord with the methodology

developed by Amtrak and states pursuant to Section 209 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).

While our corridor development plan will require a significant increase in federal funding for intercity passenger rail service, it will also produce a much bigger “bang for the buck” by providing a higher return for each dollar of federal investment. Offering services that are trip time competitive with other modes and provide multiple frequencies rather than just one round trip per day will generate higher revenues from passengers and produce operational efficiencies that lower costs. Our projections indicate that an expanded corridor network would have a much lower federal operating funding requirement per passenger than our existing services. It will also produce thousands of additional well-paying, high-skilled permanent railroad jobs, in addition to the jobs associated with construction of infrastructure investments and manufacture of new equipment and all of the jobs created by the enhanced economic activity resulting from new and increased Amtrak services.

In addition to infrastructure and equipment, advancing a corridor development program will also require increased federal funding for major investments in station redevelopment and new station construction to match investments by state, local, transit and private partners. The greatest need is in Chicago. Chicago Union Station (CUS), the largest station we own outside of the NEC CUS is a vital asset for both Amtrak’s existing National Network and future corridor development efforts. It has the fourth highest ridership of any Amtrak station, behind only New York, Washington, and Philadelphia. It is one of the endpoints, and in many cases the highest ridership station, on Amtrak routes serving 34 states stretching from Massachusetts to California. CUS is the hub of our state-supported Midwest corridor network, our nationwide long-distance network, and the future Midwest High Speed Rail Network. It is also the most important of Chicago’s four commuter rail terminals, the Chicago terminus of six Metra commuter rail lines.

After working with other stakeholders to complete a Master Plan for CUS, we have recently entered into a Master Developer agreement to begin implementation of that plan. Among the key components are numerous platform improvements, including additional platform access and egress points that will improve access and walkability for passengers, particularly commuters on crowded peak period trains. The office tower that will be built on former Amtrak property across the street from the station will accommodate the first block of a planned two-block pedestrian connection to the Clinton Street Subway Station, restoring a direct connection with Chicago’s subway/elevated network which CUS has lacked since the Chicago Elevated line serving the station was abandoned in 1958. We are also evaluating the feasibility of developing a new “passenger route” into CUS for trains from the East and South.

Northeast Corridor (NEC)

Our Boston-to-Washington NEC services – the high-speed *Acelas* and *Northeast Regional* – carried 12.6 million passengers in FY 2019, a 3.3% increase over FY 2018. They generated \$1.4 billion in revenues, over half of Amtrak’s total from intercity train operations, and had an operating cost recovery of 170%, producing \$569 million in net operating revenues for NEC capital investments. To put those figures into perspective, after Amtrak acquired the NEC in 1976 Congress established a statutory *goal* of 55% operating cost recovery.

NEC ridership has increased 26%, and ticket revenues have grown 57%, over the past decade despite the fact that we have been able to make only modest increases in capacity due to equipment and infrastructure constraints. While we are still operating the same 20 *Acela* trainsets with just 299 seats per train we acquired two decades ago, improved equipment utilization allowed us to introduce non-stop *Acela* service between New York City and Washington last year, reducing our fastest trip time to two hours and 33 minutes. During FY 2020, we will complete the programs we began in FY 2018 to refresh the *Acela* trainsets and the Amfleet I cars we operate on *Northeast Regional* trains. These refresh programs, which include new seat cushions, carpets and other interior improvements, have significantly increased customer satisfaction scores.

Over four plus decades of Amtrak ownership, the NEC has been transformed from a deteriorated rail line that was literally falling apart into North America’s only high-speed railroad and most heavily trafficked commuter rail line, accommodating over 2,000 commuter trains each weekday in addition to 140 Amtrak trains. While Amtrak’s NEC is a major success story – a vital cog in the transportation network of our country’s largest megaregions – it faces two major challenges: infrastructure and stations in urgent need of investment to maintain and improve existing services and provide much needed increases in capacity, and an equipment fleet that has reached the end of its useful life.

Infrastructure

Amtrak, states, and commuter railroads will contribute approximately \$3.1 billion for base capital costs over the next five years through the NEC Commuter and Intercity Rail Cost Allocation Policy developed in accord with Section 212 of PRIIA, helping create a reliable source of funding for the capital renewal of basic infrastructure assets. However, that funding will not address the NEC’s state-of-good repair (SOGR) needs, most recently estimated at \$42 billion by the NEC Commission (including the non-Amtrak portions of the NEC owned by states). The NEC has hundreds of miles of aging track bed, hundreds of century-old small bridges, over a dozen century-old major bridges and tunnels, and power supply and signal systems that still rely on 1930s technology. Amtrak and the states alone do not have the funds to reduce the NEC SOGR backlog, let alone address many of the major projects that are so critical to the region and the nation.

Simply put, these infrastructure projects are perfect examples of why we cannot wait to invest in our infrastructure.

The Subcommittee's members are very familiar with Amtrak's most urgent NEC infrastructure needs, which Amtrak and its NEC state partners have detailed in testimony and reports for well over a decade. I will therefore provide only a brief update on the progress Amtrak and our partners have in preparing to construct these critical projects when then the necessary federal, and in some cases other, funding is made available.

I did not say "if and when" because none of these projects is discretionary. The infrastructure, all more than a century old, these projects will replace or reconstruct is increasingly unreliable. At some point it will no longer be usable in whole or part. Therefore, these multi-year projects must be initiated over the next few years if we are to avoid dramatic degradations and reductions in Amtrak and commuter service on the NEC. In fact, for some of these projects, it may turn out to be too late.

Portal North Bridge: This 109-year old swing bridge over the Hackensack River in New Jersey is used by the up to 450 Amtrak and NJ Transit (NJT) trains that travel each day between Newark, New Jersey, and New York Penn Station, more trains than any other rail bridge in the Western Hemisphere even though it only has two tracks. Trains must slow down to a maximum speed of 60 miles per hour before they cross and come to a stop when the bridge rotates open for maritime traffic in the Hackensack River below. Sometimes the bridge will not close thereafter, shutting down the NEC. Early construction work for its replacement began in 2017. Amtrak and NJT have committed funding for approximately 50% of the estimated project cost of \$1.6 billion. The Federal Transit Administration (FTA) has recently approved moving the project into the engineering phase, which makes it eligible for FTA funding. Future construction of an additional two-track bridge is a key component of the Gateway Program that would change the NEC's greatest bottleneck – the predominantly two-track, 10-mile line between Newark and New York Penn Station – into a four-track railroad, doubling capacity on the NEC segment with the highest train density.

Hudson Tunnel Project: More than nine years have passed since Super Storm Sandy flooded both of the two single-track tubes of the North River Tunnels beneath the Hudson River that have served as the only rail link between New York Penn Station and New Jersey since 1910. The corrosion of the track structure, the concrete bench walls that line the tunnels, and the critical high-voltage cables within the bench walls that power NEC trains resulting from the tunnels' inundation with millions of gallons of brackish sea water continues to progress. Failures of the tunnels' deteriorated infrastructure are a frequent occurrence, resulting in multi-hour delays for Amtrak and NJT passengers. We do not know for sure the point at which one, and eventually both, of the

existing North River Tunnels will have to be taken out of service for an extended period of reconstruction. But we do know that it will take about seven years to construct the new tunnels, and if they are not ready in time the number of trains Amtrak and NJT can operate between Penn Station and New Jersey will decrease by as much as 75%. Amtrak, New York and New Jersey agreed last year to increase their combined funding commitment to \$5.9 billion, 56% of the project's projected cost. We await federal action on the updated draft of the Final Environmental Impact Statement (EIS) for the project that NJT submitted in 2018, and to provide the federal funding needed to advance this vital project.

Given the delays in advancing the Hudson Tunnel Project, we have begun considering what steps may be possible to ensure the reliability of the existing tubes while we await construction of the new tunnel which is a precursor to completing full rehabilitation. We are currently undertaking a review of whether we can advance some elements of tunnel rehabilitation or undertake other stabilization efforts in the near term, to bolster reliability without incurring major impacts to service. A new Hudson River Tunnel remains critical to the NEC and the nation and we look forward to our continued work with the USDOT to advance this project.

East River Tunnels Reconstruction: The tunnels that carry the NEC beneath the East River to Queens were also severely damaged by Hurricane Sandy. These four single-track tunnels were constructed in 1910 and are used each day by up to 810 Amtrak and Long Island Rail Road trains and NJT trains stored and serviced at Amtrak's Sunnyside Yard. Amtrak expects to complete design work for their reconstruction next year and plans to take each tunnel out of service for extended periods beginning in 2023. The latest cost estimate for the tunnel repair project is over \$1 billion and we are actively exploring ways that we might advance elements of this work prior to tunnel closure to limit outage durations and accelerate repairs.

Baltimore & Potomac (B&P) Tunnel Replacement: Amtrak is currently in design phase for a four-track tunnel to replace the two-track B&P tunnel that carries the NEC south from Amtrak's Baltimore station. Built in 1873, the B&P Tunnel is among the oldest infrastructure along the NEC: a soggy, two-track, 1.4-mile bottleneck through which high speed *Acela* trains must slow to just 30 miles per hour. It is literally sinking, requiring frequent repairs, and it constrains any significant expansion of Amtrak and MARC commuter rail services. The projected cost of the new tunnel is approximately \$5 billion, and funding has not been identified.

Susquehanna River Bridge: Following environmental reviews, FRA issued a Finding of No Significant Impact in March 2017 for replacement of the two-track swing bridge over the Susquehanna River between Havre de Grace and Perryville, Maryland. The current bridge is 4,000 feet long and was built in 1906. Each opening for maritime traffic requires a large crew and significantly disrupts train operations even if there is not a breakdown of the bridge's ancient

operating mechanisms. The new bridge design includes two new high-level, fixed bridges with a total of four tracks, one of which will be designed for 160 miles per hour high speed operations, and 60 feet of vertical clearance that will eliminate bridge openings for maritime vessels. Funding is needed to finish design and for the estimated \$1.7 billion cost of constructing the new bridge.

While securing the funding for and constructing all these projects is a major challenge, it is also an opportunity. In addition to addressing urgent SOGR needs, these projects and the other major NEC SOGR projects Amtrak is advancing with our state and federal partners will significantly improve reliability and on-time performance for all NEC services. Many will also provide much needed additional capacity and increased speeds, reducing trip times.

There are also significant investment needs and opportunities between New York and Boston. *Acela* trip times between those cities are a full hour longer than between the nearly identical distance between New York and Washington due to slower speeds on many segments. As a result, Amtrak carries just over half of the travelers who use air or rail between New York and Boston, versus more than 75% between New York and Washington.

Stations

As those who ride Amtrak in the NEC are well aware, many of its most important stations have inadequate track capacity and concourses and customer waiting areas and lounges that are overcrowded, poorly designed, and outdated. While we invested \$114 million in FY 2019 to improve NEC stations, much higher levels of investment are needed to transform these stations into the world class facilities our passengers and major Northeast cities deserved. To jump start that process, we have commenced Major Station Asset Development Programs at the four Amtrak-owned NEC stations with the highest ridership to advance projects for which funding is available and develop plans for more comprehensive future investments when funding allows.

- In New York, in partnership with New York's Empire State Development, the Moynihan Train Hall in the James A. Farley Post Office building across the street from Penn Station is expected to open by the end of this year. In addition to relieving severe overcrowding in the current subterranean passenger concourse, it will provide an enhanced passenger experience within a grand space featuring a sky-lit atrium approximately the size of the Grand Central Terminal's Main Hall. Additionally, we are working with our partners to advance Penn Station expansion, known as Penn South, which would increase the number of tracks at Penn Station for the first time since it opened 110 years ago.
- At Washington Union Station, we are working with other stakeholders to advance the Washington Union Station Expansion Project to transform this vital transportation hub while preserving the iconic historic station building, which is owned by the Federal

Railroad Administration and managed by the Union Station Redevelopment Corporation. This project, when completed, will provide significantly more concourse space and improved passenger facilities; new tracks and platforms to accommodate increased Amtrak, MARC and Virginia Railway Express services; a new train hall over the tracks; and new bus and parking facilities.

- In Philadelphia we are continuing initiatives to integrate the William H. Gray III 30th Street Station with the surrounding 30th Street Station District, improve customer amenities and create an easy to navigate pedestrian path between the Station and SEPTA's adjacent Subway/Trolley Station.
- At Baltimore Penn Station, we reached commercial close last year for \$90 million of improvements that will expand and modify the station and facilitate redevelopment of the surrounding neighborhood.

Equipment

With the exception of the new ACS-64 locomotives acquired in 2014-16 to replace the NEC's electric locomotive fleet, virtually all the equipment used in Amtrak's NEC services requires replacement. Next year, we expect to mark Amtrak's 50th anniversary by placing in service the first of the new 28 high-speed *Acela* trainsets that will replace the 20 original *Acela* trainsets. In addition to providing significantly enhanced customer amenities and accessibility improvements that go beyond Americans with Disabilities Act (ADA) requirements, the increased number of trainsets, each with 30% more capacity than the current *Acela* fleet, will enable us to add *Acela* frequencies and accommodate additional passengers on trains that frequently sell out today. The new trainsets are primarily funded through a Railroad Rehabilitation and Investment Financing (RRIF) loan from the FRA, which will be repaid from incremental net revenues generated through increased *Acela* ridership.

As I have already mentioned, we are also working with our state partners to procure a new equipment fleet to replace the Amfleet I equipment currently used on *Northeast Regional* trains. We welcome the opportunity this procurement, the largest in Amtrak's history, will provide to transform the operation, schedules and customer experience on *Northeast Regional*, our highest ridership route. However, funding this procurement will be more of a challenge than the *Acela* procurement because of the state funding constraints I have noted and the lower yields per passenger mile attainable from upgrading our *Northeast Regional* service.

Long Distance

Amtrak long distance trains – the 15 routes over 750 miles in length – carried 4.6 million customers in FY 2019, 14% of our total ridership. These services create important connections between our major metropolitan centers and communities in the various regions of our nation.

Long distance faces two major funding challenges. The first is that, unlike the NEC and State-Supported Service Lines, it is dependent upon federal funding to cover significant operating losses and virtually all its capital costs. Revenues covered 53% of long distance operating costs last year, producing a federally funded operating loss of \$475 million that accounted for 89% of Amtrak's FY 2019 operating loss. Long distance capital costs, funded almost entirely by Amtrak's National Network grant, totaled \$542 million last year.

The second major funding challenge confronting long distance is that most of the long-distance equipment fleet is at or nearing the end of its useful life and requires replacement with modern equipment. The majority of our long-distance passengers travel on cars built between 1979 and 1983: the bi-level Superliner I cars used predominantly on our Western trains and the single level Amfleet II cars used on Eastern long-distance routes. The P42 diesel locomotives that power long distance trains are on average 20 years old, have traveled an average of over 3.3 million miles, and burn more fuel and produce more emissions than modern locomotives. Forty-year old passenger cars do not provide the accommodations or amenities today's travelers expect, which negatively impacts long-distance revenues, and both cars and locomotives are increasingly expensive to maintain and prone to breakdowns.

Two long distance equipment procurements are currently underway. In December 2018, we awarded an \$850 million contract for 75 new ALC-42 diesel locomotives, which we plan to use primarily to replace some of the P42s operating on long distance trains. These units are being funded with cash reserves and our National Network grant. During 2020, we also expect to receive the last of the long delayed 130 single level Viewliner II cars we ordered in 2010 that replaced the last of the 60-70-year-old passenger cars Amtrak inherited when it took over operations from private railroads in 1971.

As discussed in the most recent update to our comprehensive fleet strategy, included in the FY 2021-2025 asset line plans we recently provided to Congress,² replacement of Superliner I, Amfleet II, and remaining P42 long distance fleet is predicated on both policy decisions and funding. We anticipate that the upcoming reauthorization will provide guidance to Amtrak from Congress regarding the future long-distance route network that the new long-distance fleet must support, and that Congress will provide the level of funding needed to acquire that fleet. We estimate that complete replacement of this equipment to maintain service on all current long-distance routes would require an over \$2 billion federally funded financial commitment.

²<https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/business-planning/Amtrak-Asset-Line-Plans-FY21-25.pdf>

In addition to equipment, there are also significant funding requirements to bring long distance stations, 230 of which are served solely by long distance trains, into full compliance with ADA requirements, and to renew track and signals and install positive train control on the 200-mile portion of the *Southwest Chief* route in Colorado and New Mexico on which the *Chief* is the only train operating. Infusion of federal funds through an infrastructure bill could help Amtrak address these and other long distance capital funding challenges.

Amtrak and Freight Railroads

I would be remiss if I did not end by addressing two great threats to the continued operation and growth of our state supported and long distance routes: abysmally poor on-time performance (OTP) on some of our host railroads and the extreme difficulty Amtrak faces in adding new routes or expanding existing services on host railroad track.

Amtrak's creation relieved the railroads now referred to as "freight railroads" of their legal obligation to provide themselves intercity passenger rail service, on which they were incurring huge financial losses. In return, federal law (49 U.S.C. 24308(c)) requires them to give Amtrak's trains preference over their freight trains, and to accommodate increases in Amtrak train operations. Too often today, host railroads are ignoring these legal obligations, to the detriment of our passengers, our employees, the state partners who fund our state-supported services and the taxpayers who provide Amtrak's federal funding.

Amtrak's on time performance (OTP) on many host railroads is poor and has gotten worse, even though freight rail traffic has declined by more than 10% since 2006. In FY 2019, only 42% of long distance passengers arrived at their destination on time. Host-railroad responsible delays account for 67% of the delays to Amtrak trains operating over host railroad lines. Freight train interference is the largest cause of such delays: during FY 2019, it accounted for over one million minutes of delays on host railroads.

By statute, currently only the U.S. Department of Justice (DOJ) can enforce preference in a civil action before a District Court judge. In Amtrak's entire history, DOJ has initiated only one enforcement action, against the Southern Pacific in 1979. Amtrak supports continued authority for the DOJ to initiate an action, but we request that this authority be supplemented by authorizing Amtrak to enforce preference in federal court.

In addition, changes in the statutory provisions governing Amtrak's right to operate additional trains over host railroads are necessary to ensure a fair and expeditious process. The Rail Passenger Service Act (RPSA) of 1970 gave Amtrak broad rights to operate over any rail line. In recent years, however, some railroads have resisted Amtrak requests to add additional trains through delay and imposition of unreasonable and unilaterally determined demands for excessive capital

investments. Updating the RPSA provision Congress enacted in 1980 provide an “expedited procedure” for Amtrak to add additional trains³ to conform it with the procedures of the Surface Transportation Board (STB), which received jurisdiction over it in PRIIA, and to specify a process for determining whether and what capital investments are necessary to accommodate the additional trains, is necessary to address this problem.

As demonstrated last year, Amtrak has experienced record ridership and revenue, and we are confident that these trends will continue. There is clearly a demand for intercity passenger rail service and Amtrak is ready to do its part to meet this demand. We believe our performance in recent years is proof of our good stewardship of taxpayer dollars, and we hope to earn your continued support so that we can lead a passenger rail renaissance in the United States.

I thank you again for inviting me to speak here today, and I look forward to your questions.

³ House Conference Rep. No. 96-1041, May 20, 1980, p. 42, reprinted in 1980 U.S. Code Congressional & Administrative News at 1183, 1203-04.